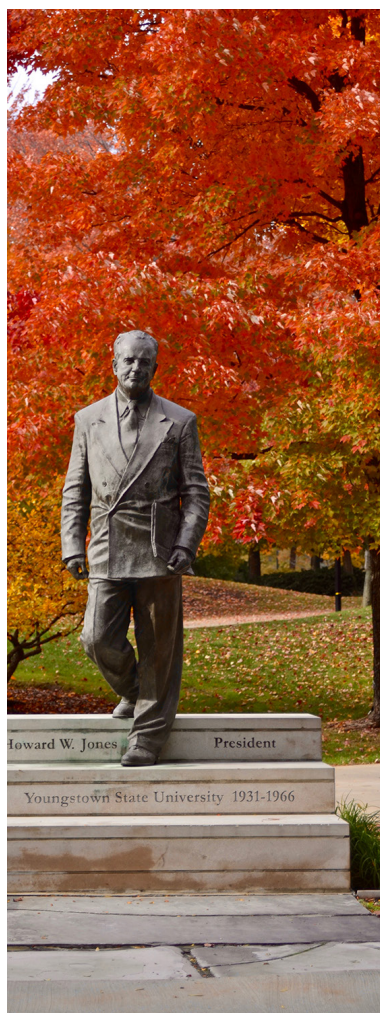


# FACT SHEET

## The Economic Value of the Youngstown State University

Youngstown State University (YSU) creates a significant positive impact on the business community and generates a return on investment to its major stakeholder groups—students, taxpayers, and society. Using a two-pronged approach that involves an economic impact analysis and an investment analysis, this study calculates the benefits received by each of these groups. Results of the analysis reflect fiscal year (FY) 2016-17.



### IMPACT ON BUSINESS COMMUNITY

During FY 2016-17, YSU and its research, construction, and entrepreneurial activities, along with its students and visitors, added **\$923.9 million** in income to the YSU Service Region economy<sup>1</sup>, approximately equal to **3.5%** of the region's total gross regional product (GRP). Of 367,736 jobs in the region, YSU's impact supported 15,688 jobs in FY 2016-17. For perspective, this means that one out of every 23 jobs in the YSU Service Region is supported by the activities of YSU and its students. The economic impacts of YSU break down as follows:

#### Operations spending impact

- YSU employed 2,058 full-time and part-time employees for its day-to-day operations in FY 2016-17. Payroll for these employees amounted to \$123.1 million, much of which was spent in the YSU Service Region to purchase groceries, clothing, and other household goods and services. The university spent another \$77.1 million to support its day-to-day operations.
- The net impact of university payroll and expenses in the YSU Service Region during the analysis year was approximately **\$161.3 million** in income.

#### Research spending impact

- Research activities at YSU impact the regional economy by employing people and making purchases for equipment, supplies, and services. In FY 2016-17, YSU spent **\$915 thousand** on payroll to support research activities.

<sup>1</sup> For the purpose of this analysis, the YSU Service Area is comprised of Columbiana, Mahoning, and Trumbull Counties in Ohio as well as Mercer and Lawrence Counties in Pennsylvania.

## IMPACTS CREATED BY YSU IN FY 2016-17

ADDED INCOME	JOBS
<b>\$161.3 million</b>	<b>2,736</b>
Operations spending impact	
<b>\$3.1 million</b>	<b>49</b>
Research spending impact	
<b>\$4.8 million</b>	<b>76</b>
Construction spending impact	
<b>\$29.6 million</b>	<b>467</b>
Start-up company impact	
<b>\$18.5 million</b>	<b>408</b>
Student spending impact	
<b>\$1.3 million</b>	<b>53</b>
Visitor spending impact	
<b>\$705.1 million</b>	<b>11,900</b>
Alumni impact	
<b>\$923.9 million</b>	<b>15,688</b>
Total impact	

- YSU's research spending on payroll and other activities generated **\$3.1 million** in added income for the YSU Service Region economy.

### Construction spending impact

- YSU commissioned contractors to build or renovate its facilities during the analysis year, generating a short-term infusion of spending and jobs in the regional economy.
- The net impact of YSU's construction spending in FY 2016-17 was **\$5 million** in added income for the YSU Service Region.

### Start-up company impact

- YSU creates an environment that fosters innovation and entrepreneurship, evidenced by the number of start-up companies created by the university.
- In FY 2016-17, the start-up companies with which YSU was involved generated **\$29.6 million** in added income for the YSU Service Region economy.

### Impact of student spending

- Around **20%** of students attending YSU originated from outside the region. Some of these students relocated to the YSU Service Region. In addition, a number of students would have left the region if not for YSU. These relocated and retained students spent money on everyday needs such as groceries, transportation, and rent at regional businesses.
- The expenditures of relocated and retained students during the analysis year added approximately **\$18.5 million** in income to the YSU Service Region economy.

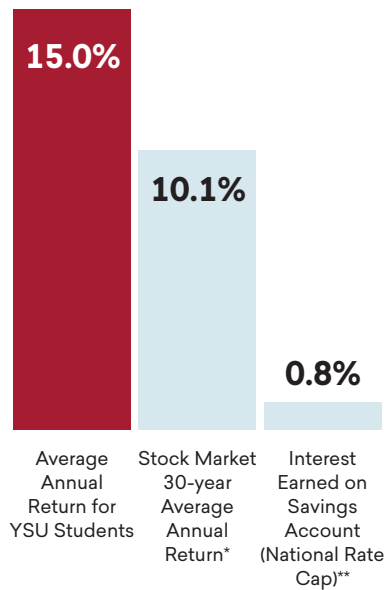
### Visitor spending impact

- Out-of-region visitors attracted to the YSU Service Region for activities at YSU brought new dollars to the economy through their spending at hotels, restaurants, gas stations, and other regional businesses.
- Visitor spending added approximately **\$1.3 million** in income for the YSU Service Region economy.

### Alumni impact

- Over the years, students have studied at YSU and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in the YSU Service Region.
- The impact of former students currently employed in the regional workforce amounted to **\$705.1 million** in added income during the analysis year.

## STUDENT RATE OF RETURN



\* Forbes' S&P 500, 1987-2016.

\*\* FDIC.gov, 7-2017.

For every **\$1** spent by...

### STUDENTS

**\$5.20**

Gained in lifetime earnings for STUDENTS

### TAXPAYERS

**\$5.50**

Gained in added taxes and public sector savings for TAXPAYERS

### SOCIETY

**\$11.70**

Gained in added state revenue and social savings for SOCIETY

## RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS, AND SOCIETY

### Student perspective

- YSU's FY 2016-17 students paid a total present value of **\$90.1 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$87.5 million** in money that they would have earned had they been working instead of learning.
- In return for the monies invested in the university, students will receive a present value of **\$914.9 million** in increased earnings over their working lives. This translates to a return of **\$5.20** in higher future earnings for every \$1 that students invest in their education. The average annual return for students is **15.0%**.

### Taxpayer perspective

- In FY 2016-17, state and local taxpayers in Ohio paid **\$54 million** to support the operations of YSU. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$271 million** in benefits to taxpayers. Savings to the public sector add another **\$24.6 million** in benefits due to a reduced demand for government-funded services in Ohio.
- Dividing benefits to taxpayers by the associated costs yields a **5.5** benefit-cost ratio, i.e., every \$1 in costs returns \$5.50 in benefits. The average annual return on investment for taxpayers is **10.4%**.

### Social perspective

- The economic base in Ohio will grow by **\$3.7 billion** over the course of the students' working lives. Society will also benefit from **\$101.3 million** in present value social savings related to reduced crime, lower unemployment, and increased health and well-being across the state.
- For every \$1 that society spent on education at YSU FY 2016-17, society will receive a cumulative value of **\$11.70** in benefits, for as long as the FY 2016-17 student population at YSU remains active in the state workforce.

