

# The **Economic Impact** of UW-Whitewater



UNIVERSITY OF WISCONSIN  
**WHITEWATER**

## EXECUTIVE SUMMARY

This study, conducted by the Fiscal and Economic Research Center at the University of Wisconsin-Whitewater, explores and quantifies the economic impact of the university on the tri-county region of Walworth, Jefferson and Rock counties.

The presence of UW-Whitewater has a considerable effect on the local economy, bringing money, employment and volunteerism into the area. University and student spending together account for the largest impact on the region, augmented by events, athletics and camps.

All told, UW-Whitewater supports 4,352 jobs and leads to \$407,177,739 in annual economic activity. In addition to this regional impact, the university generates an estimated \$17,914,768 in annual tax revenue for the state, including sales, property and income tax.

These results provide insight on how UW-Whitewater affects individual taxpayers and the regional economy and should be valuable to policymakers at all levels seeking to better understand the benefits of funding a post-secondary educational institution such as UW-Whitewater, as well as University of Wisconsin System administrators looking for tangible evidence of the extent to which state universities interact with and impact their local communities.



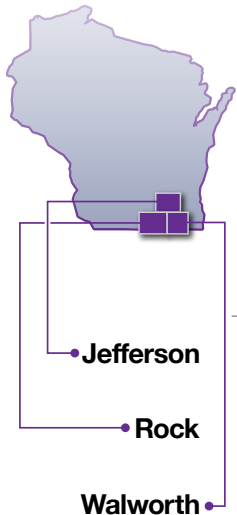
## THE LOCAL ECONOMY

For the purpose of this study, the “local economy” is defined as the Wisconsin counties of Walworth, Jefferson and Rock. This area is referred to in this study as the “impact area.” The impact area has a combined population of 349,110 people in 135,498 households, according to the U.S. Census Bureau (Table 1). The population of the impact area grew by 2,865 people between 2010 and 2014, reflecting an overall increase of .8 percent, which is slower than the national growth rate of 3.3 percent and the state growth rate of 1.2 percent. All three counties attribute their population growth to both migration and natural growth, meaning births exceed deaths. As a result, the population growth in the impact area is considered stable.



On average 90.1 percent of the population hold a high school diploma, and 23.2 percent hold a bachelor's degree. The average annual household income in 2014 was \$52,732. Those living in the impact area also tend to work relatively close to home, with the average commute time just under 24 minutes.

TABLE 1



## Impact Area Quick Facts (2014)

	Population	Number of Households	Percent who Graduate High School	Percent with Bachelor's Degree or Higher	Mean Time to Work (Minutes)	Median Household Income
Jefferson	84,395	32,267	91.7%	23.3%	23.2	\$54,552
Rock	161,188	63,385	88.4%	20.0%	23.1	\$49,645
Walworth	103,527	39,846	90.3%	26.3%	24.9	\$53,998

Source: State and County QuickFacts, U.S. Census Bureau

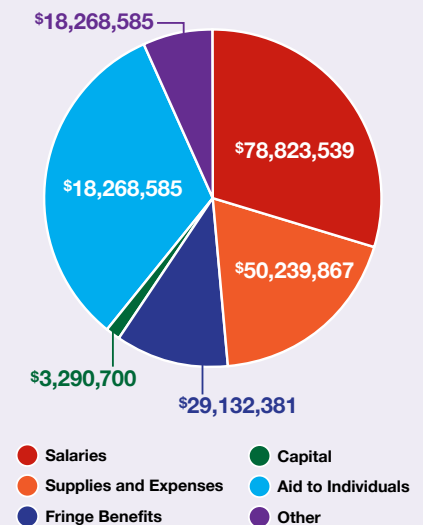
## About UW-Whitewater



**UW-Whitewater** is a premier regional comprehensive university located in the city of Whitewater, at the intersection of Walworth, Jefferson and Rock counties in southeastern Wisconsin. UW-Whitewater became the state's second public college when it was established in 1868, and it currently offers 97 undergraduate and 16 graduate programs. The university's fall 2015 enrollment was 12,351 students, the majority coming from Wisconsin, Minnesota and Illinois. UW-Whitewater's total 2015-16 fiscal year budget was \$266,086,732. A budget breakdown is shown in Figure 1.

FIGURE 1

## UW-Whitewater Budget Breakdown (2015-16)



# UW-Whitewater's **Impact** on the Local Economy

## IMPACT ANALYSIS

The ultimate goal of this study is to determine UW-Whitewater's economic impact on the tri-county region and the local economy. The IMPLAN model examines various aspects of the area's economic activity — including total output by industry, personal income, total income, value added to products and services in the area and employment — to determine the appropriate multipliers to be used in determining economic impact.

Several sources of expenditure data were used to construct these multipliers. While institutional spending data was already on record, surveys were conducted to obtain employee, student and visitor spending data. The student and employee surveys asked respondents to calculate the total amount they spend each month in a collection of different categories within the local economy. These categories coordinate with IMPLAN's model and determined how much direct spending stays within the local economy, how much leaks out, how many dollars of income each additional dollar of direct spending generates and the number of full- and part-time jobs created by direct spending. Because university (institution and employee) and student spending together account for the majority of direct spending, this summary focuses on those categories.

### Institution and employee spending

In fiscal year 2015-16, UW-Whitewater spent a total of \$266,086,732 in categories such as payroll, supplies and expenses, capital expenditures, aid to individuals and special purposes. The university spends more money on labor each year than on any other category. During fiscal year 2015-16 the university employed 1,388 people and spent a total of \$107,955,920 in labor-related costs (salaries and fringe benefits).

The university has two forms of direct spending: supplies and expenses and capital expenditures. In the fiscal year 2015-16, a total of \$50,239,867 was budgeted for supplies and expenses, and a total of \$3,290,700 was budgeted for capital expenditures.

### Student spending

FERC administered a survey that asked UW-Whitewater students to estimate their spending, during the 2008-09 academic year, in categories such as utilities, groceries, personal care, transportation, clothing, souvenirs, university services, cable, Internet access, rental payments, restaurants and recreation in the tri-county impact area. For the purpose of our IMPLAN calculations, the number of students eligible for enrollment at the time of this study was 12,159.

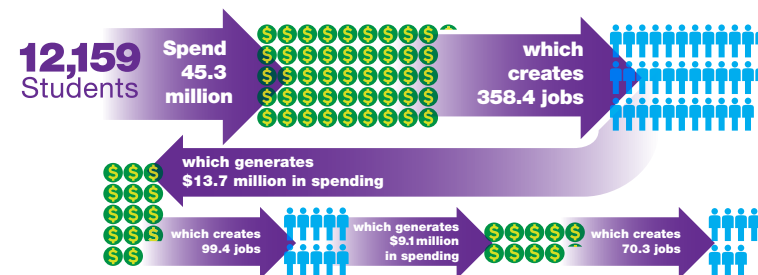


During the 2015-16 academic year, students spent approximately \$45.3 million within the impact area. As shown in Figure 2, student spending supports roughly 358.4 jobs in the area, or a total of \$13.7 million in employment income (the result of the direct spending effect). Those 358.4 people spent roughly \$13.7 million of their combined income, supporting 70.3 additional jobs and about \$9.1 million in additional income.

Student spending has an ultimate impact of 528.1 jobs and \$68.1 million in spending within the impact area. Because that \$68.1 million began as \$45.3 million in student spending, the multiplier is 1.5.

FIGURE 2

### Multiplier Effect Created by UW-Whitewater Student Spending



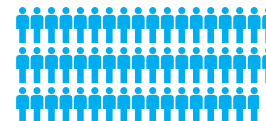
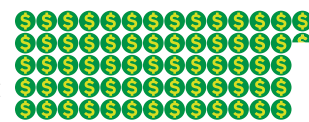
### UW-Whitewater Impact

\$ = \$1 million

10 jobs

**\$68.1 million**  
in student spending

**528 jobs**



Because the \$68.1 million began as \$45.3 million in student spending, the multiplier is **1.5**





This study demonstrates that the economic impact of UW-Whitewater on the state is multifaceted and significant. Complete figures are presented in Figure 3.

UW-Whitewater ultimately supported 4,352 jobs throughout the impact area in 2015-16. The total impact that UW-Whitewater has on the local economy, including employment by the university and the jobs supported as a result of employee, student and visitor spending, is \$407,177,739.

Report preparation and analysis: Taylor Griffith

**For further information on this or other FERC studies, contact:**

**Russ Kashian**, professor of economics  
 kashianr@uww.edu  
 Office: 262-472-5584  
 Cell: 414-588-1260



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FIGURE 3

## Multiplier-Effect Calculation of Total UW-Whitewater Spending

