



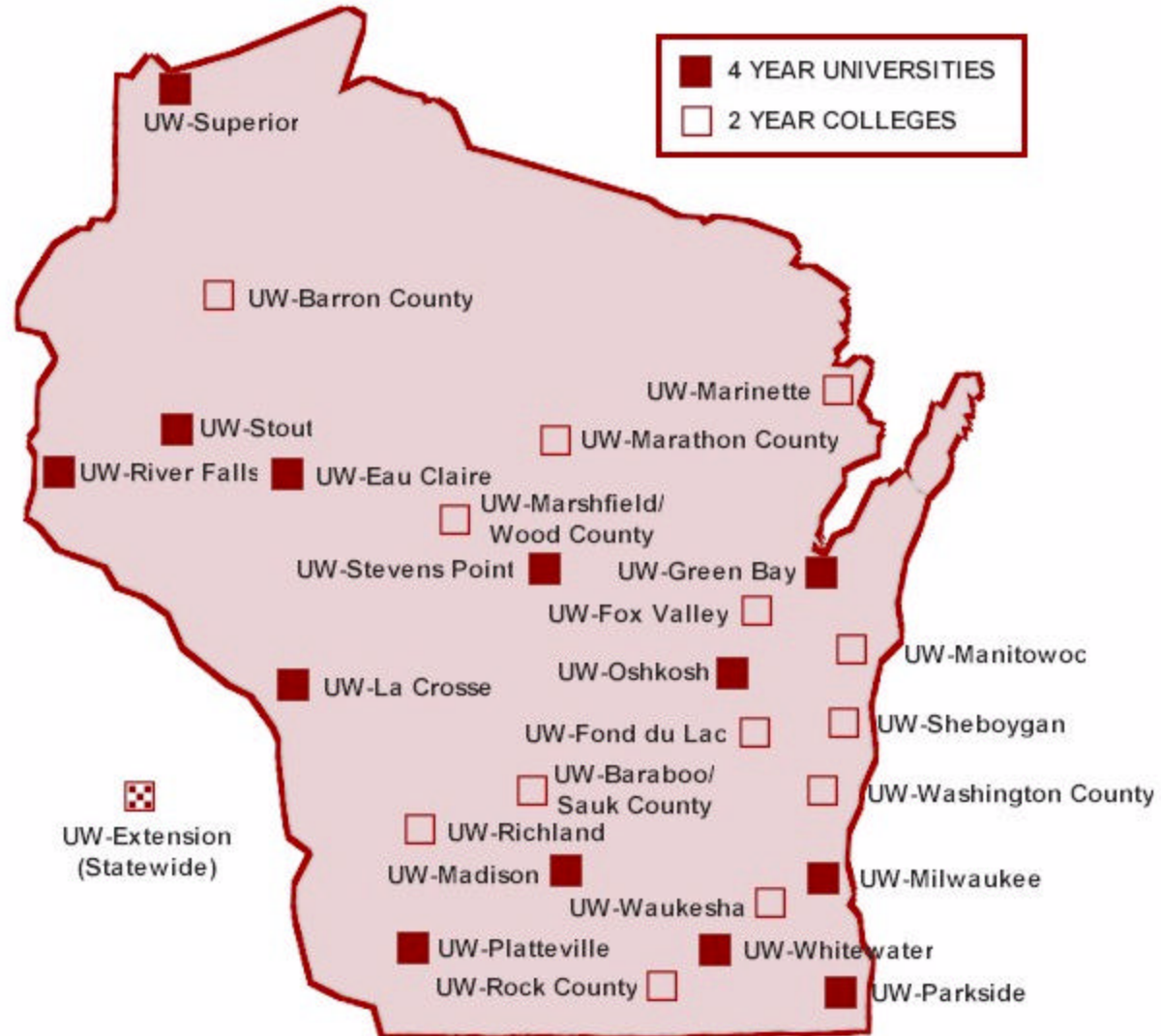
THE ECONOMIC IMPACT OF THE UNIVERSITY OF WISCONSIN SYSTEM



September 12, 2002

THE UNIVERSITY OF WISCONSIN SYSTEM

- Introduction
- Findings
- Impact
- Perspective

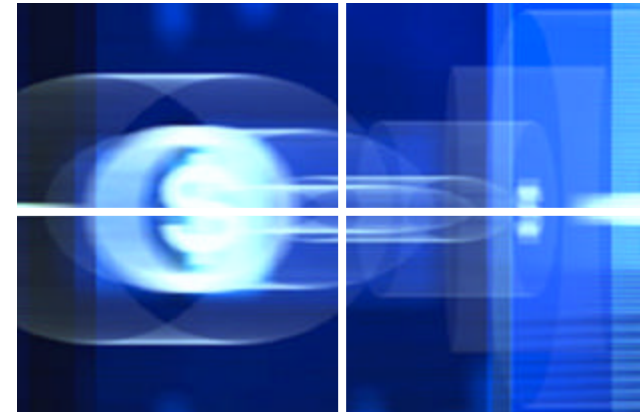


ECONOMIC IMPACT STUDY

- Introduction
- Findings
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- Perspective

Purpose:

To calculate the total statewide economic contribution of the University of Wisconsin System to the Wisconsin economy



INTRODUCTION

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- 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

SCOPE OF THE 2002 STUDY

Study calculated economic impact of:

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- 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

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Measurements Calculated:

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

* State Income and Sales Taxes only

SCOPE OF THE 2002 STUDY

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Total Economic Contribution:

- Gross State Product
- UW System Share



SCOPE OF THE 2002 STUDY

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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

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Return on Investment Measures:

- Return to State
- Return to Student



SCOPE OF THE 2002 STUDY

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Economic Flows:

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



METHODOLOGY

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- **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

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Institutional Direct Spending*

\$870,118,304

* Not including Faculty / Staff Payroll



FINDINGS

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Faculty/Staff Direct Spending

\$1,054,703,890



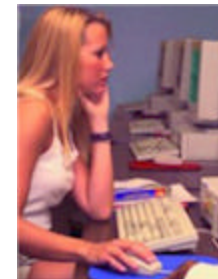
FINDINGS

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Student Direct Spending*

\$1,309,419,203

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



FINDINGS

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Visitor Direct Spending

\$726,398,972

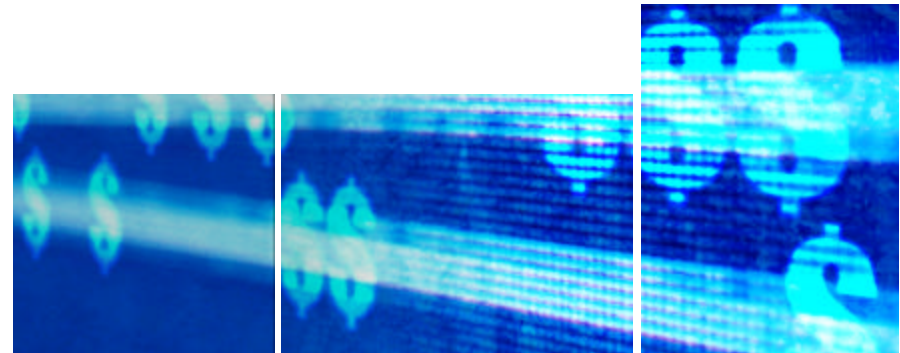


ECONOMIC IMPACT

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Institutional Direct Spending
\$870,118,304

Economic Impact:
\$2,147,165,353

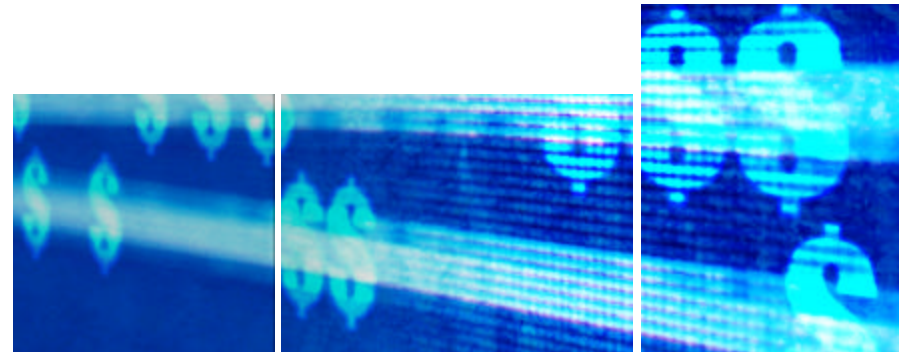


ECONOMIC IMPACT

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

Economic Impact:
\$2,514,864,541

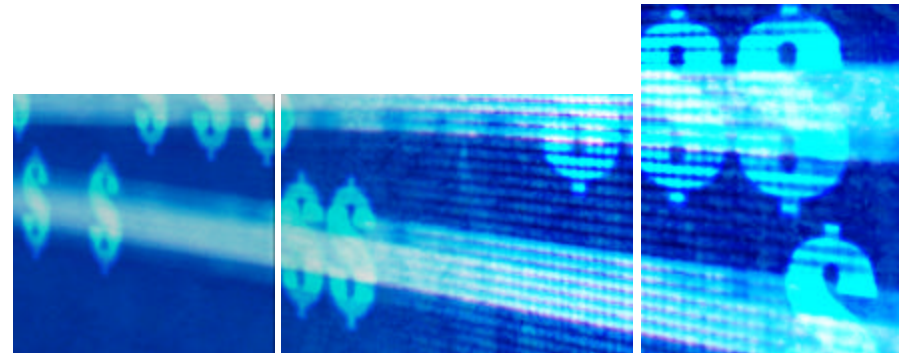


ECONOMIC IMPACT

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Student Direct Spending
\$1,309,419,203

Economic Impact:
\$3,087,168,486

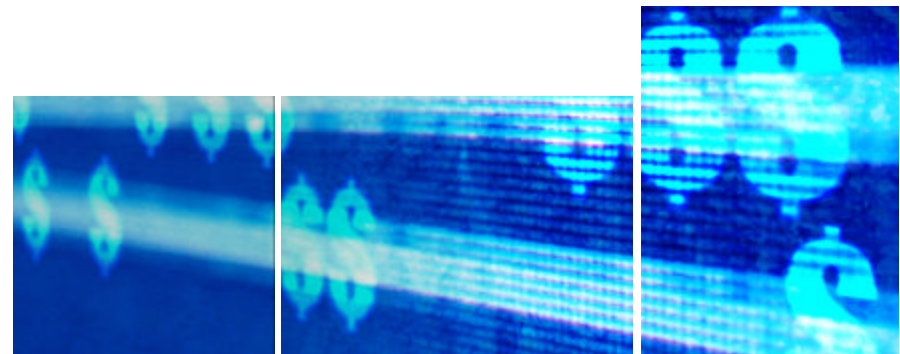


ECONOMIC IMPACT

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Visitor Direct Spending
\$726,398,972

Economic Impact:
\$1,712,603,580

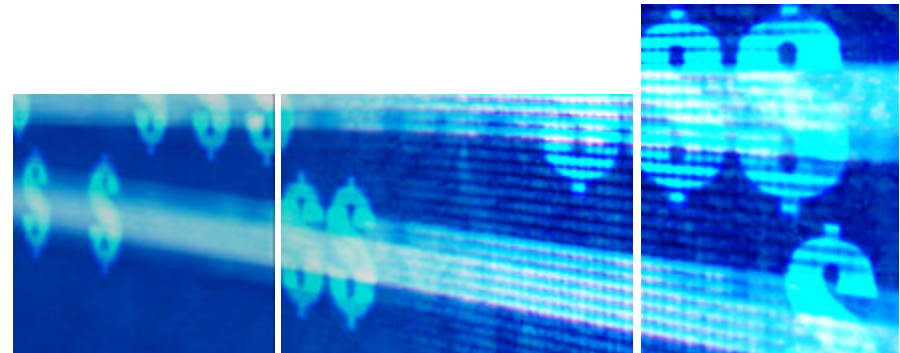


TOTAL ECONOMIC IMPACT:

The total economic contribution the University of Wisconsin System makes to the Wisconsin economy:

\$9,461,801,960

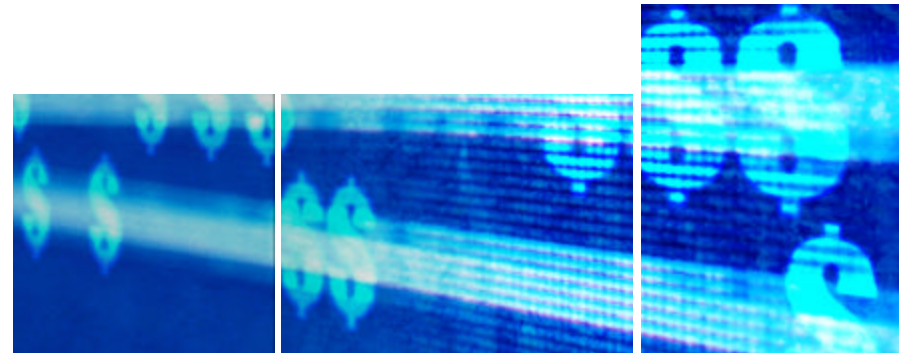
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ECONOMIC IMPACT:

Economic Contribution to Employment:

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

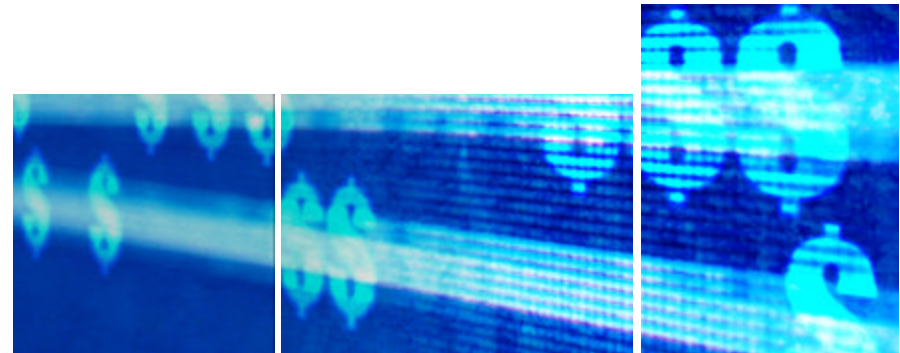


ECONOMIC IMPACT:

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**

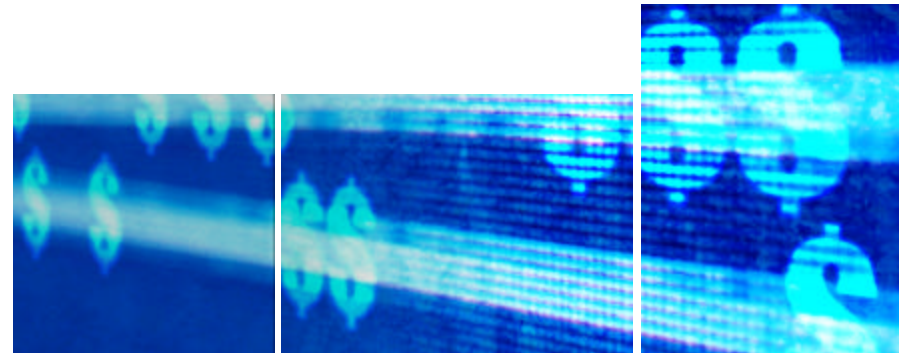
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ECONOMIC IMPACT:

Return on Investment:

- Return to State: 8.9%
- Return to BS Degree Graduate vs. High School Diploma: 29.7%

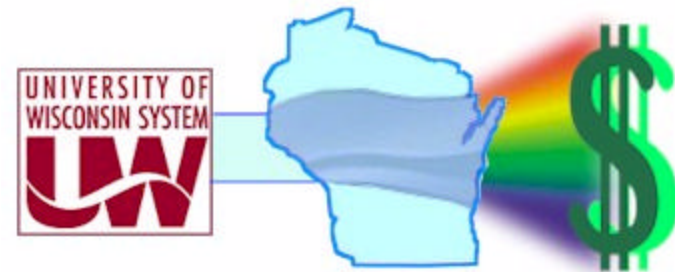


PERSPECTIVE

Contribution:

The UW System's **\$9.5 Billion** annual economic contribution represents **5.5%** of Wisconsin Gross State Product.

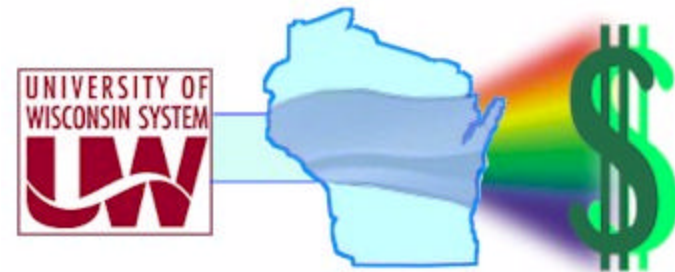
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PERSPECTIVE

Jobs:

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

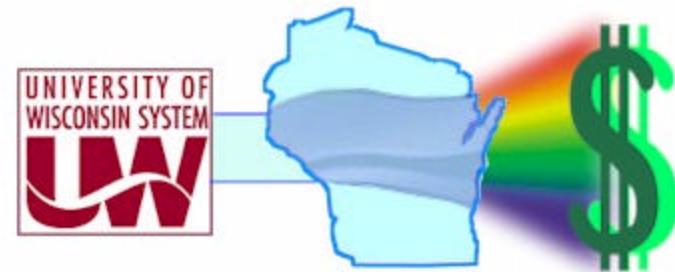


PERSPECTIVE

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

PERSPECTIVE

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Additional Economic Impacts:

- Enhanced Quality of Life
- Tax Revenues from Graduates
- University Economic Development Contributions
- University-Related Entities
- Research and Development Expertise



PERSPECTIVE

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The total economic contribution the University of Wisconsin System makes to the Wisconsin economy is

\$9.5 Billion

and growing...





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