

Private Higher Education's
Annual Economic Impact on
the State of Nebraska

Prepared for the Nebraska Educational Finance Authority, February 2003

Private Higher Education's Annual Economic Impact on the State of Nebraska

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Executive Summary

By applying Input-Output¹ computer models to actual 2002 payroll and spending data, it is estimated that Nebraska's private universities and colleges contribute the following to the Nebraska economy on an annual basis:

- **To the local & state economy for 2003:**²
 - Spending by private colleges and universities in Nebraska will add an estimated \$1.16 billion to the state economy. Approximately \$711 million of this impact represents spillover impacts.³

- **To state & local tax collections for 2003:**
 - It is estimated that Nebraska's private colleges and universities will generate over \$46 million in state and local taxes.

- **To the labor force for 2003:**
 - Nebraska's private colleges and universities will support roughly 24,530 jobs with a total payroll of approximately \$522 million.⁴ Of these jobs, 11,897 are supported indirectly in spillover firms and industries.

¹This study was completed using the Implan Input-Output methodology. An explanation of this methodology is contained in the accompanying Appendix E.

²It is assumed that similar impacts, adjusted for inflation, will result in future contract years.

³Spillover impacts represent 'ripple' impacts in related businesses as the initial contract dollars are re-spent in the community. For example, university employees will spend a portion of their earnings in the retail sector. This spending creates sales, earnings and jobs, termed spillover impacts, for business in the retail trade sector.

⁴Compensation includes fringe benefits and FICA taxes paid by the employer on behalf of the employee.

- Nebraska's private colleges and universities will increase the income of area private business owners and self-employed by \$52.4 million in 2003.
- **To non-education industries (spillovers) for 2003:**
 - Nebraska private college and university spending will support 1,783 jobs, \$56.9 million in wages & salaries and \$139.6 million in *Wholesale & Retail Trade* sales for the state.
 - Private college and university spending in Nebraska will support 1,120 jobs, \$34.6 million in wages & salaries and \$73.1 million in revenues for the state's *Health Services* Industry.
- **To a stable job base and quality jobs:**
 - Average yearly salary at private colleges and universities was \$36,572 for 2002, significantly greater than Nebraska's average of \$25,718.⁵
 - Private colleges and universities have a stabilizing impact on the state economy with the number of jobs in this sector rising significantly over the past decade. Furthermore, many of the private institutions are one of its county's largest employers.
- **To state and local economic growth:**
 - Private colleges and universities contribute to the attractiveness of an area. Nebraska counties with a private college or university experienced population growth of 13.0 percent between 1990 and 2000. Nebraska counties without a private college or university experienced population growth of 3.0 percent for this same time period.

⁵Both wage estimates include fringe benefits.

- Nebraska counties with a private college or university experienced personal income growth of 80.0 percent between 1990 and 2000. Nebraska counties without a private college or university experienced personal income growth of 45.2 percent for this same time period.
- **Nebraska provides less tax support for its private higher education institutions than the average U.S. state.**
 - Data indicate that, on average, states allocate 3.7 percent of higher education tax support to private colleges and universities, or over five times the support provided by Nebraska.

Table 1 summarizes the yearly impacts of private colleges and universities on the state of Nebraska.

TABLE 1: SUMMARY OF ANNUAL ECONOMIC IMPACTS OF NEBRASKA'S PRIVATE COLLEGES & UNIVERSITIES ON THE STATE	
	<u>Impact</u>
Annual impact on Nebraska economy	\$1.16 billion
Annual impact on state and local tax collections	\$46.1 million
Full-time equivalent jobs supported	24,530
Annual payroll (does not include self-employed workers)	\$522.2 million
Annual impact on self-employment income	\$52.4 million
Source: Implan Input-Output Multiplier System	

The assumptions and methodology used to produce these estimates are contained in accompanying Appendices A – F.

Chapter 1 Private Colleges & Universities in Nebraska: A Brief Overview

Nebraska has 14 regionally accredited, not-for-profit, privately controlled colleges and universities. Table 2 lists each institution along with its location and 2002 student enrollment. These institutions enroll approximately one-fifth of total students attending Nebraska colleges and universities. While accounting for 20 percent of higher education students, private colleges in Nebraska enrolled 74 percent of full-time students in the state. Furthermore, Nebraska's private colleges awarded roughly one-third of all Baccalaureate degrees in the state in 2000.⁶

Table 2: Nebraska private colleges & universities, 2002 enrollment

	<u>City</u>	<u>County</u>	<u>Number of students</u>
Bellevue University	Bellevue	Sarpy	4,107
Clarkson College	Omaha	Douglas	507
College of St. Mary	Omaha	Douglas	852
Concordia University	Seward	Seward	1,425
Creighton University	Omaha	Douglas	6,327
Dana College	Blair	Washington	577
Doane College	Crete	Saline	2,263
Grace College	Omaha	Douglas	563
Hastings College	Hastings	Adams	1,078
Midland Lutheran College	Fremont	Dodge	930
Nebraska Methodist	Omaha	Douglas	341
Nebraska Wesleyan University	Lincoln	Lancaster	1,688
Union College	Lincoln	Lancaster	951
York College	York	York	463
Total 2002 enrollment			22,072

Source: 2002 Survey of Institutions

⁶Source: Association of Independent Colleges & Universities-Nebraska.

Table 3 attests to the importance of private higher education to the support of

Furthermore, Nebraska's private colleges and universities awarded roughly one-third of all Baccalaureate degrees in the state in 2000.

workers in the state of Nebraska. According to 2002 data, Nebraska's private colleges and universities were the fifth largest employer in the state.

Table 3: Nebraska's largest employers-2002

	<u>Number of Employees</u>
1 State of Nebraska	19,703
2 U.S. Government	15,487
3 U.S. Airforce/Offutt	10,209
4 Omaha Public Schools	8,073
5 Private colleges & universities (Full-Time Equivalents)	7,473
6 Wal-Mart	7,400
7 ConAgra	7,228
8 First Data Resources	7,000
9 Union Pacific	6,743
10 Alegent Health	6,353
11 University of Nebraska-Lincoln	5,611
12 IBP, Inc.	5,534
13 Mutual of Omaha	5,199
14 Lincoln Public Schools	4,970
15 Burlington Northern	4,779

Source: Nebraska Dept. of Economic Development

In a series of articles in 2000, the Omaha World-Herald identified the importance of the University of Nebraska-Lincoln to the economic strength of the state. Certainly past

research studies have confirmed the importance of higher education to the economic development to a locale. While Nebraska's private colleges and universities have been an

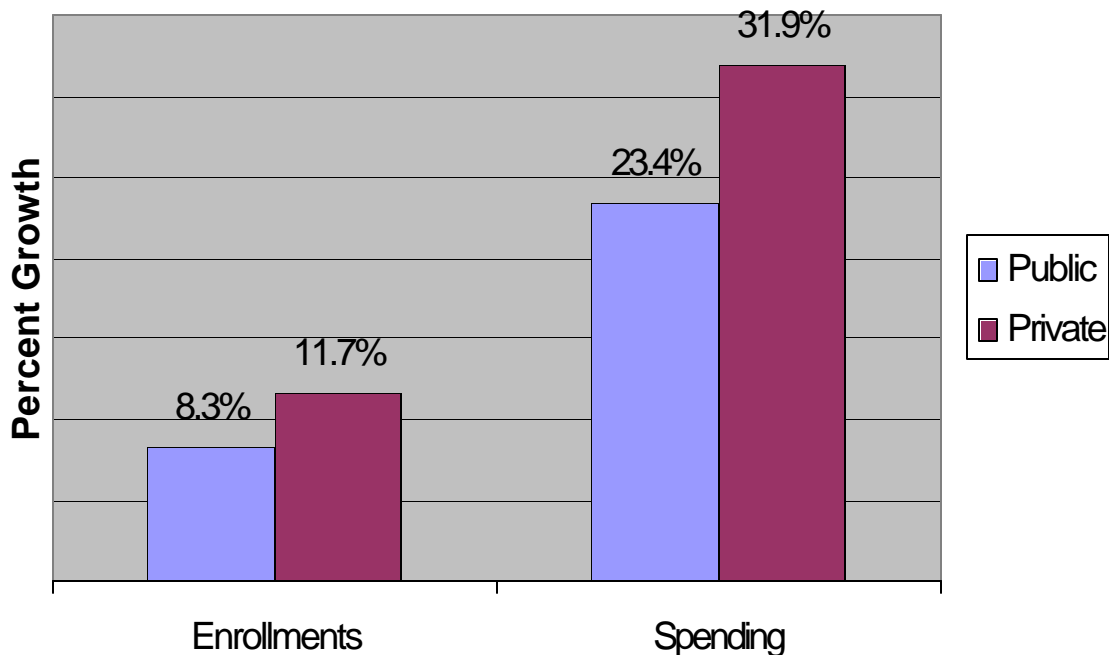
Private institutions tend to recruit a higher percentage of their students from outside the state than public universities and colleges, thus contributing to "brain gain."

important provider of education in the state, they have been even more important in terms of their contribution to economic growth.

Private higher education is a growth industry. Figure 1 compares growth rates

across the U.S. for public and private higher education. As presented, private higher education experienced higher enrollment growth and higher spending growth than comparable public higher education institutions.

Figure 1: Employment & Spending Growth in U.S. Higher Education, 1990 – 2000⁷



⁷Source: 2000 U.S. Statistical Abstract.

Furthermore for equivalent annual budgets, private universities and colleges actually contribute more economically to the state than equivalent tax-supported institutions. This conclusion is based on three factors. (1) Private institutions contribute to “brain gain.” (2) Private institutions bring new tuition dollars to the state. (3) Private institutions bring new federal dollars to the state.

Brain Gain

Private institutions tend to recruit a higher percentage of their students from outside the state than public universities and colleges, thus contributing to “brain gain.” This is certainly an important factor adding to Nebraska’s economic growth. In 1995, the Federal Reserve Bank of Kansas City estimated that Nebraska loses \$246 million per year due to brain drain, or an annual 1.1 percent of personal income. This loss is largely due to departure of well-educated professionals, executives and managers (Ferguson, 1995).

Table 4 lists the percent of students drawn from outside Nebraska by each institution for 2002. As presented, roughly 31 percent of students attending private colleges and universities in Nebraska originated from outside the state. The rates varied from a low of 12 percent for Clarkson College to a high of 81 percent for Union College. For the 2002-03 academic year, it is estimated that 6,842 Nebraska residents migrated to Nebraska to attend one of the state’s private higher educational institutions.

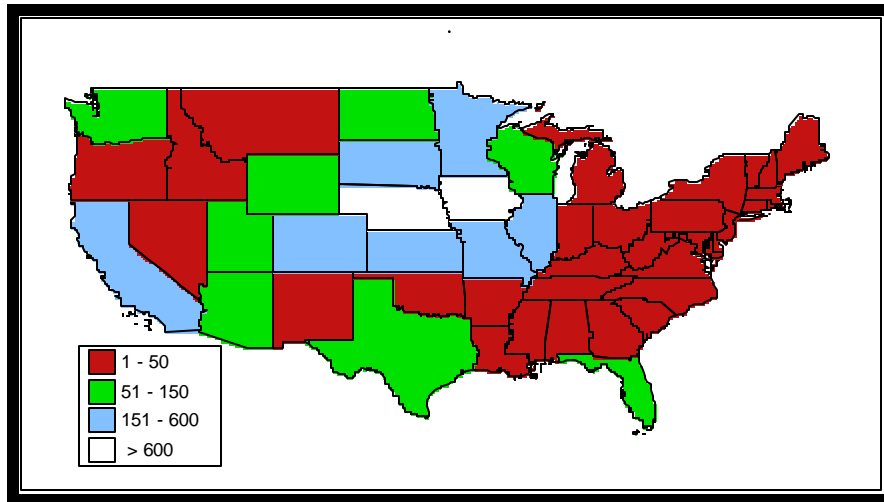
Table 4: Percent of students from outside the state by institution

Bellevue University	24.9%
Clarkson College	12.0%
College of St. Mary	37.0%
Concordia University	49.0%
Creighton University	47.8%
Dana College	53.0%
Doane College	17.0%
Grace College	37.0%
Hastings College	23.0%
Midland Lutheran College	25.0%
Nebraska Methodist	20.0%
Nebraska Wesleyan University	7.0%
Union College	81.0%
York College	62.0%
All private institutions in Nebraska	31.0%

Source: 2002 Survey of Institutions

Current private institution students are likewise drawn from a wide geographic area. Figure 2 presents a distribution of the state-of-origin for current students for private institutions reporting results. Clearly adjoining states provide a large number of students to Nebraska's private institutions. However, distant populous states such as California, Florida and Texas send a large number of students to Nebraska to attend one of its fourteen private institutions.

Figure 2: Origin of students, 2002⁸



Not only do Nebraska's private colleges bring a large number of new residents, many of these students remain in Nebraska upon graduation. For example, over 3,000 Creighton Health Science graduates currently reside in Nebraska. In the Omaha Metropolitan area, 27 percent of physicians, 69 percent of dentists, 59 percent of pharmacists, 72 percent of occupational

For 2002, roughly 31 percent of students attending private colleges and universities in Nebraska originated from outside the state.

therapists and 16 percent of registered nurses are Creighton graduates. Creighton also provides patient care services to 48 communities in every part of Nebraska.

⁸In 2002, 77 students originated from Alaska and 130 originated from Hawaii. Only College of St. Mary, Concordia, Creighton, Doane, Hastings, Midland Lutheran and York provided data.

Other schools have a large share of their graduates residing in Nebraska. Table 5 lists each private institution along with the number of alumni currently living in the state of Nebraska. This represents approximately 3.8 percent of Nebraska's population. Furthermore, these individuals are significant contributors to the state's human capital since each is a college graduate and most fill professional and managerial positions in the labor force.

Table 5: Number of Alumni currently living in Nebraska	
Bellevue University	7,021
Clarkson College	1,694
College of Saint Mary	4,023
Concordia University	2,644
Creighton University	13,233
Dana College	3,570
Doane College	7,079
Grace College	2,190
Hastings College	5,318
Midland Lutheran College	6,579
Nebraska Methodist College	2,153
Nebraska Wesleyan University	6,500
Union College	1,293
York College	1,085
Nebraska's private colleges & universities	64,382

Source: 2002 survey of Institutions

U.S. Census data provide a gauge on the importance of Nebraska's private colleges to state population growth. In 2001, the U.S. Census estimated that 36,901 Nebraskans lived in another state in 2000. Thus, given the values listed in Tables 4 and

5, private colleges and universities in the state of Nebraska have been responsible for a significant proportion of Nebraska's migration gains.

Tuition

Besides contributing to "brain gain," private higher educational institutions generate a larger proportion of their budget from outside the state than comparable public universi-

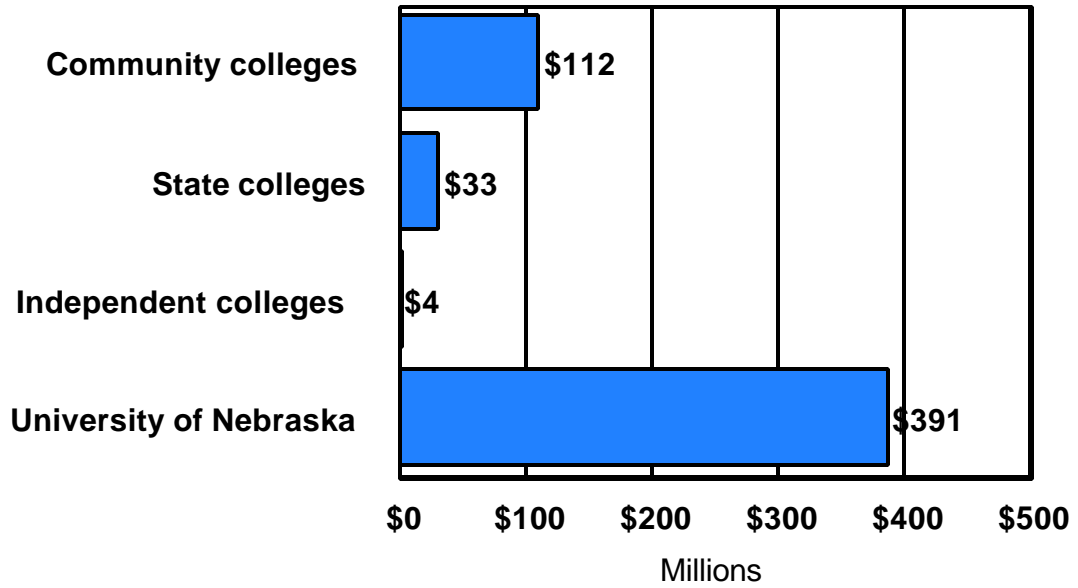
Institutions funded primarily by dollars generated from Nebraska residents via tuition and taxes have less economic impact since a high share of these dollars is diverted from industries and individuals in Nebraska.

ties. These dollars are very powerful and have a higher multiplier or economic impact than dollars spent by public institutions. Institutions funded primarily by dollars generated from

Nebraska residents via tuition and taxes have less economic impact since a high share of these dollars is diverted from industries and individuals in Nebraska.

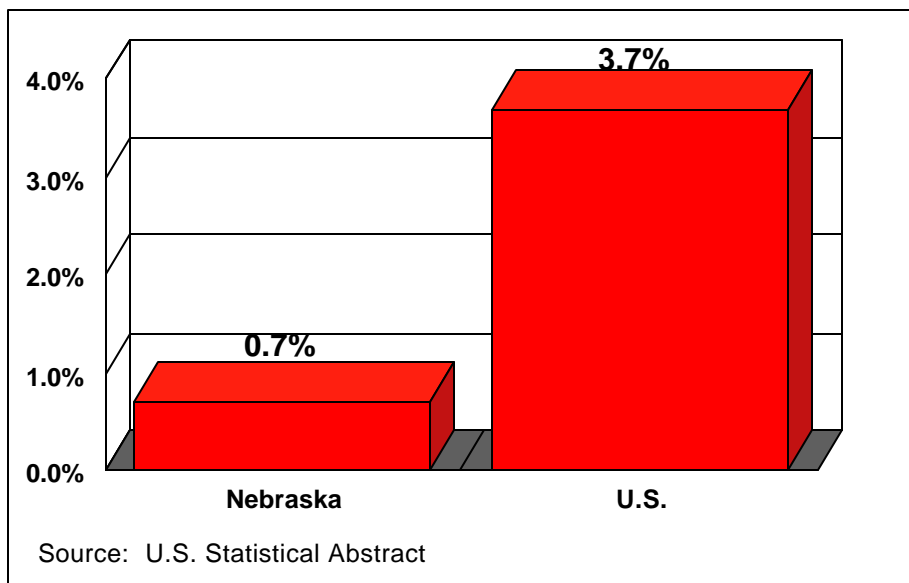
Figure 3 shows the relative support institutions of higher learning in Nebraska received for fiscal 2000. As presented, the lion's share of tax support, or 72.5 percent, was provided to the University of Nebraska. Nebraska's private institutions received an almost infinitesimal 0.7 percent. Figure 4 compares the tax support for U.S. and Nebraska private institutions. As presented, Nebraska provides much less support for private higher education than the average U.S. state. Data indicate that, on average, states allocate 3.7 percent of higher education tax support to private colleges and universities, or over five times the support provided by Nebraska.

Figure 3: Nebraska tax expenditures for higher education, 2000 - 01



Source: Association of Independent Colleges & Universities (NE)

Figure 4: Percent of higher education budget for private institutions, 2000-01



Other Financial Support: The Federal Government and Private Donors

In addition to educating students, Nebraska's private institutions conduct a major portion of regional research bringing significant external funds to the state. Studies have found that medical facilities, in addition to providing health care, have a net positive effect on the local economy and attract substantial health care expenditures from other geographic areas. Furthermore, private medical educational facilities add to overall regional economic activity by reducing medical care spending by residents of Nebraska in cities

Private medical educational institutions contribute to the state's export of health care.

such as Des Moines and Kansas City. In other words, private medical educational institutions contribute to the state's provision of health care to non-Nebraskans.

This provision has a positive impact on the local area by adding jobs and income to the state and local area in the health care industry and related industries as new dollars flow into the state.

In addition to educating health care professionals, Nebraska's private institutions conduct a major portion of regional biomedical research and provide care to a large share of hospital admissions. Similar to other academic health centers, Nebraska's private institutions provide a major portion of the uncompensated hospital care in the region (Naughton and Vana, 1994).⁹

⁹For example, Creighton University Medical Center is one of the largest providers of uncompensated, or charity care in Nebraska. Clarkson College students perform clinical rotations at the Open Door Mission, Indian reservations, and at several other agencies, including Wesley House and the Omaha Public Schools.

By educating health care professionals, conducting important health care research, and providing health care to the public, Nebraska’s private higher education institutions generate significant economic impacts for the state economy. Table 6 summarizes the additional funds brought into Nebraska each year from the federal government and from gifts by individuals and businesses by Nebraska’s private higher education institutions.¹⁰ These funds are then multiplied as they spillover into other industries.

Table 6: Private higher education’s addition to state economy via federal grants & contracts and from private contributions, 2002

Federal grants & contracts	\$44,104,828
Yearly contributions	\$54,634,696
Source: 2002 survey of 14 private colleges and universities	

A private university’s direct expenditures, such as payroll, generate local jobs and income while payments to local vendors produce indirect impacts that affect the overall level of community economic activity. The most obvious direct impact

Private higher education institutions in Nebraska employ 7,473 full-time workers. This ranks fifth among all businesses and agencies in the state.

Additionally, spending by university students and their visitors produce direct impacts in the region.

of a private university or college on the economy comes in the form of salaries to faculty and staff, and purchases of supplies from vendors in the area. Additionally, spending by university students

and their visitors produce impacts in the area. These expenditures are then re-circulated

¹⁰It should be noted that a portion of these yearly contributions came from Nebraska residents. As such, their impact on the Nebraska economy would be less.

throughout the economy by suppliers of goods and services to produce another round of impacts.

Private higher education spending attracts other firms and individuals to the region. Furthermore private institutional spending generates new jobs and income for firms al-

The objective of this study is to quantify these impacts by institution, by county and by industry using input-output multipliers.

ready resident in the region. For example, medical education contributes significantly to high technology industrial development in the region (Goss and Vozikis, 1994). In order to estimate the impacts, most research studies have used input-output multipliers. The objective of this study is to quantify

these impacts by institution, by county and by industry using input-output multipliers.

Chapter 2 Measuring the Impact of Nebraska's Private Colleges & Universities

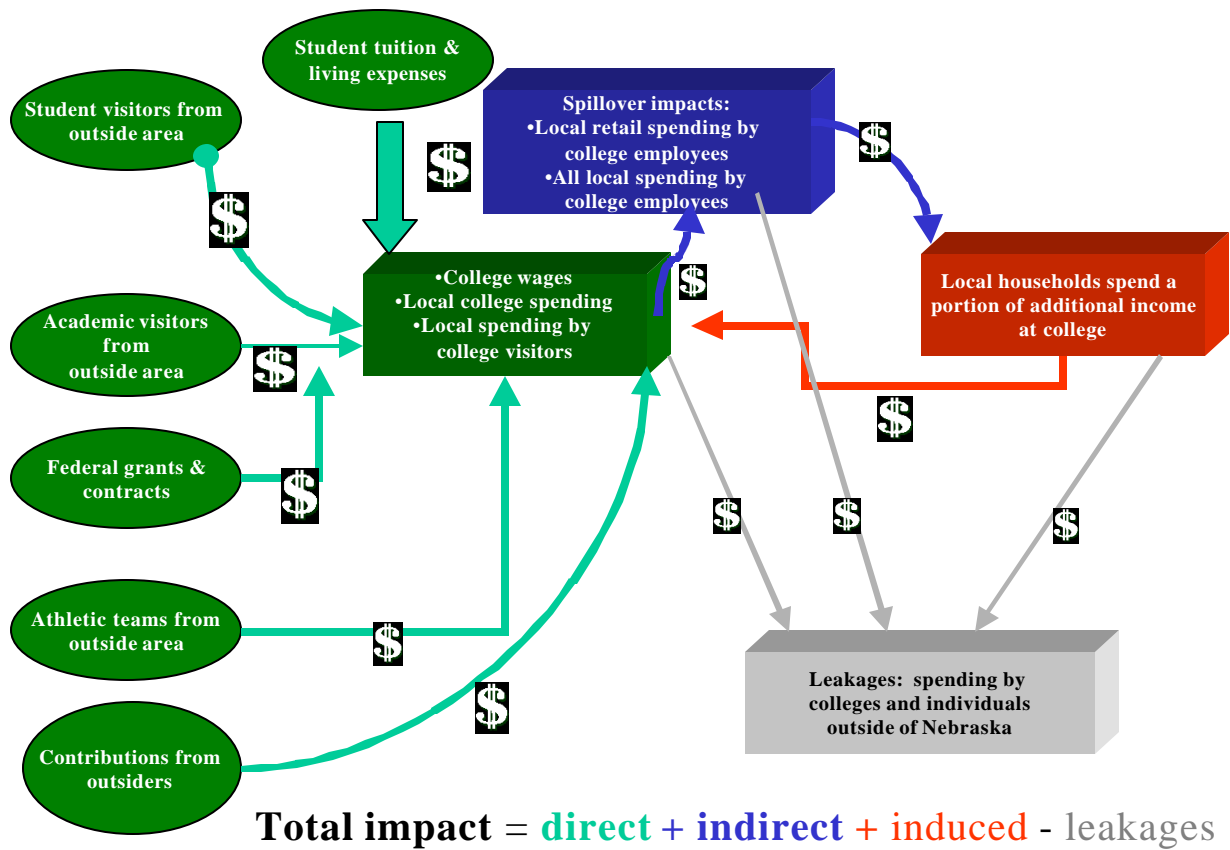
As outlined in Chapter 1, private higher educational institution revenues are more powerful than revenues of firms that deal in intra-state commerce in terms of job and income creation since most of these revenues are “new” to the state and are not offset by reduced spending in other Nebraska industries. For example, increased spending in Nebraska's *Entertainment Industry* may be offset by reduced spending in Nebraska's *Retail Industry*. This is not the case with higher education spending.

Economic impacts can be divided into direct, indirect and induced impacts.

Moreover, by making the nation more aware of Nebraska, private institutions contribute to the overall growth of state and local economic activity. Private institution spending emanating from visitors, tuition, research revenues, and medical receipts attracts other firms and individuals to the region and generates new jobs and income for firms and residents of the state.

Figure 5 depicts examples of the flow of funds into and out of Nebraska's private institutions and sample impacts. As indicated, the total impact is the sum of direct, indirect and induced impacts minus leakages. Leakages represent Nebraska private higher education spending in other states. Input-output multiplier systems are used to estimate each of the impacts in Figure 5 by industry.

Figure 5: Flow of private higher education spending



Revenue and expenditures for private institutions used in the subsequent analysis come from a November 2002 survey of each institution. Expenditures by students and visitors are estimated using information available from a variety of campus sources and from secondary data sources. Particular attention is devoted to identifying revenues that come from out-of-state. From an economic perspective, these sources represent new dollars to the state's economy and are thus very powerful in generating jobs and income for the region. Institutions funded primarily by dollars generated from within the state have less economic impact than private institutions spending since a high proportion of these dollars are diverted from other industries in the state.

The most obvious direct impact of educational institutions on the economy comes in the form of salaries to faculty and staff, and purchases of supplies from vendors in the region. Additionally, spending by students, their visitors, and visitors to medical facilities produces direct impacts in the region. Indirect impacts come from expenditures by supplying firms. Expenditures are then re-circulated throughout the economy by household

The estimates presented in this report are conservative in nature. For example, no consideration of out-of-pocket spending by patients to medical facilities is incorporated.

spending on goods and services to produce induced impacts.

Economic impacts identified in this study are short-run in nature and represent annual, recurring events. Indicators are provided

for long run, more intangible impacts on the regional economy such as work force development and knowledge enhancement, but no attempt is made to assign dollar values.

Table 7 lists the direct spending, or injection, that is considered in the calculation of impacts. For 2002, private universities and colleges operating budget totaled \$436.8 mil-

lion and capital spending was over \$56.2 million with a large share spent in the state of Nebraska. Furthermore, students attending these institutions spent an estimated \$163.8 million in the state in 2002 for products ranging from clothing to movie tickets. The objective of this research study is to monetarily quantify the impacts, indirect and induced, resulting from the direct spending listed in Table 7. Tax, job, revenue and wage impacts will be estimated.

Table 7: 2002 spending by Nebraska's private institutions & their students

	<u>2002 injection or direct spending</u>
Operating budget ^a	\$436,815,574
Capital spending ^a	\$56,266,951
Student spending ^b	\$163,840,456
Total injection	\$656,922,981

Sources: ^a2002 survey; ^bU.S. Bureau of Labor Statistics Consumer Expenditures Surveys. See Appendix F for details.

In terms of long-term but less measurable impacts, the presence of private colleges and universities increases the attractiveness of the community and encourages the startup and/or relocation of other businesses in the state. By contributing to an area's attractiveness via access to art, entertainment, education and healthcare facilities, private colleges and universities influence the community by increasing its attractiveness to non-medical and non-university oriented industries. These impacts are acknowledged but not quantified.

Input-output models are applied to the injections in Table 7 to estimate the overall impact as presented in Figure 5. Appendix B provides an overview of input-output multipliers while Appendix C provides a description of the actual multipliers used in this study.

Chapter 3-Impacts for 2003

Total Impacts

Table 8 lists total impacts generated from the initial spending listed in Table 7.¹¹ The number of jobs supported each year by private institution spending is estimated to be 24,529.9. The jobs number includes total wage and salary employees as well as self-employed workers in the state. Also, it includes both full-time and part-time workers. Proprietary income consists of payments received by self-employed individuals as income. This includes income received by private business owners, doctors, lawyers, and others. Wages and salaries include the total payroll costs (including benefits) of workers who are paid by employers, as well as benefits such as health/life insurance, retirement payments, and non-cash compensation. Sales/output represent the value of total production.

Table 8: Estimated impact of Nebraska's private higher education on the state, 2003

	<u>Impacts for 2003</u>
Total jobs supported	24,529.9
Proprietary or self-employment income	\$52,431,036
Wages & salaries	\$522,233,330
Sales or output	\$1,162,043,078
State & local taxes	\$46,100,989

Source: Implan Multiplier System

¹¹ None of these estimates includes the impact of visitors to the college or university such as parents, sales representatives, and academic visitors on the state.

Impacts by Industry

Table 9 lists impacts by industry. As presented, Nebraska's *Wholesale & Retail Trade Industry* is a major beneficiary of private higher educational institutional spending. According to estimates, private institutional spending each year supports over 3,583 jobs, \$7.5 million in self-employed income, \$56.9 million in wages and salaries and \$139.6 million in yearly sales for this one industry. Even the state's large *Food & Kindred Products* manufacturing industry experience positive impacts. For 2003 for this industry, it is estimated that Nebraska's private higher educational institutions will support 55.1 jobs, \$1.9 million in wages/salaries, \$13.6 million in sales and \$64,328 in self-employment income.

Table 9: Impact of Nebraska's private higher educational institutions by industry, 2003				
	Jobs	Self-employ. pay	Wages & salaries.	Output
Radio and TV Receiving Sets	1.2	\$163	\$31,629	\$151,014
Telephone and Telegraph Apparatus	1.4	\$352	\$91,684	\$488,803
Glass and Glass Products- Except Con-	1.7	\$1,646	\$73,702	\$249,425
Radio and TV Communication Equipment	2.2	\$256	\$65,751	\$481,939
Natural Gas & Crude Petroleum	2.4	\$11,132	\$69,378	\$326,103
Motor Vehicle Parts and Accessories	2.8	\$10,752	\$103,946	\$627,244
Sanitary Services and Steam Supply	2.9	\$338,312	\$113,340	\$1,437,173
Refrigeration and Heating Equipment	3.1	\$238	\$110,171	\$663,190
Gas Production and Distribution	3.5	\$488,224	\$224,785	\$4,025,037
Electronic Components	4.4	\$576	\$120,634	\$845,356
Medical Supplies Sales	5.5	-\$79	\$250,428	\$1,012,682
Furniture & Fixtures	6.2	\$6,139	\$225,298	\$688,077
Elementary and Secondary Schools	10.1	\$4,426	\$121,744	\$251,022
Automobile Rental and Leasing	11.1	\$89,851	\$233,657	\$1,119,516
Drug Manufacturing	14.4	\$28,166	\$909,613	\$3,439,305
Advertising	15.5	\$56,420	\$547,470	\$1,424,528
Apparel	15.7	\$6,220	\$374,162	\$1,617,472
Automobile Parking and Car Wash	17.8	\$66,349	\$182,607	\$608,427
Agricultural- Forestry- Fishery Services	29.0	\$605,860	\$253,038	\$4,900,217
Educational Services & Job Training	34.5	\$10,481	\$635,284	\$1,598,077
Detective and Protective Services	37.9	\$62,489	\$592,882	\$918,461
Landscape and Horticultural Services	47.5	\$252,802	\$335,838	\$1,423,148
Food & Kindred Products	55.1	\$64,328	\$1,861,875	\$13,568,150
Security and Commodity Brokers	57.3	\$202,500	\$2,908,116	\$5,303,746
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	Jobs	Self-employ. pay	Wages & salaries.	Output
Printing & Publishing	58.8	\$37,172	\$2,230,604	\$7,314,071
Legal Services	64.0	\$1,838,607	\$2,267,136	\$5,781,519
Communications, Radio & TV	65.8	\$454,518	\$3,341,774	\$15,541,879
Domestic Services	66.6	\$0	\$599,296	\$599,296
Credit Agencies	69.4	\$113,703	\$1,732,695	\$3,067,319
Auto & Misc. Repair	86.2	\$735,441	\$1,553,166	\$6,909,497
Hotels and Lodging Places	96.0	\$63,515	\$1,500,319	\$3,926,806
Government Services	99.6	\$0	\$5,276,139	\$19,234,023
Banking	105.7	\$119,994	\$4,109,987	\$20,261,604
Transportation Services	118.1	\$584,029	\$4,092,813	\$12,871,409
Insurance Carriers, Agents & Brokers	119.6	\$385,367	\$4,904,942	\$13,571,410
Social Services & Religious Org.	142.6	\$0	\$3,069,882	\$7,516,547
Personal Services	187.6	\$980,971	\$1,749,276	\$5,757,722
Real Estate	213.8	\$1,369,592	\$2,322,131	\$27,409,750
Engineering- Architectural, Accounting &	328.6	\$3,062,230	\$7,659,687	\$20,864,963
Computer and Data Processing Services	396.2	\$2,393,961	\$20,843,340	\$36,380,456
Business Services	407.9	\$800,124	\$7,294,229	\$18,570,061
Building Maintenance & Repair	435.2	\$4,276,432	\$12,845,105	\$32,548,342
New Industrial and Commercial Buildings	464.1	\$4,633,359	\$14,016,117	\$57,524,048
Business, Labor, & Other Non-Profit Org.	505.1	\$166,632	\$8,634,979	\$13,294,699
Amusement and Recreation Services	958.8	\$3,450,362	\$7,652,864	\$27,499,129
Hospitals, Doctors & Health Services	1,119.7	\$4,375,991	\$34,579,552	\$73,098,891
Eating & Drinking	1,783.1	\$919,269	\$20,510,370	\$60,251,880
Wholesale & Retail Trade	3,583.2	\$7,452,199	\$56,941,327	\$139,626,456
Colleges- Universities- Schools	12,633.1	\$11,734,230	\$280,660,128	\$450,766,240
All other industries	37.9	\$175,735	\$1,408,440	\$34,686,949
Total all industries	24,529.9	\$52,431,036	\$522,233,330	\$1,162,043,078

Source: Implan Input-Output Multipliers

Tax Impacts

Table 10 lists the estimated impact of Nebraska's private institutions on state and local tax collections for 2003. While all fourteen institutions are non-profit and do not pay corporate income taxes, their employees pay state taxes. Furthermore, companies that sell products and services to the institutions pay corporate taxes. Thus for 2003, Nebraska's private institutions will produce almost \$409,000 in corporate income taxes. In total, the fourteen private institutions will generate over \$46 million in state and local taxes for state and local coffers.

Table 10: Impact of private higher education on Nebraska tax collections, 2003

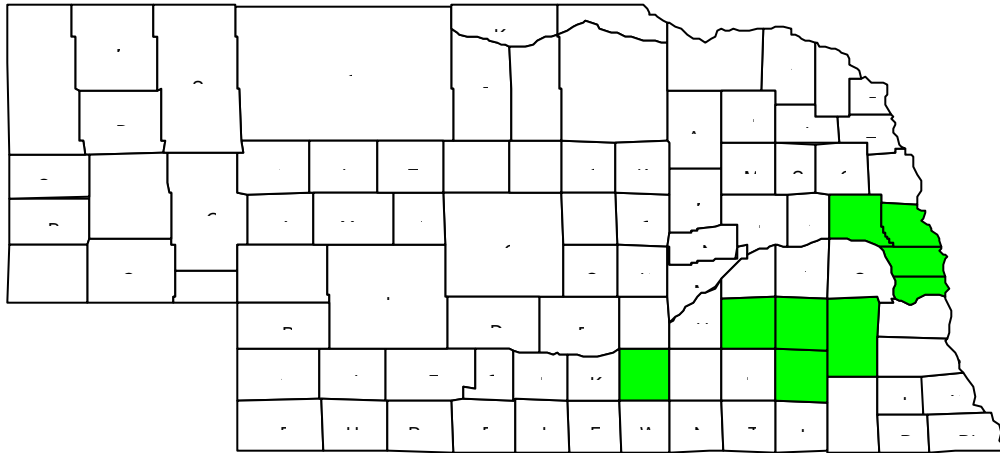
Corporate Profits Tax	\$408,678
Dividends	\$3,838
Indirect Bus Tax: Motor Vehicle License	\$265,217
Indirect Bus Tax: Other Taxes	\$1,248,486
Indirect Bus Tax: Property Tax	\$15,113,403
Indirect Bus Tax: S/L Non-Taxes	\$2,287,496
Indirect Bus Tax: Sales Tax	\$14,628,650
Indirect Bus Tax: Severance Tax	\$9,449
Personal Tax: Estate and Gift Tax	\$0
Personal Tax: Income Tax	\$9,964,961
Personal Tax: Motor Vehicle License	\$639,978
Personal Tax: Non-Taxes (Fines- Fees)	\$285,390
Personal Tax: Other Tax (Fish/Hunt, etc.)	\$261,668
Personal Tax: Property Taxes	\$305,265
Social Ins Tax- Employee Contribution	\$134,288
Social Ins Tax- Employer Contribution	\$544,222
Total annual state & local tax collections	\$46,100,989

Source: Implan Input-Output Multiplier System

Impacts by County

Nebraska's fourteen private higher educational institutes are located in nine of Nebraska's 93 counties. Figure 6 highlights the counties in which at least one private college or university is located.

Figure 6: Nebraska counties with private colleges/universities



As presented in Figure 6, the Nebraska counties of Adams, Dodge, Douglas, Lancaster, Saline, Sarpy, Seward, Washington and York have private higher education institutions. Table 11 compares population growth for these counties to that of counties without private higher educational institutions. For the period 1990 to 2000, the table shows that counties with private institutions grew at a much faster pace of 13.0 percent than counties without private higher educational institutions that expanded at a slower rate of 3.0 percent. In fact, each county, except for York, grew at a faster pace than the rest of the state. Table 11 provides additional evidence that Nebraska's private higher educational institutions have provided differential and positive growth for counties in which they are located.

Table 11: Comparison of population growth of counties with and without private higher education institutions

County	Population		Growth, 1990-2000
	1990	2000	
Adams County	29,625	31,151	5.2%
Dodge	34,500	36,160	4.8%
Douglas	416,444	463,585	11.3%
Lancaster	213,641	250,291	17.2%
Saline	12,715	13,843	8.9%
Sarpy	102,583	122,595	19.5%
Seward	15,450	16,496	6.8%
Washington	16,607	18,780	13.1%
York	14,428	14,598	1.2%
All counties with private colleges	855,993	967,499	13.0%
All other Nebraska counties	722,424	743,764	3.0%
State	1,578,417	1,711,263	8.4%

Source: U.S. Census Bureau

Table 12 compares income growth of counties that have private higher educational institutions with that of counties without a private college or university. Clearly Nebraska counties with a private college or university experienced higher income growth than counties without a higher educational institution. Between 1990 and 2000, counties with a private college or university grew personal income by 80.0 percent while all other Nebraska counties grew their personal income by 45.2 percent. In this case, only one county, Adams County, grew at a slower pace than the rest of the state without a private higher educational institution.

Table 12: Comparison of income growth of counties with and without private higher education institutions

	Personal income		Growth, 1990-2000
	1990	2000	
Adams County	\$528,582	\$760,253	43.8%
Dodge	\$546,878	\$918,906	68.0%
Douglas	\$8,858,148	\$16,334,053	84.4%
Lancaster	\$3,927,035	\$7,217,080	83.8%
Saline	\$203,264	\$288,647	42.0%
Sarpy	\$1,812,295	\$3,181,510	75.6%
Seward	\$260,247	\$400,933	54.1%
Washington	\$304,683	\$571,818	87.7%
York	\$259,405	\$383,664	47.9%
Counties with private colleges	\$16,700,537	\$30,056,864	80.0%
All Other Counties	\$11,890,566	\$17,261,840	45.2%
State	\$28,591,103	\$47,318,704	65.5%

Source: U.S. Census Bureau

Table 13 lists detailed impacts by county. In this case, input-output multipliers were applied to injections for each county. As listed, Douglas County experienced the largest overall impact at \$649.6 million in sales, while York County experienced the smallest overall impact at just over \$16.4 million in 2003 sales. In terms of jobs, private colleges and universities supported from 387 jobs for York County to 11,010 for Douglas County.

Table 13: Impact of private higher education by county, 2003

	Self-employment Income	Earnings	Output	Jobs
Adams County	\$1,816,287	\$13,860,718	\$39,706,407	780.6
Dodge	\$1,331,806	\$13,512,460	\$34,964,362	794.2
Douglas	\$23,418,391	\$275,228,063	\$649,617,155	11,010.0
Lancaster	\$6,314,908	\$50,497,733	\$137,522,022	2,652.7
Saline	\$1,194,081	\$11,091,608	\$31,605,189	733.9
Sarpy	\$2,135,939	\$21,943,253	\$67,608,968	1,288.2
Seward	\$1,353,299	\$9,957,184	\$32,745,606	600.0
Washington	\$774,860	\$6,839,028	\$19,878,762	424.5
York	\$720,483	\$5,485,820	\$16,478,878	386.3
All Other Counties	\$13,370,982	\$113,817,463	\$131,915,729	5,859.5
State	\$52,431,036	\$522,233,330	\$1,162,043,078	24,529.9
Source: Implan Multiplier System				

Table 14 demonstrates the relative importance of private educational institutions in the county in which they are located. The percent of jobs is derived by dividing the jobs supported by the institution, from Table 13, by total county employment. As listed, private institutions support, directly and indirectly, 2.7 percent of the jobs in the state with an average annual pay of \$21,290 per job. Private higher education was most important for Saline County supporting 10.8 percent of the county's work force.

Table 14: Private higher education's relative importance to economy

	Pay Per job	Percent Of Jobs
Adams County	\$17,756	5.2%
Dodge	\$17,014	4.0%
Douglas	\$24,998	4.4%
Lancaster	\$19,036	1.9%
Saline	\$15,113	10.8%
Sarpy	\$17,034	2.1%
Seward	\$16,595	6.7%
Washington	\$16,111	3.9%
York	\$14,201	4.6%
All Other Counties	\$19,424	1.6%
State	\$21,290	2.7%

Source: Output from Implan & Nebraska Department of Economic Development

Impacts By Institution



Bellevue University

As one of Nebraska's largest, fully accredited, independent colleges, Bellevue University offers undergraduate and graduate degree programs. It is one of the regional leaders in pioneering innovative educational opportunities for adult students.

The College of Arts and Sciences offers traditional Bachelor of Arts, Bachelor of Fine Arts and Bachelor of Science degrees, as well as the Bachelor of Technical Studies, which builds upon associate degrees from accredited community colleges. The College of Business offers degrees in a variety of disciplines.

The university's acclaimed College of Professional Studies offers accelerated degree completion programs, geared toward the working adult student.

Bellevue University offers a variety of graduate programs, including accelerated degree programs. Bellevue University offers flexible scheduling with day, evening and weekend classes.

Bellevue University presently offers its undergraduate and graduate degree programs on its Bellevue campus, at Offutt Air Force Base, at Central Community College in Grand Island, at the Central Community College—Platte Campus in Columbus, in Sioux City, Iowa, and at its west Omaha location. The university is accredited by the North Central Association of Colleges and Schools.



- Location: Sarpy County
- Total enrollment 4,107
- 25% of students from outside NE
- 7,021 Alumni living inside NE
- 4,903 Alumni living outside NE

The University offers its international students opportunities to experience the culture of the Midwest with various activities such as the Worlds of Fun Trip for International Students, the International Student Zoo Trip and the International Banquet and Talent Show. Bellevue University continues its focus on diversity with its celebrations and recognition of Hispanic Heritage Month, Black History Month and Cinco de Mayo.

Bellevue University has forged numerous corporate partnerships designed to focus on real-world solutions and promote productivity and growth. Organizations include Omaha Public Power District, ConAgra, Nebraska Public Power District, Union Pacific

Railroad, United Parcel Service, First Data, Girls and Boys Town, SAIC (Science Applications International Corporation), First Data Resources, and others.

Distinguished alumni who are Bellevue University graduates include:

- James L. Mounce, President and CEO of Woodmen of the World Insurance
- Lawrence E. Barrett, Douglas County Judge
- John H. “Buzz” Gatlock, Senior Vice President of Dain Rauscher Investments
- Gordon Watanabe, owner of the Nobbies Store chain.

Annual Economic Impact

Bellevue University Spending 2002	
2002 Operating budget	\$ 21,862,000
Estimated yearly capital spending	\$ 613,750
2002 revenue from federal government	\$ 1,904,000
Full-time employees	289
Part-time employees	190

Annual Impact of Bellevue University on Sarpy County	
Proprietary Income Added	\$ 2,135,939
Earnings Added	\$ 21,943,253
Sales Added	\$67,608,968
Jobs Supported	1,288



Located on the campus of Nebraska Health System, Clarkson College is a private health sciences college that educates and trains students and professionals to provide health care services to patients, families, employers, and the community. Clarkson College has a variety of academic programs throughout the health sciences field.

Bachelor and Masters degrees are offered in nursing, and Bachelor of Science degrees are offered in Health Care Business Management, Medical Imaging and Health Care Business Management.



- Location: Douglas County
- Total enrollment 507
- 37% of students from outside NE
- 1,694 alumni living inside NE
- 1,713 alumni living outside NE

Clarkson offers a family nurse practitioner certification, and a medical coding certification. Programs are available for Occupational Therapy Assistant, Physical Therapy Assistant and Radiologic Technologists. Students

perform clinical rotations at the Open Door Mission, Indian reservations, and at several other agencies, including Wesley House and the Omaha Public Schools.

Annual Economic Impact

Clarkson College Spending 2002	
2002 Operating budget	\$ 7,005,902
Estimated yearly capital spending	\$ 184,500
2002 revenue from federal government	\$ 3,005,794
Full-time employees	95 (includes students and adjunct faculty)

Annual Impact of Clarkson College on Douglas County	
Proprietary Income Added	\$ 662,214
Earnings Added	\$ 7,593,987
Sales Added	\$ 18,370,966
Jobs Supported	327



College of Saint Mary

College of Saint Mary is the only private, Catholic college for women in a five-state area. The college integrates a liberal arts education with professional and career preparation.

The college was founded in 1923 by the Sisters of Mercy. In 1972, ownership was transferred to a board of directors. The campus is located on 25 acres in central Omaha.

The college offers bachelor and associate degrees. Programs include business, nursing and education, as well as health information management, paralegal studies, and computer information management.

College of Saint Mary has an extensive evening and weekend program. The Omaha campus and the Lincoln College location, which is at 4600 Valley Road, offer additional courses.



College of Saint Mary is accredited by the North Central Association of Colleges and Schools.

- Location: Douglas County
- Total enrollment 852
- 12% of students from outside NE
- 4,023 alumni living inside NE
- 2,650 alumni living outside NE

College of Saint Mary faculty, staff and students participate in a day of service to the Omaha community. Various social service agencies participate in providing the opportunities for service, and approximately \$2 million per year is collected from faculty and staff as a gift to the college. The College of Saint Mary sponsors numerous

cultural events, including Women's History Month, choral concerts, and lectures. In addition, the college sponsors the Bridget Saint Bridget Theatre, a residential theatre company.

The college sponsors an early childhood development center for 160 infants through kindergarten age children. SMART (Science, Math and Related Technology) is offered to 80 young girls from Girls' Inc. Programs in math and science are offered in an after-school program for three hours twice a week, and education majors offer reading assistance for special needs children at various Omaha Public School sites.

College of Saint Mary sponsors health fairs for low-income sectors of the city, library privileges are available to alumni, swim lessons are provided for low-income children, and a math and science camp is sponsored for Latina girls.

Distinguished alumni include:

- Joan Laughlin, Ph.D., professor, University of North Carolina
- Sharon Kava, novelist
- Marie Powell, Assistant Secretary for Parental Advocacy in the U.S. Bishops' Department of Education
- K. Bridget Brosnihan Simmons, Ph.D., professor, Wake Forest University
- Inez Bosshart
- Elaine Schuster, President and CEO, Golden Apple Foundation, Chicago
- Norita Cooney, RSM, VP Mission Services at Alegent Health
- Pat Lenaghan, Service Executive for Emergency and Birth Services at Methodist Hospital and board member of Center for Nursing
- Dr. Maryanne Stevens, RSM, President, College of Saint Mary
- Irene Doeckal
- Pat Knock
- Gail Graham
- Mary Christelle Macaluso, RSM, writer and humorist, known as “the Fun Nun”

Annual Economic Impact

College of Saint Mary Spending 2002	
2002 Operating budget	\$ 8,721,695
Estimated yearly capital spending	\$ 1 to 4 million
2002 revenue from federal government	\$ 6,329,327
Full-time employees	126
Part-time employees	31

Annual Impact of College of Saint Mary on Douglas County	
Proprietary Income Added	\$ 1,129,103
Earnings Added	\$ 11,279,816
Sales Added	\$ 28,562.475
Jobs Supported	486



CONCORDIA UNIVERSITY
NEBRASKA

Concordia University, located in the northeast area of Seward, Nebraska, was founded in 1894 and is one of ten colleges and universities belonging to the Concordia University System, owned and operated by the Lutheran Church, Missouri Synod. Concordia's mission is to provide students an excellent, holistic, Christ-centered education and to prepare them for servant leadership to the church and world.

Concordia has granted degrees to more than 20,000 students. The college awards the degrees of Bachelor of Science in education, Bachelor of Arts, bachelor of fine arts, bachelor of music, and Bachelor of Science in medical technology. Concordia awards masters degrees in education, parish education and family life ministry. The college offers a degree completion program for adult students with two or more years of college education.

Concordia was ranked in the top tier, or 33rd out of 142 Midwest colleges, in the Universities-Masters Division in *U.S. News & World Report's America's Best Colleges 2003*, and was also listed among the 50 institutions named as a "Best Value" among Midwest colleges in the Universities-Masters Division.



- Location: Seward County
- Total enrollment 1,425
- 49% of students from outside NE
- 2,644 alumni living inside NE
- 10,919 alumni living outside NE

Enrollment has risen 18 percent over the past five years and 74 percent since 1990. The 2002-03 fall enrollment of 1,425 students was an increase of 56 students, or four percent, from the previous fall, and is the highest since 1972-73. The college draws students from throughout the United

States and from several foreign countries. Current Concordia students come from over twenty states and more than 25 foreign countries.

Concordia is accredited by the North Central Association of Colleges and Schools. Its teacher education programs are accredited by the National Council for the Accreditation of Teacher Education.

Cultural events serving the University and the public include the Christmas at Concordia concerts, Musical Arts Day, Cattle Classic Basketball Tournament (benefits community food bank), Plum Creek Literacy Festival, Concordia Fine Arts Series and numerous student plays, recitals and concerts that are open to the public. Link Library

services and an indoor swimming pool are also available to the surrounding community.

Concordia University alumni include:

- Doug Tieman, Sr., Executive Hazaldon Foundation
- Reverend Wallace Schulz, speaker for Lutheran Hour for 25 years
- Dr. Fred Ohlde, Sr. Executive, Thrivent Financial for Lutherans
- Dr. Doug Tewes, orthopedic surgeon, Lincoln, Nebraska
- James Wacker, former football coach, University of Minnesota
- Phil Droege, Assistant to Director of Public Records for the President of the United States

Numerous Concordia University presidents serving throughout the United States are alumni of Concordia University in Nebraska. They include:

- Dr. Julius Jenkins, President, Selma, Alabama
- Dr. Robert Holtz, St. Paul, Minnesota
- Dr. Majes Koerschen, Ann Arbor, Michigan

Annual Economic Impact

Concordia University Spending 2002	
2002 Operating budget	\$ 17,904,186
Estimated yearly capital spending	\$ 288,269
2002 revenue from federal government	\$ 1,040,812
Full-time employees	190
Part-time employees	24

Annual Impact of Concordia University on Seward County	
Proprietary Income Added	\$ 1,353,299
Earnings Added	\$ 9,957,184
Sales Added	\$ 32,745,606
Jobs Supported	600

Creighton UNIVERSITY

Creighton University, founded in 1878, is one of 28 Jesuit colleges and universities in the nation, and enrolls more than 6,000 students annually in nine schools and colleges, including medicine, dentistry, and law. Located at the Northwest edge of downtown Omaha on an expanding 70-acre campus, Creighton University is consistently ranked as one of the finest comprehensive universities in the nation by *U.S. News and World Report* and regularly appears in *Best Buys in American Colleges*.

Creighton University, accredited by the North Central Association of Colleges and Schools, provides associate, bachelors, masters, first professional and doctorate degree programs to students from every state in the U.S., and from many foreign countries. In addition to undergraduate programs in the College of Arts and Sciences and the College of Business Administration, Creighton University operates professional schools in medicine, dentistry, law, nursing, pharmacy, and the allied health professions. It operates the Graduate School and University College, the latter serving non-traditional students.



- Location: Douglas County
- Total enrollment 6,327
- 47.8% of students from outside NE
- 13,233 alumni living inside NE
- 34,587 alumni living outside NE

Numerous faculty and staff volunteer pro bono medical, dental, tax and legal services to low-income populations in Omaha and the surrounding area. In addition, many give their time to support such programs as Habitat for Humanity, National Youth

Sports Program, Special Olympics, and more. In addition, senior management staff members serve on scores of civic and social boards. Community and cultural contributions include free exhibits, recitals and performances throughout the year. Creighton University also celebrates Day of Diversity, Martin Luther King Day activities and Shakespeare on the Green.

Creighton University offers free educational services to the community. The programs focus on community health, academic assistance for diverse populations, technology, leadership training, cultural affirmation, women's issues and drug and alcohol education. Programs include the Upward Bound Math and Science Center, Health Careers Opportunity Program, Technology Lecture Series, SPAHP Drug and Alcohol Education, Class Upward Bound, Tutoring Adult Immigrants in English, Dream Catchers and Common Good, Hispanic Youth Outreach program, Native American Outreach Program, Clinical Ethics Series, Women and Health Lecture Series, and many more.

Distinguished alumni from Creighton University include:

ARTS

- Gutzon Borglum, Sculptor, Mount Rushmore National Monument.
- William Dozier, Vice President in charge of production, Columbia Pictures.
- Ron Hansen, novelist and Gerald Manley Hopkins, S.J. Professor in the Arts and Humanities at Santa Clara University

BUSINESS

- Hayden Ahmanson, philanthropist and Southern California insurance/savings and loan executive
- Robert W. Campbell, Chairman of the Corporation and Executive Committee of the Board, Canadian Pacific Enterprises, LTD
- C.C. Criss, Founder of Mutual of Omaha and United of Omaha, past chairman of the board
- Warren H. Dunn, CEO, Miller Brewing Company
- Mimi Feller, Senior VP of Public and Government Affairs, Gannett Company, Inc.
- Andrew Jackson Higgins, Founder Higgins Boat Co., inventor of "Higgins Boat" used in many WWII amphibious landings
- Donald Raymond Keough, President and CEO, Coca-Cola Company
- J. Joseph Ricketts, founder of Ameritrade Online Brokerage
- Bruce Rohde, CEO, ConAgra Foods
- Lloyd E. Skinner, Former CEO, Skinner Baking Company
- V.J. Skutt, Chairman Emeritus, Mutual of Omaha

EDUCATION

- Alejandro Portes, Ph.D., Professor of Sociology, Princeton University, President, American Sociological Association
- Rev. Maurice Van Ackeren, S.J., President Rockhurst College

LAW

- Roman Hruska, J.D., former Republican senator from Nebraska
- J. Clay Smith, Jr., JD, Professor of Law, former Dean, Howard University School of Law
- C. Thomas White, J.D., Chief Justice, Nebraska Supreme Court

MEDIA

- James C. Keogh, author and freelance writer for Time Magazine, Executive Editor, 1968. White House special assistant to Richard M. Nixon in charge of editing White House papers, speeches and policy statements
- Mary Alice Williams, network news anchor, CNN and NBC

MEDICINE

- George Blue Spruce, D.D.S., former Assistant Surgeon General

- Patrick E. Brookhouser, Boys Town Institute for Communication Disorders in Children. Chairman and Professor of Otolaryngology, past executive director
- Pasquale A. Carone, former executive director, South Oaks Hospital, member of Joint Commission, former chairman, New York State Board of Medicine
- Joseph A. Devine, President, American Dental Association
- Morris W. Fox, Co-founder of F & F Laboratories and F & F Cough Drops
- Brig. Gen. Wallace H. Graham, general surgeon, personal physician for President Harry Truman
- Harold C. Neu, Professor of Medicine and Pharmacology, Columbia University
- John O'Brien, M.D., identified the enzyme deficiency in Tay-Sachs Disease
- William J. Reals, Vice-Chancellor/Dean Trustee, University of Kansas Medical School, author, American Board of Pathology
- Robert R. Recker, M.D., Professor of Medicine, Creighton University Medical Center, identified high bone mass gene
- Albert Shumate, dermatologist, historian, preservationist, recipient of San Francisco's "City of Francis" award
- Robert G. Townley, Professor of Medicine, Director of Allergy and Clinical Immunology, Creighton University
- James B. Williams, M.D., physician to Dr. Martin Luther King, Jr., member of Tuskegee Airmen

PUBLIC SERVICE

- Michael O. Johanns, J.D., Governor, state of Nebraska
- Frank A. Barrett, Governor, Wyoming; U.S. senator, Wyoming
- Philip Morris Klutznick, Secretary of Commerce under President Jimmy Carter, President of the World Jewish Congress, President of the Memorial Foundation for Jewish Culture
- Francis Matthews, Secretary of the Navy, Ambassador to Ireland
- Hon. Jack R. Miller, U.S. Circuit Court of Appeals, Senior Judge, U.S. senator, Iowa
- Neil J. Welch, Former F.B.I. agent and administrator, and author of *Inside Hoover's F.B.I.*
- Lee Terry, Congressman for the 2nd District of Nebraska

RELIGION

- John Flanagan, S.J., Executive Director, Catholic Hospital Association

SCIENCE

- Michael Anderson, NASA astronaut, Space Shuttle crew member on Columbia's final and fatal flight February 1, 2003.
- Larry N. Ito, Ph.D., Dow Chemical technical leader, responsible for innovations in conversion of waste materials into useful products
- Robert Proulx Heaney, John A. Creighton professor, Creighton University, and international osteoporosis expert

SPORTS

- Bob Gibson, professional baseball player
- Paul Silas, former NBA player, current coach
- William Fitch, former NBA coach

Annual Economic Impact

Creighton University Spending 2002	
2002 Operating budget	\$ 252,680,000
Estimated yearly capital spending	\$ 29,877,000
2002 revenue from federal government	\$ 13,033,000
Full-time employees	2,316
Part-time employees	2,379 (includes 1,560 students)

Annual Impact of Creighton University on Douglas County	
Proprietary Income Added	\$ 19,519,863
Earnings Added	\$ 236,008,080
Sales Added	\$ 551,349,441
Jobs Supported	9,383



Dana College

Dana College is a four-year liberal arts college of the Evangelical Lutheran Church in America, located in Blair, Nebraska. Danish Lutheran immigrants established the college as a Trinity Seminary in 1884. The seminary and Dana College co-existed for many years, and in 1956, Trinity Seminary moved to the Wartburg Theological Seminary campus in Dubuque, Iowa.

Since then, Dana College has prepared students for leadership roles in the church and community. Although it is a Lutheran college, the majority of students are not Lutheran, providing diversity and exposure to different cultures, ideas and beliefs.

Dana College offers Bachelor of Arts degrees in more than 45 majors ranging from communication and computer science to art and religion. Also, internships in major area corporations, opportunities to study abroad, and special programs give students a broad educational background. While stressing high academic achievement, Dana College students have an almost 100 percent job placement rate after graduation and all students are encouraged to participate in co-curricular activities.



All Dana College programs are fully accredited by the North Central Association of Colleges and Schools and the Nebraska Department of Education. The college's teacher education programs are accredited at the elementary and secondary level by the National Council for the Accreditation of Teacher Education. The college's social work program is accredited by the National Council on Social Work Accreditation.

- Location: Washington County
- Total enrollment 577
- 53% of students from outside NE
- 3,570 alumni living inside NE
- 6,475 alumni living outside NE

Dana College presents approximately 24 concerts by performing groups each year. The Dana College Chorale, Voices, The Dana Concert Band, and Chamber Winds, Jazz ensemble offers concerts each semester that are open to the Blair and Omaha communities. Each year the Dana Theatre offers at least

six productions that are open to the public. Many educational lectures are scheduled for all to enjoy. The *Sights and sounds of Christmas* boasts two to three thousand guests. The Dana College Library and the Danish Immigrant Archives are open to the area community year round.

Distinguished Alumni include:

- Dr. Rachel Neve, lead researcher at Harvard Medical School
- Paul Simon, retired U.S. Senator for Illinois
- Dr. Arthur Simon, founder of Bread for the World
- Richard Vierch, JD, CPA Deloitte & Touche
- Rodney Christenson, President Mid American Computers, Inc.

Annual Economic Impact

Dana College Spending 2002	
2002 Operating budget	\$ 10,062,047
Estimated yearly capital spending	\$ 979,979
2002 revenue from federal government	\$ 382,847
Full-time employees	N/A
Part-time employees	N/A

Annual Impact of Dana College on Washington County	
Proprietary Income Added	\$ 774,860
Earnings Added	\$ 6,839,028
Sales Added	\$ 19,878,762
Jobs Supported	425



Doane College

Doane College is a four-year comprehensive college that emphasizes liberal arts and career education to nearly one thousand undergraduate students at the Crete campus in Saline County. Close to six hundred non-traditional students are enrolled at the Lincoln campus and one thousand are enrolled in graduate programs in Lincoln and various sites, including the Navajo Nation in New Mexico and Arizona.

Founded in Crete in 1872 by the Congregational Church, Doane was the first independent college in Nebraska and the oldest four-year private liberal arts institution in the state. Doane College maintains ties with the United Church of Christ.



Doane College is one of the few institutions in the United States to offer a guarantee that its students will graduate in four years. In their 2001 College Guide, *U.S. News & World Report* named the college as one of the top 10 best values and top 30 best schools in the Midwest in the category of Universities-Masters. With tuition, room and board and fees for the 2001-2002 academic year at approximately \$17,600, Doane was recently ranked among the top five Midwest "Great Schools at Great Prices" in the 2003 *U.S. News & World Report College Guide*.

Among its offerings, Doane College boasts an education "warranty" guaranteeing employers of the abilities of their teacher education graduates. Travel scholarships are offered to every junior and senior, and Doane College has more Fulbright Scholars than any other institution in Nebraska.

- Location: Saline and Lancaster counties
- Total enrollment 2,263
- 17% of students from outside NE
- 7,079 alumni living inside NE
- 5,134 alumni living outside NE

Doane College students, who originate from 26 states and four foreign countries, may earn Bachelor of Arts or Bachelor of Science degrees within the division of business education, arts and

humanities, and natural or social sciences.

Pre-professional programs are offered in allied health careers, dentistry, engineering, forestry, journalism, law, medicine, ministry, nursing and veterinary medicine. Masters degree programs are offered in education, management and counseling.

Doane College is accredited by the North Central Association of Colleges and Schools, the National Council for the Accreditation of Teacher Education and the Nebraska State Department of Education.

Doane faculty, staff and students provide almost 17,000 of community service hours per year, with each student averaging 35 hours of community service per year.

Doane College provides free use of their library services, computer facilities, athletic fields, gymnasiums and pool to the city of Crete and Crete residents for most recreational, academic and cultural events.

Crete Public Schools and Doane College cooperatively upgraded and use a Field Tuft football field. Almost all cultural events are free to the public, and residents of Crete age 65 and older are offered free classes on the Crete Campus.

Distinguished Doane College alumni include the following:

- Robert Taylor, film star
- Donald Nyrop, CEO of Northwest Airlines
- Robert Tyler, founding director of the American College Testing Program (ACT)
- Sam Bell, U.S. Olympic coach
- Ray Alf, paleontologist
- Norris Alfred, publisher Polk Progress
- Hugh Butler, U.S. senator
- William Conklin, architect and archaeologist
- Stanley Heng, Adjutant General, Nebraska National Guard
- Thomas Songster, Director of Sports for Special Olympics International
- Tom Tonniges, Director of the American Academy of Pediatrics
- Claude Welch, surgeon
- Douglas Wilson, scholar and author on Thomas Jefferson and Abraham Lincoln
- Thomas Mangelsen, popular wildlife photographer

Annual Economic Impact

Doane College Spending 2002	
2001 Operating budget	\$21,617,466
Estimated yearly capital spending	\$ 1,561,345
2002 revenue from federal government	\$ 1,564,166
Full-time employees	218
Part-time employees	166

Annual Impact of Doane College on Saline and Lancaster Counties			
	Saline County	Lancaster County	Total Annual
Proprietary Income Added	\$ 1,194,081	\$ 888,882	\$ 2,082,963
Earnings Added	\$ 11,091,608	\$ 6,619,145	\$ 17,710,753
Sales Added	\$ 31,605,189	\$ 19,204,966	\$ 50,810,155
Jobs Supported	734	400	1,134



Grace University

Grace University was founded in 1943 as Grace Bible Institute, with an initial enrollment of 23 students, to prepare men and women for missions and pastoral ministries. Governed by a Board of Trustees that represent a variety of businesses and professions, Grace's enrollment has grown and fluctuated during the years but has been on a steady growth pattern, having graduated it's largest class ever in May 2002.

On September 6, Grace University's teacher education program became the first new teacher-training program to be approved by the Nebraska Department of Education in 10 years. On April 5 the University broke ground for a new \$6 million Health and Fitness Center to be constructed on its downtown Omaha campus.



For the 2002-03 academic year, Grace University awarded scholarships totaling \$210,000 to 91 students representing two foreign countries and 15 states, including 44 students from Nebraska.

- Location: Douglas County
- Total enrollment 563
- 37% of students from outside NE
- 2,190 alumni living inside NE

Grace University offers four-year programs with Bachelor of Science degrees in biblical studies, human development and family studies, Christian education, teacher education, communications, intercultural ministry, business administration, management and

organizational leadership, music, and vocation/technical. Also offered is Bachelor of Arts degrees, cooperative programs, Master of Arts programs and several associate degrees.

Services provided to the community include seminars, library privileges to alumni, online library links to the community and two radio stations, 100.7, "The Bridge" in Omaha, and 95.7, KROA in Hastings and Grand Island. Grace also provides mental health and counseling services to individuals, couples and families, and offers numerous concerts and plays throughout the year.

Among the distinguished alumni from Grace University are the following:

- Jerry Regier, named by Florida Governor Jeb Bush as the state's secretary of the Department of Children and Families. Reiger was formerly cabinet secretary for Health and Human Services and executive director of the Department of Juvenile Justice for the state of Oklahoma, and in 1992 headed the National Office of Juvenile Justice and Delinquency Prevention

- Dr. Clifford Penner, teams with his wife as internationally recognized sexual therapists, educators and authors
- Donald Swanson, Attorney, Koley Jessen, Daubman & Rupiper, PC.

Annual Economic Impact

Grace University Spending 2002	
2002 Operating budget	\$ 7,960,000
Estimated yearly capital spending	\$ 6,350,000
2002 revenue from federal government	\$ 558,647
Full-time employees	108

Annual Impact of Grace University on Douglas County	
Proprietary Income Added	\$ 1,408,368
Earnings Added	\$ 11,907,955
Sales Added	\$ 31,478,289
Jobs Supported	470



Hastings College

Hastings College was built in the middle of a prairie town more than 119 years ago. It was established by people who envisioned a college encompassing the highest academic standards within the broad perspective of the liberal arts. Hastings College, recognized as one of the finest liberal arts colleges in the Midwest, remains committed to the liberal arts, Christian faith, and a promise to prepare their graduates to excel in their professional, personal, and spiritual lives.



Hastings College's programs, both academic and extra-curricular, bind tradition with innovation and broad-based learning with hands-on training. Also established are

- Location: Adams County
- Total enrollment 1,078
- 23% of students from outside NE
- 5,318 alumni living inside NE
- 5,742 alumni living outside NE

international exchanges with colleges and universities in England, Ireland, the Netherlands, Germany, Spain and Russia.

Hastings College presents the yearly Artist-Lecture Series Symposium, a two-day event organized and planned by students and faculty. Featuring nationally known speakers, the symposium is the culmination of yearlong activity, challenging both students and faculty to new thoughts on the topic presented. Other community and cultural contributions by Hastings College include numerous choral and instrumental concerts, art exhibits, theatre productions, guest speakers and faculty and student presentations.

Distinguished alumni of Hastings College include:

- Richard Tickler, Retired President Saudia Arabia Petrochemical Company
- Bill Barrett, former congressman,
- Milan Bish, former ambassador to the Eastern Caribbean
- Tom Osborne, U.S. Congressman-Nebraska, and former head coach of the University of Nebraska football team
- Gary Anderson, two-time Olympic gold medal winner and world-record setter in rifle shooting
- John Francis, artist for Hallmark Cards,
- Skip Boyer, Managing Director of Best Western International
- Kathleen Conner, Controller for the state of California
- George Lundeen, Sculptor
- Craig Parsons, music and film producer and designer of baseball cards
- Clayton Anderson, NASA astronaut

- Gary Staab, sculptor
- Chris Schukei, music coordinator, Late Show with David Letterman
- Chris Flanders, actor
- Kristin O’Keefe, actress and film promoter
- Marc Boerigter, NFL Football player for the Kansas City Chiefs

Annual Economic Impact

Hastings College Spending 2002	
2002 Operating budget	\$ 14,377,932
Estimated yearly capital spending	\$ 7,404,855
2002 revenue from federal government	\$ 4,511,922
Full-time employees	214 (not including students)

Annual Impact of Hastings College on Adams County	
Proprietary Income Added	\$ 1,816,287
Earnings Added	\$ 13,860,718
Sales Added	\$ 39,706,407
Jobs Supported	781



Midland Lutheran College

Midland Lutheran College, an independent, four-year institution, reflects the combined heritages of Luther College, founded in 1883 in Wahoo, Midland College founded in Atchison, Kansas, and Fremont Normal College founded in Fremont. In 1919, Atchison moved to the Fremont Normal campus. In 1962, Luther College merged with Midland in Fremont and the college was renamed Midland Lutheran College.

Midland Lutheran College offers degrees of Bachelor of Arts, Bachelor of Science, and Bachelor of Science in business administration, Bachelor of Science in nursing, and associate of arts. The college combines education in the liberal arts and sciences with career preparation in business, education, computer science, journalism, and other fields.



Midland Lutheran's programs are fully accredited by the North Central Association of Colleges and Schools. The college is endorsed for its academic programs by such groups as the National Endowment for the Humanities and the National League of Nursing, and is affiliated with the Evangelical Lutheran Church in America (ELCA).

According to the 2003 *U.S. News America's Best Colleges* report, Midland Lutheran College ranks among America's best, placing in the second of four tiers of Midwestern comprehensive colleges offering bachelors degrees.

- Location: Dodge County
- Total enrollment 930
- 25% of students from outside NE
- 6,579 alumni living inside NE
- 5,923 alumni living outside NE

Midland Lutheran College hosts a variety of cultural and political events for the college and the Fremont Community. *Washington Post* columnist Bob Levey spoke in the Lester Walker/MLC Speaker Series, and during a visit to Nebraska, the college presented an honorary doctor of

laws degree to Mikhail S. Gorbachev, leader of the former Soviet Union from 1985-1991.

Midland offers a "Cultural Competency for the Health Professional" workshop that familiarizes pre-health professionals from rural Nebraska with the cultural differences in the state's growing diverse population – specifically the Hispanic, African-American, Asian and Native American populations.

Midland faculty and staff volunteer on various local, state, and national boards, and library privileges are extended to the community.

Distinguished alumni from Midland Lutheran College include:

- The late Cliff Hillegass, creator of Cliffs Notes
- Cary Perkins, President & CEO, Children’s Hospital, Omaha
- John Sturgeon, President & CEO, Mutual of Omaha
- Susan Metz Chilcott, Director of Communications, American Association of St. Colleges and Universities, Washington, D.C.

Annual Economic Impact

Midland Lutheran College Spending 2002	
2002 Operating budget	\$ 17,948,000
Estimated yearly capital spending	\$ 255,362
2002 revenue from federal government	\$ 634,637
Full-time employees	208

Annual Impact of Midland Lutheran College on Dodge County	
Proprietary Income Added	\$ 1,331,806
Earnings Added	\$ 13,512,460
Sales Added	\$ 34,964,362
Jobs Supported	794



Nebraska Methodist College

Nebraska Methodist College provides programs focusing on the community in acute care settings such as hospitals, or in long-term care settings such as nursing homes, clinics or in the community.

Undergraduate degree programs at Nebraska Methodist College include a bachelor of science in Nursing. Other programs offered include accelerated and advanced placement options for RNs and LPNs, respiratory care sonography, radiologic technology and bachelor-of-science in Paramedicine.

Nebraska Methodist College also offers graduate programs including a Master's level programs in Health Promotion and Nursing.

Certificate programs include a basic EMT course designed to introduce students to pre-hospital emergency medical care of the sick and injured, and a new EMT – Paramedic Curriculum. Other certificate programs include Health Promotion Specialist, Medical Assistant, Nursing Assistant, Phlebotomy and Surgical Technology.

- Location: Douglas County
- Total enrollment 341
- 20% of students from outside NE
- 2,153 alumni living inside NE
- 1,458 alumni living outside NE

Nebraska Methodist College offers programs on its main campus, at 8502 West Dodge Road, and at its downtown campus at 515 S. 26th Street in Omaha. The Bachelor of Nursing Program is

accredited by the National League for Nursing Accrediting Commission, and is approved as a degree program by the Nebraska State Board of Nursing and the EMT – Paramedic course meets U.S. Department of Transportation National Standards Paramedic Curriculum. Nebraska Methodist College provides extensive community service through “structured learning” expectations throughout all courses. Faculty and staff serve within various boards and organizations.

In addition to numerous health assessments and health fairs, contributions to the community by Nebraska Methodist College include ten to twelve guest speakers per year, with topics centering upon cultural diversity, social justice, ethics and healthcare. The presentations are often offered in collaboration with agencies, organizations or other colleges.

Distinguished alumni of Nebraska Methodist College include:

- Connie Sizta, Ph.D.
- Jean Beyer, Ph.D.
- Edna Fagan, Kay Ryan, Ph.D.
- Julie Wagner, Ph.D., Ruth Freed, Ph.D.
- Jim Sorenson, Ed.D.
- Sue Michalski
- Jean Owens
- Carol Evans
- Emiko Ward
- John Hansen

Annual Economic Impact

Nebraska Methodist College Spending 2002	
2002 Operating budget	\$ 8,726,449
Estimated yearly capital spending	\$ 447,464
2002 revenue from federal government	\$ 507,213
Full-time employees	129

Annual Impact of Nebraska Methodist College on Douglas County	
Proprietary Income Added	\$ 698,843
Earnings Added	\$ 8,438,225
Sales Added	\$ 19,855,984
Jobs Supported	345



Nebraska Wesleyan University

Nebraska Wesleyan University is an independent, undergraduate liberal arts institution. Founded in 1887, the university actively maintains its relation to the Nebraska Annual Conference of the United Methodist Church. Nebraska Wesleyan's 50-acre campus is in University Place, a residential neighborhood in northeast Lincoln.

Ranked the number one liberal arts college in Nebraska by *U.S. News and World Report* (2002), the university's academic program is organized into five divisions: fine arts, humanities, natural science, professional and social sciences. Forty-seven majors leading to bachelors degrees are available in 18 departments, and students also may pursue several interdisciplinary/interdepartmental majors. Nebraska Wesleyan offers foundation courses for future study in professional fields through its academic departments, e.g., dentistry, medicine, nursing, law, engineering, occupational therapy, pharmacy, physical therapy, theology, and veterinary science.



The *Templeton Honor Roll*, established to recognize biennially those institutions that emphasize character development as an integral aspect of the undergraduate experience recognizes Wesleyan as one of 100 colleges and universities nationwide that offer "comprehensive commitment and programs that inspire students to lead ethical and civic-minded lives."

- Location: Lancaster County
- Total enrollment 1,688
- 7% of students from outside NE
- 4,998 alumni (est.) living inside NE
- 5,290 alumni living outside NE

Nebraska Wesleyan was one of two recipients nationwide of the Heuer Award for Outstanding Achievement in Undergraduate Science Education. Heuer Awards recognize science programs that have demonstrated a significant impact on students, improved the

college or university, contributed to individuals beyond the institution or influenced the wider sphere of higher education. Additionally, the university is the only liberal arts college in Nebraska selected to participate in the Biomedical Research Infrastructure Network (BRIN), coordinated through the University of Nebraska Medical Center.

Wesleyan was among 53 institutions nationwide to receive a \$1.1 million grant from the Howard Hughes Medical Institute (HHMI) to support science education. The

grant is being used to fund summer research fellowships, equipment for science instruction, a workshop for K-12 science teachers and a summer bridge program with Philander Smith College.

Yahoo! Internet Life named Nebraska Wesleyan University as one of the 100 most wired campuses in the country. With a six to one ratio of computers to students, Wesleyan was received the "Most Wired" status due to outstanding administrative services and technical support for students, recent computer purchases, and increased Internet access in dorms and classrooms.

Professor of Sociology Dr. David Iaquinta was named as the 2001 Nebraska Professor of the Year by the Carnegie Foundation for the Advancement of Teaching, and the Council for the Advancement and Support of Education.

Wesleyan ranks among the top schools in the nation for the number of scholar-athletes honored as Verizon Academic All-Americans.

The university's programs are accredited by the North Central Association of Colleges and Schools, University Senate of the United Methodist Church, Nebraska State Board of Education, National Council for Accreditation of Teacher Education, National Association of Schools of Music, National League for Nursing, Council on Social Work Education, American Chemical Society, and Association of Collegiate Business Schools and Programs.

As part of Black History Month in February 2002, Nebraska Wesleyan University featured a program with Tim Wise, multicultural speaker and author of *Little White Lies: The Truth About Affirmative Action and Reverse Discrimination* and is a contributor to the upcoming anthology, *Black, White and Read All Over: Award-Winning Writers on Race*.

Nebraska Wesleyan's liberal arts college is "Home of the Rat Olympics," a unique event that began in 1974 as a part of a "Basic Learning Principals" psychology course. Students have trained hundreds of rats on the power of positive reinforcement, while most psychology courses in learning behavior utilize computer programs for this purpose. In 2001, the event was covered by the Discovery Channel and by ESPN.

Nebraska Wesleyan University stages multiple plays and cultural events and Nebraska Wesleyan University Choir is now conducting a seven-state winter tour.

The Brownville Village Theatre, a project of the Brownville Theatre Board of Directors in conjunction with Nebraska Wesleyan University, is the oldest summer repertory theatre in Nebraska. Nebraska Wesleyan offers students credit hours for participation.

Each year, approximately 350 First Congressional District high school students attend the annual Youth Institute on Governmental Affairs sponsored by Representative Doug Bereuter and held at the Nebraska Wesleyan University campus.

Annually, Nebraska Wesleyan University's Plainsman Honors Festival recognizes outstanding Nebraska high school students participating in the honors band and choir, and Wesleyan hosts the yearly Nebraska Institute, a two-week residential program that teaches Nebraska History and Culture to Nebraska educators.

Annual Economic Impact

Nebraska Wesleyan University Spending 2002	
2002 Operating budget	\$ 27,200,000
Estimated yearly capital spending	\$ 12,000,000
2002 revenue from federal government	\$ 850,000
Full-time employees	254
Part-time employees	143

Annual Impact of Nebraska Wesleyan University on Lancaster County	
Proprietary Income Added	\$ 3,866,976
Earnings Added	\$ 29,783,175
Sales Added	\$ 81,723,386
Jobs Supported	1,517



Union College

UNION COLLEGE
College of the Golden Cords

Union College is an independent, liberal arts college operated by the Seventh-day Adventist Church, and has served students from 34 countries and 41 states. The college was established in 1891 with a mandate to serve Iowa, Minnesota, North Dakota, South Dakota, Kansas, Missouri, Colorado, Nebraska and Wyoming. The college campus is in southeast Lincoln.

Union College offers majors through seven academic divisions: business and computer science, fine arts, health sciences, human development, humanities, religion, and science and mathematics. The college grants Bachelor of Science, Bachelor of Arts, bachelor of social work, bachelor of music, Bachelor of Arts in theology, associate of arts, and associate of science degrees.



The college is accredited by the North Central Association of Colleges and Schools, the Council on Social Work Education and the National League of Nursing. The college is approved by the Board of Regents of the General Conference of Seventh-Day Adventists, the Nebraska State Department of Education, and Nebraska's State Board of Nursing.

- Location: Lancaster County
- Total enrollment 951
- 81% of students from outside NE
- 1,293 alumni living inside NE
- 8,608 alumni living outside NE

Union College hosted an art exhibit featuring the works of Jim McClelland, renowned avian artist and winner of the Nebraska Wildlife Federation's Conservation Award, and presents the yearly Christian Concert Series, along with various fine arts concerts. The college's chamber music choir, the Unionaires,

recently performed at the State Capitol. Union College makes available to the public a genealogy collection along with its general library services.

Distinguished Union College alumni include:

- Twila Ligget, creator and executive producer of the Academy Award winning television series, "Reading Rainbow"
- John DeHaan, vocalist
- Laura Ogden, nationally ranked women's racquetball player

- Marilyn Schwartz, owner of Lincoln Racquet Club
 - Leland Kaiser, healthcare futurist
- And other well-known physicians, developers and educators.

Annual Economic Impact

Union College Spending 2002	
2002 Operating budget	\$ 15,000,000
Estimated yearly capital spending	\$ 1,196,000
2002 revenue from federal government	\$ 3,600,000
Full-time employees	315

Annual Impact of Union College on Lancaster County	
Proprietary Income Added	\$ 1,559,050
Earnings Added	\$ 14,095,413
Sales Added	\$ 36,593,670
Jobs Supported	736



York College

York College has provided liberal arts education since 1890. The college has been operated by the Church of Christ members since 1956.

York College is accredited by the North Central Association of Colleges and Schools. The college offers bachelor degrees in accounting, biblical studies and religious education, business administration, business management, communication, education (elementary, middle school, secondary), English, finance, history, human resource management, liberal arts, mathematics, science, speech communication and psychology. It also offers associate of arts and associate of science degrees and certificates of achievement.



- Location: York County
- Total enrollment 463
- 62% of students from outside NE
- 1,085 alumni living inside NE
- 5,695 alumni living outside NE

With sixty-two percent of students from outside the state of Nebraska, York faculty and staff are active in community activities such as “Walk for Life,” benefiting cystic fibrosis, annual blood drives, and services within various boards and organizations. York makes its facilities available for public activities and is home to

the Traveling Children’s Theatre. In addition the college’s concert choir and drama students participate in nationwide performances and the college is active in the Yorkfest annual production.

Distinguished York College alumni include:

- William “Spike” O’Dell, well-known Chicago radio personality
- Pita Sunia, Governor of American Samoa
- Greg A. Lee, respected PBS game show host.
- Many missionaries, doctors, educators, lawyers and others making contributions to the Nebraska, U.S. and World economies.

Annual Economic Impact

York College Spending 2002	
2002 Operating budget	\$ 7,900,000
Estimated yearly capital spending	\$ 1,300,000
2002 revenue from federal government	\$ 1,750,000
Full-time employees	76
Part-time employees	33

Annual Impact of York College on York County	
Proprietary Income Added	\$ 720,483
Earnings Added	\$ 5,485,820
Sales Added	\$ 16,478,878
Jobs Supported	386

Appendices

Appendix A Why Estimate Impacts?

Since the early 1980s, one of the most frequent applications of economic tools to industrial assessment has been economic impact analysis. The focus of such studies has

The impact analysis can also be used to tailor tax-restructuring initiatives to the needs of firms and the overall economy, and to insure that the changes are consistent with the overall economic development plan of the community or state.

been to convince policy makers and the general public of the importance of an industry to the economic viability of the industry. However, the assessment of the impact of business in-

vestment is fraught with problems.

These problems center on measurement issues and include the proper treatment of the industry's impact on spending by local residents, the extent to which the industry diverts spending from other local firms, and the isolation of the industry's impact on other non-education and health related firms in the area.

Despite these difficulties, the *Council of State Governments* contends that communities should undertake economic impact analysis to assess the costs and benefits of either retaining an existing event/business, or attracting a new event or business (Council of State Governments, 1989). Impact analysis can also be used to tailor tax-restructuring initiatives to the needs of firms and the overall economy, and to insure that the changes are consistent with the overall economic development plan of the community or state. Furthermore, many states, including Nebraska, have enacted legislation requiring completion of a cost-benefit assessment by local governments granting tax incentives or concessions.

However, due to the rapid growth of tax incentive/subsidy packages, and the belief that their states should remain competitive, policymakers in many states and localities have awarded tax incentive packages or made changes to the tax system not well grounded in economic theory or empirical evidence. According to the *Council of State Governments*, the presence of interstate impacts, as with the universities, necessitates the development of new models of assessment to more properly evaluate the impact of the industry.¹²

At the same time that citizens are asking public officials to be more proactive in economic development, they are holding public officials to a higher level of fiduciary responsibility regarding tax dollars. But given this increased accountability, why have states been slow to adopt evaluation methodologies? According to Bartik (1991), the following represent the primary reasons that states do not use systematic or structured evaluation programs:

- Good evaluations are expensive.
- Findings from analyses are available to states and localities not paying for the assessment.
- Negative evaluations are sometimes used against an industry, whereas positive evaluations are often discounted by critics.
- Obtaining reliable data to produce accurate estimates of both costs and benefits is difficult and fraught with ambiguity.

¹²It is quite likely, for example, that a significant proportion of visitors to Omaha's private universities and colleges will obtain lodging in nearby Council Bluffs, Iowa.

- The time frame over which the benefits are derived and costs are incurred is difficult to gauge. Evaluations are simply snapshots of the effect of policy at a particular time with future changes not considered.
- The breadth or diversity of initiatives prevents a systematic or structured evaluation approach. For example, projects usually have different objectives, diverse time-scales and take effect in different ways.

According to the *Council of State Governments* (1989), states and localities should at least begin systematically collecting data on incentives and monitoring their effects with a comprehensive evaluation in mind. To expand economic development programs on a significant scale, it should be demonstrated to skeptics that these programs have a large effect on state or local area economic performance. While objective evidence of effective-

According to the *Council of State Governments* (1989), states and localities should at least begin systematically collecting data on inter-industry buying with a comprehensive evaluation in mind.

ness will not overcome all political opposition, it can change the terms of the policy debate. Not only can the evaluation affect the actions of public officials, it can push industry leaders to be more vigilant in fully

meeting their promises and commitments. The objective of this study is to estimate the public benefits of private universities and colleges on Nebraska.¹³

¹³Section 1 of LB 1373 passed by the 1996 Nebraska legislature states that "It is the intent of the Legislature to accurately and objectively measure the costs and benefits of tax incentives granted by state and local governments to businesses, individuals, and communities using the tax incentives."

Appendix B Types of Economic Impacts

Economic impacts can be divided into direct, indirect and induced impacts. The most obvious *direct impact* of the higher education spending on the economy comes in the form of university and college salaries and in the form of purchases of supplies from vendors in the region. *Indirect impacts* come from expenditures by these vendors to their suppliers. Employees of the supplying firms spend their wages and salaries in Nebraska. This re-spending, or second round multiplying, is referred to as an *induced impact*. From an economic perspective, tuition revenues, federal research funds and visitor revenues represent new dollars in the state's economy and are thus very powerful in generating jobs and income for the area.

Direct Economic Impacts. College and university revenues flowing into the state have direct economic effects on their local economies by making expenditures for goods and services and by paying employee salaries. The most obvious direct expenditures are payment of wages to workers employed by private colleges and universities. In addition, expenditures by business visitors to the institutions in the area produce direct impacts on the region affecting primarily the Wholesale and Retail Trade Industry. Examples of direct economic impacts are color-coded green in Figure 5.

Indirect Economic Impacts. Private colleges and universities also produce indirect economic effects on the area economy. For example, office supply companies buy merchandise from area wholesalers. Furthermore, institution expenditures encourage the startup and expansion of other businesses related to the college or university. Private col-

leges and universities generate indirect effects by increasing: (a) the number of firms drawn to a community, (b) the volume of deposits in local financial institutions and, (c) economic development. Examples of indirect economic impacts are color-coded blue in Figure 5.

Induced Economic Impacts. Induced impacts in the region occur as the initial spending feeds back to industries in the region when workers in the area purchase addi-

..... private college and university spending increases overall income and population, which produces another round of increased spending adding to sales, earnings and jobs for the area.

tional output from local firms in a second round of spending. That is, higher education spending in-

creases overall income and population, which produces another round of increased spending adding to sales, earnings and jobs for the area. Examples of induced economic impacts are color coded red in Figure 5.

Appendix C

The Multiplier Effect

When private colleges and university employees spend their salaries within the community, this spending filters

through the local economy causing increased overall spending greater than the initial spending. The impact of this re-spending is known as the *multiplier effect*. Economic impacts that take place outside the local

Nebraska university spending outside the local economy, for example spending in Des Moines, is called a leakage and reduces the multiplier and the overall impacts.

economy, for example college and university employee spending in Kansas City or Des

While the direct effects of private college and university spending can be measured by a straightforward methodology, the indirect and induced effects of must be estimated using regional multipliers.

Moines, are called leakages and reduce the multiplier and overall impacts. They are excluded when estimating regional economic impacts. While the direct effects of private colleges and universities can be measured by a straightforward methodology, the indirect and induced effects of institution spending must be

estimated using regional multipliers.

Community characteristics that affect leakages, and consequently the multiplier include:

Location. Distance to suppliers affects the willingness to purchase locally. For example, if Nebraska firms are unable to provide certain supplies at competitive prices and

there are alternative suppliers in Des Moines who are more price competitive, then institutions will be encouraged to spend outside the state. This results in greater leakages, lower multipliers and smaller impacts.

Population size. A larger population provides more opportunities for companies and workers to purchase locally. Larger population areas are associated with fewer leakages and larger multipliers. Thus, in general, tuition and research revenues flowing into Nebraska will have larger impacts than the same level of tuition and research revenues flowing into North Dakota or Wyoming.

Thus, in general, tuition and research revenues flowing into Nebraska will have larger impacts than the same level of revenues flowing into North Dakota or Wyoming.

Type of industry. A community will gain more if the inputs required by local industries for production match local resources and are purchased locally. Thus, over time, as new firms are created to match the requirements of private colleges and universities, leakages will be fewer, resulting in larger multipliers and impacts.

Appendix D discusses the selection of an estimation technique to measure the direct, indirect and induced impacts of private colleges and universities on Nebraska, on Nebraska counties, and on Nebraska industries.

Economic impacts identified in this study are short-run in nature and represent annual, recurring events. Long run, but intangible factors, such as work force development and knowledge enhancement are recognized, but no attempt is made to assign dollar values to them.

Appendix D

Choosing a Technique to Measure Impacts

Many types of public and private sector decisions require an evaluation of probable regional effects. Since important impacts are often economic, this requirement has created a need for regional economic impact models. The three most common types of impact models are economic base, econometric, and input-output (I-O).

Two of the three impact models have inherent disadvantages that markedly reduce their viability for estimating the impact of higher educational institutions on the economy.

Economic Base Models. Economic base models divide the economy into two sectors--the local/service sector and the export sector. The economic base multiplier is an average for all the economy making it impossible to distinguish, for example, the impact of a university from that of a new manufacturing plant.

I-O models are the most frequently used analysis tools for economic impact assessment.

Econometric Models. Econometric models use past data to statistically link sectors of the economy. Econometric models have two major weaknesses. First, the time series data used in constructing econometric models are often unavailable at the state and metropolitan area level, thus precluding county-level analysis. This is especially true for rural counties and for counties with small populations. Second, econometric models are costly to build and maintain.

Input-Output (I-O) Models. I-O models are the most frequently used types of analysis tool for economic impact assessment. Input-output is a simple general equilibrium approach based on an accounting system of injections and leakages. Input-output

analysis assumes that each sector purchases supplies from other sectors and then sells its output to other sectors and/or final consumers.

Historically, high costs precluded the extensive use of I-O models in regional impact analysis. For example, approximately \$250,000 was expended over a five-year period for the collection and processing of data for a 500-industry Philadelphia I-O study. However, with the advent of "ready-made" multipliers produced by third parties, such as the U.S. Forestry Service, I-O multipliers became a much more viable option for performing impact analysis.

All purely non-survey techniques or "ready-made" multipliers take a national I-O table as a first approximation of regional inter-industry relationships. The national table is then made region specific by removing those input requirements that are not produced in the region.

Input-Output Models: A Preferred Methodology

Input-output systems were originally developed by Wassily Leontief (1941) to assist in planning a national economy. Input-output represents an effective method for depicting and investigating the underlying processes that bind industries of a region. It provides a technique to project into the future the magnitude of important additions or injections into the local economy.

Input-output models are composed of three basic tables. The first, *the Transactions Table*, traces inter-industry sales and purchases within a

For this study, the county of each institution is the area of analysis

defined region. The next table, the *Direct Requirements Table*, answers the question, "If a certain dollar value of intermediate requirements is present for a total dollar value of gross

output, what are the intermediate requirements for each industry per dollar of gross output?" The manipulation of these two tables results in the final and most important of the tables, the *Industrial Multiplier Table*. The multiplier table is then used to calculate overall impacts.

Chief problems involved in the use of multipliers are:

■ **Selection of industries.** For which industries will impacts be estimated? The selection is generally dictated by definitions used by government agencies that collect the data. For example, most government data do not distinguish employment in a cardiac center or clinic from that in a hospital.

■ **Selection of a region.** Again, government agencies collect aggregate data by county, thus requiring the analysis to take place at the county level or combination of counties. Most developers of "ready-made" multipliers use the *County Business Patterns* as the primary data source. For this study, the county of each institution is the area of analysis.

Major assumptions of the I-O model:

- **Constant production coefficients.** For example, it is assumed that "x" dollars of new revenues flowing to the college or university will produce "y" dollars of output regardless of the scale of operations. In other words, the I-O model assumes constant returns to scale.
- **Government purchases or federal contracts, grants represent changes in final demand.** Thus, government spending is considered an injection into the region.

- **Constant technological relationships between inputs and outputs.** Thus I-O multipliers assume that technology remains the same between the time the multipliers are calculated and the period for which impacts are estimated.
- **Old purchasing patterns are the same as new purchasing patterns.** Thus, it is assumed that purchasing patterns between York College and York College suppliers remain the same over the period of analysis.
- **No supply constraints.** I-O models do not take into consideration the problem of finding an adequate supply of workers to fill new jobs brought about by the private college or university. With a current unemployment rate of between 2.5% and 3.5%, an expansion in new jobs produced by Nebraska's private higher education institutions would likely go to residents outside the area.¹⁴

Despite their weaknesses and somewhat restrictive assumptions, I-O multipliers are the most often used methodology for impact analysis. Due to their documented effectiveness and relatively low cost, the I-O multipliers used in this study are those produced by the U.S. Forestry Service and marketed by the Minnesota IMPLAN Group Inc. The next section describes these multipliers.

¹⁴Bartik (1991) estimated that 75% of the net new jobs resulting from a business expansion or business relocation go to in-migrants.

Appendix E: IMPLAN Multipliers

The Forestry Service of the U.S. Department of Agriculture developed the IMPLAN multipliers in the 1980s (U.S. Forest Service, 1985). For very populous areas, IMPLAN divides the economy into 528 industrial sectors. Industries that do not exist in the region are automatically eliminated during user construction of the model (e.g. coal mining in Lancaster County). IMPLAN uses an industry-based methodology to derive its input-output coefficients and multipliers. Primary sources for data are *County Business Patterns* data and *Bureau of Economic Analysis* data.

Researchers have used IMPLAN to estimate the impact of changes in military spending on the Washington State economy (Hughes, et. al, 1991). IMPLAN and RIMS (Regional Input-Output Modeling System) are two of the most widely used multiplier models. IMPLAN has been compared to other multiplier systems and found to pro-

duce reliable estimates (Richman and Schwer, 1993). Likewise, Crihfield and Campbell (1991), in estimating the impacts of opening an automobile assembly plant, concluded that IMPLAN's out-

comes are, on balance, somewhat more accurate than RIMS.

IMPLAN multipliers possess the following advantages over other I-O Multiplier Systems:

1. Price changes are accounted for in the creation of the multipliers.
2. Employment increases or decreases are assumed to produce immediate in or out-migration.

3. Multipliers are produced at reasonable costs by third party vendors.

IMPLAN produces five different sets of multipliers. This study focuses primarily on four of these multipliers. Descriptions of the four multipliers are presented in Table 15.

Table 15: Multipliers provided by IMPLAN and used in this Study

<u>Type of Multiplier</u>	<u>Description</u>
Output Multipliers	Represents the value of production required from all sectors to deliver one dollar's worth of output in a particular sector. For colleges and universities, this multiplier is generally in the range of 1.5 to 2.0.
Wage & Salary Multipliers	Shows the direct, indirect, and induced employee wages and salaries generated per dollar of higher education spending (injection). For colleges and universities, this multiplier ranges between .65 and .85.
Employment Multipliers	Direct, indirect and induced employment effects from the production of one million dollars of new spending (injection). For colleges and universities, this multiplier is between 30.0 and 50.0.
Proprietary Multipliers	Shows the direct, indirect, and induced self-employment income per dollar of college and university spending (injection). For colleges and universities, this multiplier ranges between .05 and .10.
Tax Multipliers	Direct, indirect and induced tax effects from each dollar of private university spending. This multiplier ranges between .05 to .10.

Appendix F:

Non-university Spending by Students

Data used to estimate yearly non-university spending of Nebraska's private college and university students come from the U.S. Bureau of Labor Statistics (BLS) Consumer Expenditures Survey for 2001. Consumer expenditure surveys are specialized studies in which the primary emphasis is on collecting data relating to family expenditures for goods and services used in day-to-day living. Expenditure surveys of the BLS also collect information on the amount and sources of family income, changes in savings and debts, and demographic and economic characteristics of family members.

The Bureau's studies of family living conditions rank among its oldest data-collecting functions. The first nationwide expenditure survey was conducted in 1888-91 to study workers' spending patterns as elements of production costs. With special reference to competition in foreign trade, it emphasized the worker's role as a producer rather than as a consumer. In response to rapid price changes prior to the turn of the century, a second survey was conducted in 1901. These data provided the weights for an index of prices of food purchased by workers, which was used as a deflator for workers' incomes and expenditures for all kinds of goods until World War I. A third survey, spanning 1917-19, provided weights for computing a cost-of-living index, now known as the Consumer Price Index (CPI). The next major survey, covering only urban wage earners and clerical workers, was conducted in 1934-36, primarily to revise these weights.

The unit for which expenditure reports are collected is the set of eligible individuals constituting a consumer unit, which is defined as (1) all members of a particular housing unit who are related by blood, marriage, adoption, or some other legal ar-

rangement, such as foster children; (2) a person living alone or sharing a household with others, or living as a roomer in a private home, lodging house, or in permanent living quarters in a hotel or motel, but who is financially independent; or (3) two or more unrelated persons living together who pool their income to make joint expenditure decisions. Students living in university-sponsored housing are also included in the sample as separate consumption units (CU).

Survey participants record dollar amounts for goods and services purchased during the reporting period whether or not payment was made at the time of purchase. The expenditure amounts include all sales and excise taxes for all items purchased by the consumer unit for itself or for others. Excluded from both surveys are all business-related expenditures and expenditures for which the family is reimbursed.

Table 16: Estimated non-university spending by students at Nebraska’s private higher education institutions

	<u>U.S. Average Spending per person (age 19-22)</u>	<u>Total for all Nebraska Private Institution Students</u>
Food at home ^a	\$1,974	\$0
Food away from home	\$1,523	\$33,615,656
Alcoholic beverages	\$385	\$8,497,720
Housing ^a	\$7,307	\$0
Apparel & Services	\$1,102	\$24,323,344
Transportation	\$3,417	\$0
Gasoline & motor oil ^a	\$0	\$0
Other vehicle expenses ^a	\$0	\$0
Health care	\$1,154	\$25,471,088
Entertainment	\$923	\$20,372,456
Personal care products	\$349	\$7,703,128
Books (average college students)	\$900	\$19,864,800
Tobacco products	\$284	\$6,268,448
Misc.	\$370	\$8,166,640
Cash contributions	\$433	\$9,557,176
Total 2003 student spending in Nebraska		\$163,840,456
^a assumed that students in college dorms do not spend in this category; Source: U.S BLS		

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