

FRANCISCAN UNIVERSITY OF STEUBENVILLE

ECONOMIC IMPACT

2009-2010



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Franciscan University of Steubenville
Economic Impact Study 2009-2010

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EXECUTIVE SUMMARY
Economic Impact of Franciscan University of Steubenville
November 2010

Since 1982, the University's annual budget has increased nearly eleven times from \$5.3 million in 1982 to \$57.9 million in 2010. Student enrollment has also risen 273% from 1,003 students in 1980 to 2,741 students in 2010.

In direct terms, the University accounted for over \$71 million in spending in the region. Taking into account indirect, or "multiplier effects," on the regional economy, the University impact amounts to over \$279 million per year and generates jobs for nearly 8100 persons.

The presence of University faculty and students in the region generates additional activity through the visits of friends and relatives. We found that students, staff, and faculty received over 10,400 visitors in the previous 12 months, spending nearly \$3 million per year. Each summer, the University attracts thousands of conference participants who spend over \$2 million per year (excluding their purchases of university goods and services).

In addition to these quantitative impacts, the presence of the University in the region has very important qualitative impacts. These are dynamic impacts that cannot be as easily observed as the flow of funds to local businesses. Rather, the presence of the University is a force in improving the environment of the community through cultural and intellectual activities.

The faculty, staff, and students of the University contribute their time and talent to the local community. We found the value of such *pro bono* activities to total about \$3,583,664 for the 2009-2010 school year.

I. How Franciscan University of Steubenville Affects the Economy of This Region

Have you ever wondered what this area would be like if there was no Franciscan University? Imagine that Bishop Mussio had never invited the Franciscan Friars to come to Steubenville to start a college, and that they had not borrowed the \$348,000 to purchase the Washington Street building and other houses that in 1946 became the College of Steubenville. Imagine that the first class of 1950 did not graduate nor had any other class in subsequent years. Imagine that the first class of 70 graduates had not grown to 707 graduates of the class of 2010. Imagine further that Michael Starvaggi and others had not secured the hilltop for the Friars that today is the site of 70 buildings and about 242 acres of land with total assets of over \$139 million. That hilltop campus is today the home of Franciscan University of Steubenville with its 2,491 students and over 330 full-time faculty and staff.

What would happen to the local economy if Franciscan University of Steubenville suddenly vanished? There would be no classrooms, residence halls, or cafeteria; no faculty, staff, food, or maintenance workers, and no summer conferences that attract thousands of visitors from around the nation and the world. How would the local economy be different if the hilltop was covered not with a

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busy University but with maple, pine, and locust trees?

First of all, the many vendors who supply the University with food, flowers, office supplies, cleaning materials, furniture, and a myriad of other goods and services would find a drop in their orders, which, in turn, might mean that they do not need to hold quite so much in inventories or employ as many workers.

Organizations in the area would find it harder to find experts to speak at seminars and meetings. They will quickly realize that the pool of such speakers is much smaller.

Local hotels and motels would notice a drop in their bookings. No longer are there visiting scholars, sales people, and parents coming to town to visit the University.

Local business and non-profit organizations would find it more difficult to secure interns and student volunteers to assist them in their missions.

Local residents seeking undergraduate or graduate education would have to travel longer distances to acquire such services.

Businesses in the local economy would find their supply of trained, educated workers has dwindled. The search for workers would become more difficult and costly since they must now search for out-of-town workers. In addition, local school districts and hospitals would find it harder to fill their classrooms and hospital rooms with well-trained teachers and nurses.

The owners of restaurants, movie theaters, and pizza parlors would notice that fewer young people are frequenting their establishments and may need to reduce their payrolls.

Owners of hardware stores, clothing and grocery stores would discover that sales have diminished since students, teachers, and staff workers are no longer buying goods.

Local governments would discover a reduction in tax revenues due to a lower level of economic activity. The housing market would be less robust.

And on and on it goes.

Now bring your mind back to the reality that Franciscan University of Steubenville does exist. What you end up with is a picture of the economic impact of the University on the Steubenville/Weirton area.

The University contributes to the area's economic development in many ways. Basically, it educates the residents of the community, creating a more productive work force, which contributes to economic growth. This increased productivity leads to higher incomes of those educated workers. The higher incomes translate into higher levels of spending and investment in the local economy.

The process of educating students requires a large degree of interaction between the University and the households and businesses that supply the resources, goods, and services that are necessary for

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the operation of the University. Through the budget expenditures of the University, many local firms are directly and indirectly benefited.

But the impact of the University goes beyond these obvious interactions. The volunteerism of University students, faculty, and staff affect many churches, schools, and charitable organizations in their ability to provide services to the local community.

After considering these factors, what is the value of the economic impact of the University on the economy? Our intent is to provide a quantitative estimate of this impact.

In the next section of this report, we present an overview of the method used to evaluate the economic impact of the University on the local economy. Following that, a brief description of the levels of activity in those areas that impact the local economy is given. In the final section of the report, we estimate the total quantitative impact of Franciscan University of Steubenville on the local economy.

II. Overview of the Methodology

A. Direct Benefits

The first step in the estimation of the economic impact of Franciscan University of Steubenville is the identification of those activities that would not have occurred in the region had it not been for the existence of a University. These activities include:

1. The direct activities surrounding the basic operation of the University
2. Spending by students (beyond their direct educational expenditures) that would not have occurred had they gone to another university.
3. Spending by people who come to the region to visit students and faculty located here.
4. The non-market activities of students, faculty, and staff that are contributed to the community, saving local residents and businesses money and taxes.

The process of estimating the economic impact of these expenditures entails documenting the transactions that take place as a result of the activities. We studied the Franciscan University of Steubenville budget to identify wage and salary expenditures that directly generate income to the region's residents. We also considered expenditures on supplies and materials that generate business for local retailers, service operations, etc.

Measuring the activity brought in by visitors and conference guests required an estimation of the total number of visitors and the length of their stay. Given this information and information on the spending patterns of visitors, we can calculate the income directly generated by their spending.

To measure the impact of student spending, an estimate of the volume and patterns of spending must be obtained. Then the income generated by this activity can be estimated. Finally, in order to estimate the market value of pro bono services, the volume of activity must be approximated. A market value is then calculated based on the "going rate" for these types of activities.

B. Indirect Benefits

The direct benefits outlined in the previous section represent only the first round of the total impact of University-related activity. Income received by households in the region is re-spent, much of it on goods and services produced locally, and this generates a second round of activity. This process continues until the marginal impact of each additional round of spending diminishes. The theoretical limit of the additional rounds is reduced by any reduction in spending by local households. To measure the indirect benefits, we use a simultaneous equation model that provides an estimation of the local multiplier effect (multiplier is defined in the Appendix). Next, we can approximate the total impact of University-related activities by noting its impact on total employment in the region. (Region is defined in the Appendix.)

III. Franciscan University of Steubenville and the Ohio Valley Economy

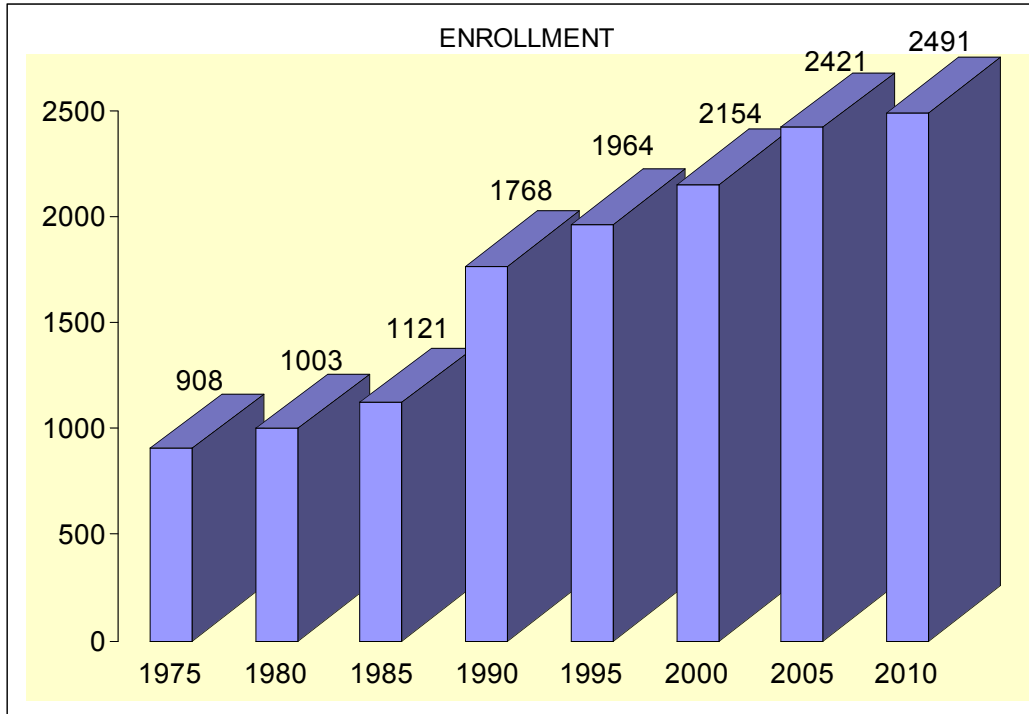
A. The Growing Significance of the University in the Ohio Valley Economy

The University's impact on the regional economy is related to the amount of money it spends, as reflected in the budget, the number of people it employs, and the number of students it serves. In this section we examine these three factors to see how they have changed over the last decade. Since its establishment in 1946, the University has grown in significance as an institution of higher learning. From 1982 to 2010, the total budget grew at an annualized rate of 14%-from \$5.2 million to \$57.9 million, over eleven-fold. The budget doubled in the 1982-1986 period and then doubled again in the 1987-1993 period. It has nearly tripled since 1993.

Education is a "labor intensive" industry. In other words, much of the money spent by the University goes directly to the employment of individuals. Employment has increased from 98 full-time faculty and staff in 1983 to 332 in 2010, a 239% increase with an average increase of 5.4% per year.

The University also employs adjunct faculty who teach part-time and students who work to help in financing their education. In addition, student employees work in many departments providing additional productive support to the educational services provided by the University.

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In line with the increase in budget and employment at the University, enrollment has also grown from 908 students in 1975 to 2,491 in 2010 (a 274% increase or an annual increase of 2.93%). The above chart shows this trend.

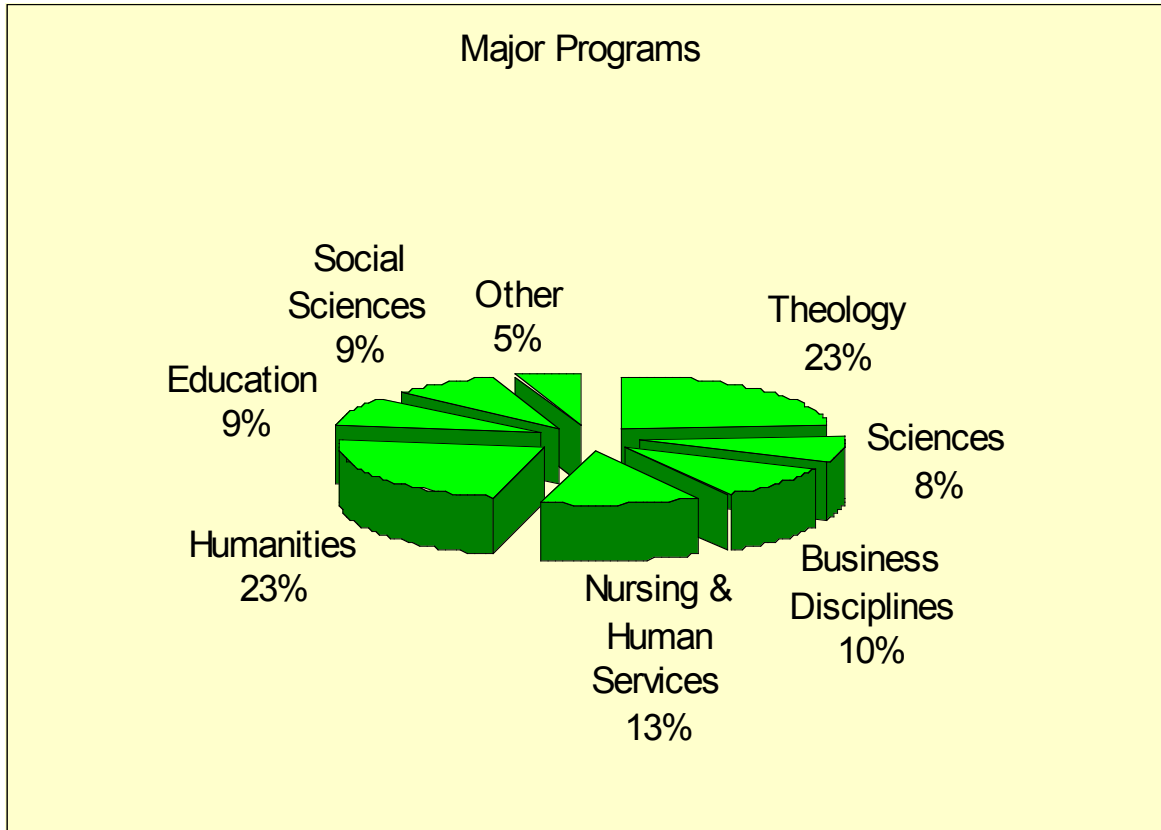
The "value added" by the existence of the institution is another important point that should be noted about the University's contribution to the local economy. This refers to the benefits accruing to local employers in the form of increased skills that employees offer as a result of education received from Franciscan University of Steubenville. An estimation of the net impact on the economy that arises from increased productivity, broadened cultural awareness, and a level of character attributable to a university graduate is difficult to determine. However, there is much evidence in economic literature to suggest that higher education creates a broader tax base for state and local government and a stable, expansionary economy. One proxy measure of this "value added" is the number of graduates of the University who live and work in the region. We found that 3,983 alumni live in Ohio, with 2,762 living within a 30-mile radius of Steubenville. In addition, there are 1,267 alumni living in Pennsylvania and 494 living in West Virginia. These numbers suggest that the University has, indeed, had a value-added impact on the region, though the quantitative nature of the impact is difficult to determine.

Franciscan University of Steubenville has experienced growth in the services offered to students. Since the inception of the University the number of undergraduate degree programs (majors, minors, concentrations, and certain specialized programs) more than

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quadrupled, growing from 12 programs in 1946 to 51 programs in 2010. The implication of this increase in degree programs is that the University can offer education and training in a broader range of professions, thus attracting more students to the region, and yielding more potential value-added from graduates who remain in the area to work. The chart below indicates the proportion of students in varied undergraduate programs as of the 2009-2010 academic year.

Program growth and diversity has also occurred in graduate programs. The University presently offers six different types of master's degrees, with enrollment exceeding 400 students in 2010.



B. Sources of University Funds

Any economic entity or economic event has its impact on a local community, primarily because it attracts funds from outside of the area. For example, the opening of a new grocery store will not have a large effect on the overall activity in a region since it will merely substitute activity from one location to another location. No funds are attracted from outside the region.

An institution like Franciscan University of Steubenville has a great impact on overall economic activity simply because funds used to support it are pulled into the region from outside sources. Tuition, fees, endowment funds, and gifts from benefactors, for

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example, find their way into the Ohio Valley economy via the University.

To what extent does the University attract funds from outside the region? To what extent does it merely reallocate regional funds from one local use to another? These questions were difficult to answer on the basis of available data. However, a significant portion of revenues comes from tuition paid by students from all 50 states and 18 foreign countries. This suggests that a majority of the revenues were from beyond the Ohio Valley. Support for Franciscan University of Steubenville comes from tuition, room and board revenues, and from other miscellaneous sources.

Tuition, the amount of funds paid by students for their education, is a large share of funding (50%). Since the majority of students are from outside the local region, the tuition money paid represents an injection of funds. The second largest source of revenue is room and board charges paid by students who live on campus (16%); budget gifts, endowment and investment income, conference fees, and other sources of revenue (such as the bookstore and University Press) account for the remaining 34% of revenues.

It can be argued that, since some students reside in the Ohio Valley, the tuition they pay is not an injection into the regional economy. This would be the case if these students stayed in the area even if there were no university. The Registrar estimated that about 12% of students are from the local area, which would have been about 250 students in the 2009-2010 school year. Survey evidence is needed to get an indication of the extent to which these students would have taken their expenditures elsewhere in the absence of our institution. Past survey evidence showed that 68% of these students indicated that if it were not for Franciscan University of Steubenville, they would have left the area or attended another university away from Steubenville. In this sense, the majority of tuition money received at the University is an injection into the economy of money that would have "leaked" elsewhere had it not been for the existence of Franciscan University of Steubenville.

The impact of Franciscan University of Steubenville within the local economy can be expected to continue to grow, given that capital improvement projects are slated for the next few years. What is important is that Franciscan University of Steubenville represents an important magnet of funds and economic activity derived from outside the region itself.

This, in itself, does not completely describe the economic impact of the University on the economy. The funds, attracted from outside the region, then facilitate additional activity as they are spent and re-spent. The total impact of economic activity spreads through the region, affecting many business sectors and industries, thus affecting many individuals. There are many activities that would never have occurred had it not been for the existence of the University. These activities also represent direct injections into the

regional economy.

IV. Accounting for the Overall Economic Impact of Franciscan University of Steubenville

In the previous section, we illustrated the growing importance of Franciscan University of Steubenville and the degree to which it has attracted, and continues to attract, funds from around the country and the world. We can look at the numbers of people employed by the University or the total amount of income (or sales) generated by the activities of the University as a percentage of total local employment. This, however, would not truly represent the total effect that the institution has on the economy. For example, when we express employment at the University as a percentage of the region's employment, we are understating its true, total effect. The denominator in this equation, the total employment in the region, includes a number of jobs that would not have been in the region had it not been for the impact of the University. Many retail establishments, service organizations, and small businesses may not have been in the region (or employ as many people) without the indirect effects of the economic activity generated by the University.

A. Direct Spending by Franciscan University of Steubenville

In order to appreciate the indirect effects of the institution, we need to look at the initial spending by the University. As indicated earlier, institutions of higher education are labor intensive. By far, the greatest proportion of expenditures is for payroll. That is, over 300 people who are employed by the University attribute their jobs and paychecks directly to activities conducted by the institution. This measurement was accomplished through analysis of the budget, taking into account the expenditures on payroll, supplies, and materials, including capital projects.

B. Non-Tuition Spending by Students

Many students come to the Ohio Valley to attend the University. Additionally, over two-thirds of local students attending the university would not remain here were it not for the existence of the school. They would have moved to other regions and gone to other schools in the absence of the University. If these students went elsewhere, or if Franciscan University of Steubenville were not here to attract outside students, the region would lose more than simply tuition income. Students must also spend money to live. In addition, they spend money to entertain themselves.

In order to determine expenditure patterns and educational options of at the University, a number of surveys were conducted. The scope of these was intended to provide information that is not readily available through records of the University.

We have seen that 68% of our local students would have gone to other universities outside the area if Franciscan University of Steubenville were not here. This figure includes part-time students and graduate students already working in the area. The results

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of the survey, combined with data on overall student expenditures and number of visitors, were used to estimate the impact on the region due just to student activity.

First, we analyzed expenditures by resident students living on campus. Their spending on room and board was already tallied as a revenue source to the University. Therefore, we only tabulated spending by on-campus students on entertainment, personal goods, retail goods, and transportation. We found that students spent, on average, \$175 per month on goods and services produced locally. Estimating the annual impact, this amounts to approximately \$2,118,608 in spending by on-campus students.

Next, we surveyed students living off campus. This survey revealed that the typical Franciscan University of Steubenville student spends \$546 per month on living expenses. The majority of their expenses were in rent, utilities, and food/stores, which account for \$140, \$75, and \$135 respectively. Expenditures on personal products, entertainment, and transportation accounted for the remaining \$196 of spending. This money is received by landlords, utility companies, retail stores, and restaurants. All of the employers in the region and any business in the region that supply services purchased by students are affected by the presence of these residents. We used the survey data to approximate annual expenditures that amount to \$6,313,197. Adding to this figure the expenditures by on-campus students, the total spending by students is found to be \$8,431,805.

C. Visitors to the Region as a Result of the University

The greater proportion of students attending the University is from outside the region, outside the state, or outside the country. These students receive visitors such as family members and friends from outside the region. This is particularly likely to be the case, since the University is located near a major international airport, is near regional tourist attractions (such as Amish country, the murals, Old Fort Steuben), and is a Catholic university of world-prominence. To measure the volume of visitations to students, a survey included questions concerning how many visitors per year students receive and how long they stay. The money spent by these visitors represents a significant contribution to economic activity. In the survey, we found that the typical student receives five visitors per year, and, on average, each visitor stayed three days. Multiplied by the number of students, the result is approximately 10,398 visitors per year, or 31,195 visitor-days per year. We estimated total annual spending by using statistical data on person-trips to Ohio. This amounts total student-visitor expenditures per year of \$2,247,599.

Faculty and staff also receive visitors. Our survey results indicated that a typical faculty or staff member receives 8.7 visitors on average annually (each visitor stayed 4.2 days on average). Again, multiplied by the number of faculty and staff, the result is approximately 2,900 visitors per year, or over 12,200 visitor-days per year. Using the statistical data on person-trips in Ohio, we estimated that expenditures by faculty/staff-visitor expenditures per year amount to \$816,290. Thus, totaling the visitation to students, faculty, and staff, visitors spend over \$3 million annually in the Ohio Valley region.

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Another major source of stimulus to the regional economy is the money brought in via meetings and conferences related to the University. For example, activities associated with the University's Christian Outreach Office have led to extended visits by conference speakers, researchers, and participants from around the world. Expenditures of the conference attendees represent a stimulus to economic activity that does not appear in University accounts.

To measure these expenditures, and the stimulus they bring to the region, we surveyed conference participants and University Departments. Meetings and conferences drew in excess of 11,300 participants. Of total participants, 96% were from outside the local region and therefore had a major impact on the area. Their expenditures were primarily on retail and restaurant items. This expenditure pattern thus impacts the retail and hospitality industries in the area, having an effect on the local economy. We were able to determine that the typical conference participant stayed 2.25 days on average with a number of participants staying in the area for additional time beyond the length of the conference. The total spending for all conference participants totaled approximately \$2,030,741 per year, excluding their spending on University-related goods and services.

V. The Quantitative Economic Impact of the University on the Ohio Valley Region

In the earlier section of this report, we demonstrated how the economic stimulus provided by the University multiplies into economic activity in many industries. The direct spending by the Institution sets into motion a wave of activity that seeps into all sectors of the regional economy. The presence of students and faculty in the region attracts other activities not directly associated with day-to-day operations of the University. The ultimate question is: what is the total economic impact and who enjoys these benefits?

The direct spending impact is summarized as follows:

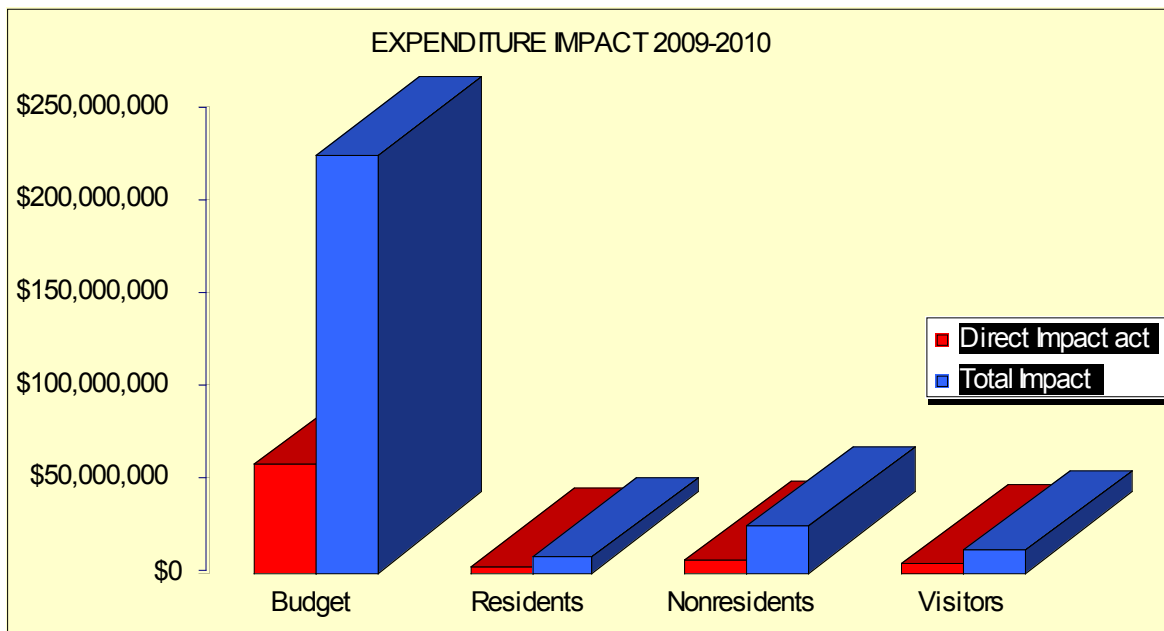
<u>University Budgetary Expenditures</u>	<u>\$57,871,000</u>
Resident Student Expenditures	\$ 2,118,608
Non-resident Student Expenditures	\$ 6,313,197
Visitor Spending (Student Sourced)	\$ 2,247,599
Visitor Spending (Staff Sourced)	\$ 816,290
Visitor Spending (Conferences)	\$ 2,030,741
Total Direct Spending	\$71,397,435

We performed economic impact analysis to estimate the indirect effects of the University on total regional economic activity. Given the activity surrounding basic operations, ancillary operations, the expenditures of students, and the contributions of visitors, we estimate the total economic impact of Franciscan University of Steubenville at \$277 million in 2009-2010, which is an estimate of the total impact without including the capital budget in 2010. This total of \$277 million accounts for nearly 16% of

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economic activity in the Steubenville metro area. The total level of employment generated by the University, directly and indirectly, is estimated to be approximately 8,100 people.

The figure below details the economic impact of Franciscan University of Steubenville by source of spending, showing the dollar value of direct and indirect economic activities generated by the University's basic and ancillary operations, students, visitors, and conference participants. As the figure shows, the greater portion of economic impact arises from University basic operations-the education services offered to students.



VI. Social Service and the Value of Pro Bono Activities of University Faculty & Staff

The economic impact of activities of the institution and its representatives through the community is not caused merely by direct payments of money for the purchases of goods and services. It is also generated by savings resulting from time and services donated by University faculty, staff, and students. In institutions of higher learning, the provision of services to the community is an important feature of a faculty member's activity. For example, faculty members are typically evaluated based upon "teaching, research, and service." The service component is often free consulting services, uncompensated speeches, appearances at professional groups, and the uncompensated time spent preparing for these services. Advice given to individuals is a matter of daily routine for many professors. Since this advice is dispensed free of charge, individuals wanting this information will not need to find alternative sources for the information, nor will they need to pay for the service.

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Students often participate in uncompensated internships and services. In total, such activities represent a value to the community, which can be estimated on the basis of the funds freed up for use to be spent elsewhere.

To obtain a reasonable estimate of the value of donated services, faculty, staff, and students were surveyed. A dollar value was put on the contribution of time, based on going rates for the respective professions. Included in the estimate was the dollar value of internships and charitable time donations.

The University as a whole provided 80,216 hours of service to the local community in 2009-2010 (including over 30,827 hours provided by students). The value of the contributed time was estimated at \$3,583,664.

VII. The University of Steubenville and the Growth Potential of the Region

Our study has so far only indicated a static picture of the economic impact of Franciscan University of Steubenville. Given the current-structure of employment and the direct interaction of the institution and the region's businesses, what do the activities of the University add to the total of economic activity and personal income each year? This is the \$279 million figure cited previously.

However, Franciscan University of Steubenville can boost an economy in a dynamic way, in its long term potential for growth. As mentioned before, the University provides education services that allow workers to be better qualified. Traditional and continuous education forms a foundation for building skills of local workers. In a period in which skill requirements of a work force are growing, the presence of a university in a region can induce businesses to remain in the area or relocate to the area. In addition, the availability of student and intern-type labor can provide a source of work, effort, and ideas for smaller firms that would otherwise have to compete in a higher-priced labor market.

This means that value-added from the University's existence should continue to impact regional economic growth. As firms decide to locate in the Steubenville-Weirton region and remain here, even in economic downturns, the economy will be bolstered. Finally, the University is expected to grow in the future. This report was not intended to prepare a growth forecast; however, demographic evidence suggests a nationwide increase in the numbers of persons entering colleges and universities through the next decade.

The University has continued its ongoing effort to upgrade its physical facilities. Over the past five years it has spent over \$38 million in building construction and renovations. The former Parkview Circle public housing project, adjacent to the campus, was purchased in 2008 and has undergone nearly \$1.5 million in renovations, now housing over 260 students. Currently, annual improvements to the older dormitories and classroom buildings continue each summer. These projects add to the number of construction jobs in the local area and contribute much to the stability of the local economy. Finally, in

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October of 2005, a capital campaign was launched with the partial aim of raising funds for student scholarships, as well as for several capital projects including a new friary, field-house expansion, a new residence hall and classroom building renovations. In summary, the expansion of the University, coupled with its current intellectual, cultural, and community activities should continue to fuel long-term growth for the local economy.

This report documents the growth of Franciscan University of Steubenville as an institution of higher education. The activities surrounding the University, its teaching, research, and service, directly generates income for many people and for many people who do not directly work for the University. Indeed, many workers probably have no idea that their employment is indirectly due to the University.

Franciscan University of Steubenville is important to the local economy because economic growth and change, as well as uncertainty, can be better met with skilled workers who remain highly adaptable.

What is the effect of Franciscan University of Steubenville? Directly and indirectly we estimate a total impact of \$279 million, leading to the employment of nearly 8,100 persons. We did not include an estimate of the value added due to university graduates who live in the region. However, we can assume their ties to the University and residency directly influences total income, job creation, and the local government tax base. What we do know is that if the University were, for some reason, suddenly closed, such an event would leave a significant dent in this region. It would represent the equivalent of inducing a recession like that in 2007-2009, and maintaining it forever.

In the long run, the University offers a strong foundation for economic growth. This is probably more important due to the implications for future personal income, added jobs for workers, and wealth accumulation in the region. Unfortunately, the long-run implications, while they are more important, are less measurable. This report updates the impact study prepared five years ago and indicates a 53% increase in total impact.

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Appendix: Assumptions Made in Estimating the University Economic Impact

In order to measure the impact of Franciscan University of Steubenville, assumptions must be made with regard to the study area and data to be used. Assumptions are vital to this type of study. The following lists the assumptions and reasons for the assumptions made.

Impact Region: The region is the Steubenville Metropolitan Area, specifically the zip code 43952. The total spending "spills over" into the neighboring zip codes as well as in a variety of distant locations dependent on the structure of inter-regional trade. We excluded expenditures that flowed beyond the immediate region (such as the bulk of payments for capital projects).

Local Substitutes: There is a community college in the impact region and a number of colleges and universities within one hour driving distance. The possibility of substitution was explored in a past student survey, in which 68% of those surveyed indicated that they would have left the region if Franciscan University of Steubenville were not available.

Part-time Students: These students make the same educational choices as those persons in the overall population. We assumed that part-time students are part-time students working to attend school, while part-time graduate students are attending school while working.

Expenditure Patterns: The spending patterns of the University were derived from the budget. Student expenditures were derived from a survey of students living on and off campus. Visitor expenditure data was estimated from statistics on tourism and spending in Ohio and West Virginia. Conference participants were surveyed to determine spending patterns, excluding purchases from the University.

Volunteerism: We surveyed students, faculty, and staff to estimate total hours, extrapolated to the entire group, and used "going rates" for evaluating the value of uncompensated services. Student interns and volunteer hours were valued at the minimum wage, while faculty and staff volunteer hours were valued at the opportunity cost, based on current rank and salary.

Sampling Methods and Level of Confidence: We used stratified sampling and randomized sampling when appropriate; in each case, we allowed for a +/-3% tolerable error in estimating population parameters, attaining a 99% confidence level for our estimates based on sample sizes drawn.

Multiplier: We used the regional multiplier for basic operations, and we dampened the spending multiplier based on the relative position of the initial spending impact on the circular flow of income. Our statistics were based on local personal income, expenditure, imports, and savings data found in statistical abstracts, current surveys of business and households, and economic literature on regional forecasting. The impact on employment was estimated using the region's household personal income for the period studied.

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Appendix: Statement of Contingent Conditions and Certification

This impact study is made subject to the following contingent conditions and certifications:

1. Title to the properties and their location was assumed to be in good and marketable condition, for purposes of extrapolating the asset value of buildings and land.
2. Information supplied by others is believed to be reliable.
3. The analysis, opinions, and conclusions of this impact study apply to the 2009-2010 school year and should not be used out of context. The study is valid for the period but not other periods.
4. We had no present or prospective interest in the University's tangible assets or properties. However, we are full-time professors of the University faculty, and therefore have business interests in the enterprise.
5. To the best of our knowledge and belief the statements of fact contained in this report are true and correct.
6. Our analysis and conclusion was prepared in conformity with generally accepted practices for identifying the economic impact of higher education entities. We excluded valuation of intangible assets and impacts such as influences on culture, good will, and specific economic conditions of the region beyond income and employment impacts.
7. No persons other than the individuals whose qualifications are included herein have provided significant professional assistance regarding the analysis and conclusion set forth in the report.
8. Our compensation for rendering the valuation of the economic impact was in no way determined by or based upon the total impact value rendered in the report.

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