

ENHANCING ECONOMIC DEVELOPMENT  
.....  
*IN SOUTHWESTERN ILLINOIS*

**SIU****e** ECONOMIC IMPACT



ACKNOWLEDGEMENTS  
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*“Beyond the statistics and beyond the numbers,  
we add value to people’s lives.”*

Chancellor Vaughn Vandegrift

# SIU **e** ECONOMIC IMPACT

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# FROM THE CHANCELLOR

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Vaughn Vandegrift, Ph.D.  
SIUE Chancellor

*SIUE is a dynamic, vibrant academic community dedicated to enhancing the quality of life for our region. As a public institution, we take our roles and responsibilities seriously. As a state-supported university, we have a role in expanding the labor force, tax base, and economy in Southwestern Illinois and beyond.*

This economic impact study outlines the University's role and our significant impact in local and regional economic development during fiscal year 2005.

SIUE is an economic engine committed to helping our region grow. Expenditures in the region in fiscal year 2005 associated with SIUE resulted in a total economic impact of \$356 million. Here are a few examples:

- We provide jobs, not only for university employees, but for thousands of community members due to the many projects SIUE generates.
- Many of our graduates choose to continue living and working in our area. Beyond academics, our graduates enter the labor force armed with SIUE values of **citizenship, excellence, integrity, openness, and wisdom**. They become part of a highly educated, skilled labor force, and they contribute to the region's culture.
- Our faculty, staff, student, and community partnerships provide the intellectual capital to generate ideas and stimulate business development and growth.

I am excited about the results reported in this study. It demonstrates we are meeting our goals. But perhaps more importantly, it shows our energy, our excitement, and our passion for adding to the vitality of the region, both by educating students and contributing to economic development.

A handwritten signature in black ink, appearing to read 'Vaughn Vandegrift'.

Vaughn Vandegrift, Ph.D.  
SIUE Chancellor

## SIUE MISSION

Southern Illinois University Edwardsville is a public comprehensive university dedicated to the communication, expansion and integration of knowledge through excellent undergraduate education as its first priority and complementary excellent graduate and professional academic programs; through the scholarly, creative and research activity of its faculty, staff and students; and through public service and cultural and arts programming in its region.

## SIUE VISION

Southern Illinois University Edwardsville, as a premier Metropolitan University, will be recognized nationally for the excellence of its programs and development of professional and community leaders.

# COMMITTED TO ADVANCING THE REGION

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SIUE's University Park is a 330-acre research and technology park located on the SIUE campus. Jim Pennekamp, a leader in Southwestern Illinois economic development for more than 20 years, works with faculty and industry to coordinate mutually beneficial economic development relationships in the region. He directs institutional economic development initiatives; identifies emerging issues; conducts research negotiations; develops public/private partnerships; and directs University Park.



*Jim Pennekamp,  
Special Assistant to the  
Chancellor for Regional  
Economic Development  
and Executive Director,  
University Park, SIUE Inc.*



*University Park is home to the National Corn-to-Ethanol Research Center, the only facility in the world that fully emulates both a wet- and dry-mill commercial fuel ethanol production center.*

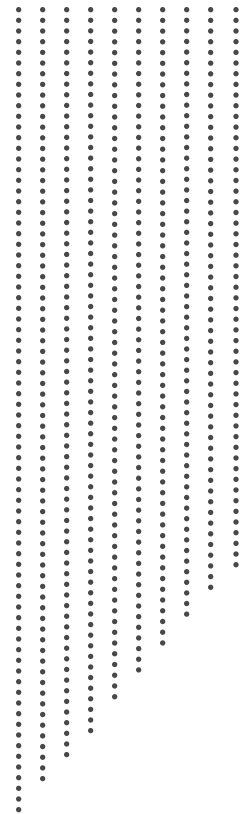
## MEASURING SIUE'S ECONOMIC IMPACT

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This impact study details the economic effect on the immediate region stemming from SIUE's varied activities. The study describes the scope of activities carried out by SIUE, its employees, and students that affect the area's economy. This includes but is not limited to direct expenditures by the University with area vendors, estimates of expenditures by faculty, staff, students and annuitants, expenditures by visitors to the area, and the impact of sporting events and conferences. The analysis also considers the effect of SIUE on local government revenues.

Knowing what activities are included allows us to quantify the economic effect, both direct and in total, of each activity and of the sum of activities. This approach determines what the economic characteristics of the study area would be with and without SIUE's presence. In other words, this report measures the net economic benefits that SIUE brings to the area.

The figures in this report include the SIU Edwardsville campus; the East St. Louis Center; and the SIU School of Dental Medicine in Alton.



# ABOUT SIUE

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Deonna Madison-Wooten  
SIUE School of Pharmacy

SIUE is a growing Metropolitan University offering undergraduate and graduate degrees in the Arts and Sciences, Business, Education, Engineering, and Nursing as well as professional degrees in Dental Medicine and Pharmacy.

The Carnegie Commission on Higher Education classifies SIUE as a primarily residential university. Our fourth residence hall is scheduled for completion in fall 2007; more than 26 percent of our undergraduate students live on campus. An additional 2,500 full-time students living independently have relocated to the metro area for the purpose of attending SIUE.

Located on 2,660 rolling acres within the St. Louis Metropolitan Area, SIUE increasingly is the first choice of students wishing to pursue a college education. For nearly 50 years, SIUE has prepared students to become leaders in their community and professionals in their fields of study. More than 70,000 SIUE alumni demonstrate our values. More than 37,000 live in the study area and contribute to the economy.



PREVIEW SIUE, an annual campus visit opportunity for prospective students and parents, attracts more than 3,200 visitors to the area each year.



The Southwest Illinois Advanced Manufacturing (SIAM) Center is a collaborative effort between the SIUE School of Engineering and Lewis and Clark Community College, funded by the Department of Commerce Economic Development Administration. SIAM assists both established and start-up enterprises in St. Louis and Southwestern Illinois with automation, fabrication, measurement and control activities.



The 2006 issue of *U.S. News and World Report* named SIUE among America's Best Colleges for our Senior Assignment Program, an integrative learning experience required by all seniors prior to graduation. SIUE was one of only 15 universities nationally recognized in this category. The publication also ranked SIUE in the top tier of master's universities in the Midwest (58 out of 140). Only 15 public universities are ranked higher than SIUE in the top tier.

# SIUE STUDENTS AT A GLANCE (as of Fall 2005)

TOTAL STUDENTS: .....	13,460
UNDERGRADUATE STUDENTS: .....	10,945
GRADUATE STUDENTS: .....	2,515
FEMALE STUDENTS: .....	7,584
MALE STUDENTS: .....	5,876
AVERAGE AGE: .....	24
ETHNIC MINORITIES: .....	16 PERCENT
GEOGRAPHIC ORIGIN	
OF STUDENTS: .....	99 ILLINOIS COUNTIES, 43 STATES, 48 NATIONS
AVERAGE ACT: .....	22.5

## IMPACT ON THE REGION

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### TOTAL ESTIMATED IMPACT: \$356 MILLION

The University has a major economic impact on the immediate area and significantly affects the broader regional economy. Money brought in by the University is spent in the local and regional area, contributing significantly to the economy.

- SIUE, along with its households and visitors, directly contributed over \$178 million dollars in expenditures to the local economy in fiscal year 2005.
- The estimated total economic impact, including both the direct and indirect effects on the St. Louis Metropolitan Area, is over \$356 million.
- **For every state tax dollar spent on the University, the institution generates \$5 total spending in the local economy.**
- SIUE's total economic impact is increasing. Adjusted for inflation, the impact is more than 10 percent greater than the estimated impact in fiscal year 2001.



Graduates of the SIUE School of Nursing are making significant contributions to the healthcare needs of the region. Two-thirds of alumni live and work within 100 miles of Edwardsville.

## FUELING THE ECONOMY

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### TOTAL UNIVERSITY EXPENDITURES: \$312 MILLION

**UNIVERSITY EXPENDITURES:** The St. Louis Metropolitan area benefits from direct university spending on employment, goods and services, taxes, and donations.

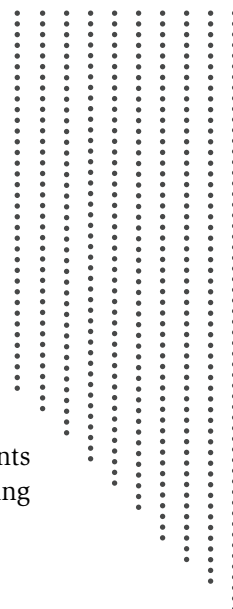
- The University spent \$8.3 million in fiscal year 2005 on supplies, materials, equipment, acquisition, maintenance, and other institutional expenses. Direct expenditures by the SIUE Foundation totaled an additional \$824,000.
- **Direct University expenditures total over \$9 million.**

**UNIVERSITY HOUSEHOLD EXPENDITURES:** SIUE employees, students, and annuitants direct expenditures on items such as food, housing, goods, and services help to support a growing regional economy.

- Employees spent over \$88 million. Students spent over \$25 million. Annuitants spent over \$28 million.
- **Direct University Household expenditures total over \$142 million.**

Indirect effects result from area spending by employees, students and annuitants on food, housing, medical services, entertainment, etc.

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- **University and University Household expenditures combined with the indirect effects, total more than \$312 million.**



# ECONOMIC IMPACT OF SIUE

SIUE's ECONOMIC IMPACT: A measure of the dollars generated in the local and regional economy due to SIUE's presence.

FOUNDATION: SIUE Foundation is a 501(c)(3) non-profit organization that raises funds and gifts to benefit SIUE and donors.

ANNUITANTS: SIUE retirees, also includes survivors and those receiving disability benefits.

ITEM	DIRECT EXPENDITURES	ESTIMATED ECONOMIC IMPACT
<b>UNIVERSITY EXPENDITURES:</b>		
VENDOR	\$8,300,000	\$21,171,022
FOUNDATION	\$824,172	\$1,804,814
<b>UNIVERSITY HOUSEHOLD EXPENDITURES:</b>		
SIUE EMPLOYEES	\$88,573,987	\$180,331,998
STUDENTS	\$25,341,232	\$54,308,314
ANNUITANTS	\$28,237,682	\$55,189,048
<b>VISITORS' EXPENDITURES:</b>		
EMPLOYEES	\$3,500,000	\$5,488,635
STUDENTS	\$22,000,000	\$34,711,720
ANNUITANTS	\$830,790	\$1,299,958
SPORTING EVENTS	\$123,991	\$290,057
CONFERENCES	\$963,000	\$1,645,830
<b>TOTALS</b>	<b>\$178,694,827</b>	<b>\$356,241,396</b>



SIUE Graduate Studies and Research ranks within the top 10 percent of all higher education institutions in the U.S. receiving federal funding for research and development.

## GENERATING BUSINESS

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### VISITORS' EXPENDITURES: \$43 MILLION IN NEW BUSINESS

The fact that SIUE is a residential campus means more business for local establishments, as out-of-town guests visit students in residence halls. SIUE also is becoming an increasingly important fixture in the area's cultural and sporting environment.

- Visitors spent more than \$27 million in the area.
- **More than 100,000 visitors attended SIUE sporting events, conferences and shows, or visited employees and students.**
- This increased business created more than 600 jobs in the area.

Indirect effects include visitors' spending on food, lodging, and services.

- **Visitors' direct and indirect expenditures total more than \$43 million.**

## LEADING EMPLOYER

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### EMPLOYMENT: OVER 4,000 REGIONAL JOBS GENERATED

SIUE is the sixth largest employer in the Madison-St. Clair area. Employee and student spending result in considerable economic impact on local businesses.

- **SIUE employs approximately 2,000 full-time faculty and staff.**
- In addition, more than 2,000 additional jobs are generated in the area due to SIUE's presence.
- These additional jobs arise from direct and indirect expenditures by the University, its employees and students, and from an increasing number of visitors to SIUE.



Steve Forbes, *President and CEO of Forbes Inc.*, and *Editor-in-Chief of Forbes magazine*, explores some of the most compelling global business issues of the day while speaking to a sold-out Arts & Issues audience.

## PARTNERING FOR GROWTH

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### TAXES: \$19 MILLION IN ADDITIONAL CITY AND STATE REVENUES

SIUE has a major impact on state and local tax revenues. These revenues arise directly through sales taxes on purchases made by SIUE, its employees, students, and visitors; the expanded job-related incomes associated with SIUE; and property taxes paid by staff and students living in the area.

- **The University generated nearly \$19 million in state and local tax revenues in fiscal year 2005.**
- Slightly more than 80 percent of these revenues came from taxes paid by university households (employees, students and annuitants) and the businesses these households patronize.

## VALUING SIUE AS AN ASSET

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### THE UNIVERSITY: VALUED AT MORE THAN \$700 MILLION

The economic impact of the University is determined, in part, by its affect on incomes and jobs in the area. Another important factor is the economic value of the institution.

- The University is an important economic asset to the region. **The value of SIUE's buildings, infrastructure, and land, combined with the ever-expanding University Park, Alton campus, and East St. Louis Center, surpasses \$700 million.**

## CREATING AN EDUCATED WORKFORCE

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SIUE helps build an educated labor force. The lifetime earning potential of an individual holding an undergraduate degree is nearly twice that of someone with only a high school diploma.

- Approximately 8,600 students, representing over two-thirds of the student population, would not be in the area if not for SIUE.
- More than 50 percent of SIUE graduates remain in the area.
- **SIUE has over 37,000 alumni in the region.**

The SIU School of Dental Medicine faculty, staff, and students treat over 10,000 patients per year as part of its community outreach. More than 110 children received nearly \$31,000 in free dental treatment during the Third Annual Give Kids a Smile Day held at the Alton campus.



# A BOLD OUTLOOK FOR THE FUTURE

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SIUE College of Arts and Sciences Alum Tim Brown, '03, *Master of Science in Mathematics, Operations Analyst, Senior Engineer, Boeing, St. Louis.*

Measuring the current economic impact of SIUE includes the review of incomes and expenditures of relevant constituencies. What isn't captured in these figures is the effect that SIUE has on the economic *future* of the region.

Numerous studies demonstrate that a major factor in attracting high-tech businesses is an educated workforce. There are more than 37,000 SIUE alumni in the region. More than 12,000 alumni have advanced degrees ranging from Master's to MBAs to doctorates in dental medicine. The fact that many SIUE graduates remain in the area improves the quality of life and the educational level of the workforce.

Since an educated workforce attracts new and vital business, SIUE's presence leads to improvement in the local economy. And it only gets better: The opening of the School of Pharmacy in 2005 reflects SIUE's continuing commitment to the region's economic and social well-being. SIUE graduates are engaged citizens that give back to the local community working for the betterment and the benefit of the region.

With students choosing SIUE as a residential campus, the number and diversity of campus events has increased. SIUE has become a cultural center of the Metro East. The enormous popularity of the *Arts and Issues* series, the wide array of conferences held on campus, and the recognition of SIUE's Intercollegiate Athletics program all provide evidence of SIUE's cultural importance.

The presence of SIUE will lead to further improvements to the local economy. Whether directly through university and related expenditures, or indirectly through the attendant benefits of an educated workforce, SIUE is a key force in the economic development of the region and especially the Metro East and Southwestern Illinois.



*Fernando Aguirre, CEO of Chiquita Brands International and SIUE School of Business alumnus, discusses the global nature of today's business world as part of the School of Business Executive Lecture Series.*

# SUMMARY

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SIUE does add value to people’s lives. From direct and tangible benefits to quality of life considerations, SIUE is a community partner dedicated to fostering a climate of collaboration, cooperation, and stewardship.

# METHODOLOGY

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## AREA

The study area includes the Illinois and Missouri counties that make up the St. Louis metropolitan statistical area; namely, Bond, Calhoun, Clinton, Jersey, Macoupin, Madison, Monroe and St. Clair counties in Illinois; Crawford, Franklin, Jefferson, Lincoln, St. Charles, St. Louis, Warren and Washington counties in Missouri; and St. Louis City.

## DATA COLLECTION PROCESS

### FACULTY AND STAFF

A stratified random sample of 1,500 faculty/staff was used. There were five categories: faculty rank only, faculty rank and administrative title, administrative title only, civil service (negotiated and prevailing) and civil service (other). A survey was conducted between April 14, 2005, and August 29, 2005. Response rate was 32.5 percent. All results are weighted to adjust for different response rates among categories.

### STUDENTS

A random sampling of 1,700 student e-mail addresses included undergraduates, graduate students and students at the School of Dental Medicine. A survey was conducted between April 7, 2005, and June 8, 2005. Response rate was 16.9 percent. Responses have been weighted to make them representative in terms of place of residence and age.

### ANNUITANTS

The annuitants’ survey was conducted between May 24, 2005, and August 29, 2005. Eighty usable survey responses were received (8.8 percent). Responses were weighted to reflect the size of the population.



The SIUE East St. Louis Center provides comprehensive programs, services, and training to families and individuals in East St. Louis and surrounding urban communities. More than 8,000 people have benefited from East St. Louis Center services in the past year.

# ANALYSIS

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IMPLAN is used to calculate total economic impact. This model, originally developed by the U.S. Forest Service in the early 1970s, allows for estimation of the total economic impact of an entity on a surrounding region. Based on an extensive data set for the specified region, the IMPLAN model considers the flows of expenditures within the region, and estimates the direct and indirect effects. Taking into account possible leakages—expenditures that leave the area—the model then calculates the direct and induced expenditures from each dollar spent. The value of the so-called multiplier—the difference between the initial dollar spent and its cumulative impact—is then determined across expenditure classes (University, Foundation, faculty, students, etc.) In the SIUE study for fiscal year 2005, the overall multiplier is 1.96. This value suggests that for each dollar of direct expenditures associated with SIUE, induced spending generates almost an additional dollar. By comparison, the multiplier used in a recent Duke University study was 2.00; 1.5 in a study for Fort Lewis College in Durango, Colo.; and 1.72 in the 2001 SIUE impact study.

The SIUE School of Education was recently awarded a \$1.9 million Illinois State Board of Education grant to establish a professional development center supporting schools throughout 41 counties in the southern part of the state. The project is a collaborative effort among SIUE, SIU Carbondale, regional offices of education, special education cooperatives, school districts, and parent organizations.



# SIU **e**xcellence.

**Southern Illinois University  
Edwardsville has been an  
integral part of the St. Louis  
Metropolitan region for  
almost 50 years. We have a  
state-of-the-art campus with  
2,660 acres and nearly 14,000  
students—all just 25 minutes  
from downtown St. Louis in  
beautiful Edwardsville, Ill.**

Established in 1957, SIUE is a fully accredited public institution offering bachelor's and master's degrees in the arts & sciences, business, education, engineering, nursing, and professional degrees in dental medicine and pharmacy.

Attending to more than 10,000 patients each year, the SIU **School of Dental Medicine**, located in Alton, Ill., is rated among the top dental schools in the nation in final scoring on national board exams.

In the SIUE **College of Arts and Sciences**, faculty and students work closely together, allowing undergraduate and graduate students the opportunity to conduct primary research.

The SIUE **School of Engineering** has developed the Southwest Illinois Advanced Manufacturing (SIAM) Center in partnership with Lewis and Clark Community College and several high schools. SIAM allows students to take advanced course work in high school,

transitioning to the community college, and then on to SIUE, resulting in many opportunities for success in manufacturing careers.

The SIUE **School of Education** partners with regional school districts to offer teachers the opportunity to stay in the area. Of the 12 public universities in Illinois, SIUE is the only University that places its candidates within 35 miles of campus.

As the only pharmacy school in downstate Illinois, the SIUE **School of Pharmacy** is a highly competitive program dedicated to developing a community of caring pharmacists helping men, women, and children better manage their medications to live happier and healthier lives.

The demand for nurses is expected to continue to increase for at least the next 15 years. SIUE's **School of Nursing**, the only baccalaureate nursing program in Southern Illinois, offers a highly-selective program and the opportunity to receive field training in a number of varied clinical settings.

The SIUE **School of Business** is among an elite 15 percent of business schools worldwide that have earned the prestigious seal of approval from The Association to Advance Collegiate Schools of Business (AACSB).

*Join us in learning.  
Join us in celebrating.  
Join us in exploring the future.*



- 43 undergraduate programs
- 63 graduate and professional programs
- 52 undergraduate majors
- Student/faculty ratio of 17 to 1
- NCAA Division II Athletics
- Award-winning library

***"The purpose of higher education lies in the fulfillment of human potential. At SIUE, we add value to people's lives."***

***— Chancellor Vaughn Vandegrift***

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