THE ECONOMIC IMPACT OF THE UNIVERSITY OF WISCONSIN SYSTEM

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THE UNIVERSITY OF WISCONSIN SYSTEM

- Introduction
- Findings
- Impact
- Perspective
Purpose:
To calculate the total statewide economic contribution of the University of Wisconsin System to the Wisconsin economy
INTRODUCTION

- Economic Impact Studies of the UW System conducted approximately every 5 years

- Last study published April 1997 by UW-Madison School of Business, Principal Investigator William A. Strang

- 1997 Findings:
  - UW System has an annual impact of $8.2 billion on Wisconsin’s economy
  - Expenditures of UW System, its employees, students, and visitors equaled more than $3.5 billion annually
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SCOPE OF THE 2002 STUDY

Study calculated economic impact of:

- All 13 four-year universities*
- All 13 two-year colleges*
- UW – Extension
- UW Hospitals & Clinics

* Contributions of campuses and institutions were not calculated individually.
SCOPE OF THE 2002 STUDY

Measurements Calculated:

- Economic Contribution
- Jobs
- State Tax Revenue*
- Return on Investment

* State Income and Sales Taxes only
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SCOPE OF THE 2002 STUDY

Total Economic Contribution:

- Gross State Product
- UW System Share
SCOPE OF THE 2002 STUDY

Economic Contribution to Jobs:

- Total Jobs
- Percent of Wisconsin Total Employment
- Direct and Indirect Jobs
SCOPE OF THE 2002 STUDY

Economic Contribution to State Tax Revenue:

State income and sales tax revenue resulting from:

- Faculty and Staff Income and Sales Taxes
- Student and Visitor Spending
- Taxes on Income and Spending from Jobs Created
SCOPE OF THE 2002 STUDY

Return on Investment Measures:

- Return to State
- Return to Student
SCOPE OF THE 2002 STUDY

Economic Flows:

- Institutional Spending
- Faculty and Staff Spending
- Student Spending
- Visitor Spending
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METHODOLOGY

• Calculations based on most current available data:
  • Expenditures for 2001-2002 academic year

• Updated from 1997 study:
  • Student Budget
  • Visitor Spending

• Only In-State Spending Considered

• Multipliers purchased from Minnesota IMPLAN Group
**FINDINGS**

Institutional Direct Spending*

$870,118,304

* Not including Faculty / Staff Payroll
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FINDINGS

Faculty/Staff Direct Spending

$1,054,703,890
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FINDINGS

Student Direct Spending*

$1,309,419,203

* Does not include tuition, fees, or University-provided room and board
FINDINGS

Visitor Direct Spending

$726,398,972
ECONOMIC IMPACT

Institutional Direct Spending
$870,118,304

Economic Impact:
$2,147,165,353
ECONOMIC IMPACT

Faculty/Staff Direct Spending
$1,054,703,890

Economic Impact:
$2,514,864,541
ECONOMIC IMPACT

Student Direct Spending
$1,309,419,203

Economic Impact:
$3,087,168,486
ECONOMIC IMPACT

Visitor Direct Spending
$726,398,972

Economic Impact:
$1,712,603,580
The total economic contribution the University of Wisconsin System makes to the Wisconsin economy:

$9,461,801,960
ECONOMIC IMPACT:

Economic Contribution to Employment:

- Total Jobs: 150,699
- Includes Direct and Indirect Jobs
ECONOMIC IMPACT:

Economic Contribution to State Tax Revenue:

- Income Tax Revenue: $214,809,146
- Sales Tax Revenue: $193,372,950
- Total Income and Sales Tax: $408,182,096
ECONOMIC IMPACT:

Return on Investment:

- Return to State: 8.9%
- Return to BS Degree Graduate vs. High School Diploma: 29.7%
The UW System’s $9.5 Billion annual economic contribution represents 5.5% of Wisconsin Gross State Product.
THE ECONOMIC IMPACT OF THE UNIVERSITY OF WISCONSIN SYSTEM

PERSPECTIVE

Jobs:

The University of Wisconsin System creates over 150,000 jobs, which represents 5.5% of total Wisconsin employment.
PERSPECTIVE

Taxes:

The University of Wisconsin System generates $408 Million in State tax revenue, which is more than 40% of the funding it receives from the State.
PERSPECTIVE

Return on Investment:

UW System BS degree holders:

- Earn a 30% return on their education investment beyond high school
- Get a payback of their investment in higher education in less than 3 years
- Earn almost $1 Million more than a high school graduate, twice that amount for a doctorate or professional degree
Additional Economic Impacts:

• Enhanced Quality of Life
• Tax Revenues from Graduates
• University Economic Development Contributions
• University-Related Entities
• Research and Development Expertise
The total economic contribution the University of Wisconsin System makes to the Wisconsin economy is $9.5 Billion and growing...
THE ECONOMIC IMPACT OF THE UNIVERSITY OF WISCONSIN SYSTEM

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