

The Economic Impact
of

on the
Central New York
Regional Economy



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Executive Summary

- During 2011-12, SUNY Cortland generated over \$251 million in regional economic activity (Cortland, Broome, Cayuga, Onondaga and Tompkins Counties). This activity is a result of over \$135 million in direct spending by the College, its employees and students.
- Student's expenditures account for 34 percent of the economic impact of the College. They contribute over \$46.3 million in direct spending, generating an impact of \$85.8 million in the local economy.
- The employee's of SUNY Cortland inject over \$36 million directly into the regional economy. Their expenditure leads to an economic impact of \$67.2 million, 27 percent of the College's overall impact.
- Visitors to the employees and students of SUNY Cortland account for approximately 4percent of the total impact of the College. An impact of \$9.7 million is generated as a result of \$5.2 million in visitor direct spending.
- The purchases of the College, the Auxiliary Services Corporation (ASC), Agency Accounts and the Student Government Association (SGA) account for approximately 15 percent of SUNY Cortland's economic impact on the Central New York economy. Together their approximately \$20 million in purchases inject \$37 million into the regional economy.
- The College's critical maintenance construction expenditure of \$24 million accounts for nearly 18 percent of the economic impact of the College injecting over \$44 million back into our regional area.
- Expenditures on utilities by the College account for 3 percent of SUNY Cortland's impact. The College spends \$3.7 million in utilities, generating an impact of nearly \$7 million.

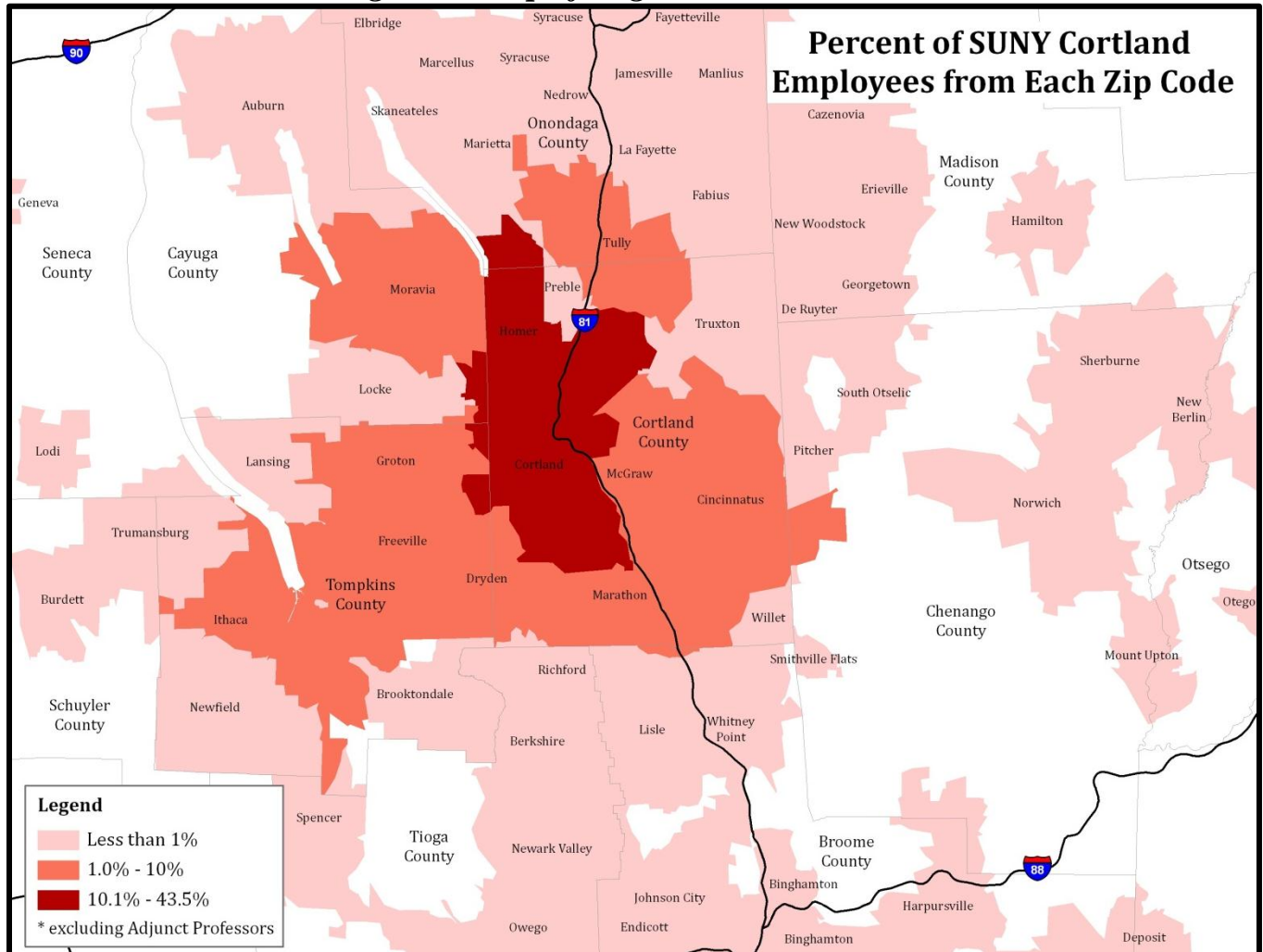
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Overview

This study estimates the impact the State University of New York College at Cortland has on the Central New York regional economy. SUNY Cortland contributes to the regional economy by bringing money into the area that would not otherwise be spent here. The local regional economy considered in this work includes Cortland County, Tompkins County, Broome County, and Onondaga County. The majority of the contributions come not only from the students who choose to attend SUNY Cortland for their college education but the faculty and staff who work at the College as well. As displayed in Figure 1 below, an overwhelming majority of the College's employees live within the regional area. As will be discussed later, many of the individuals who are employed at the College would not live in this region if not for the existence of SUNY Cortland.

Figure 1: Map of Regional Area Studied



Map Produced by Dr. Wendy Miller, Assistant Professor of Geography SUNY Cortland

Methodology

The total value method will be used in order to calculate the impact the College has on the economy.¹ This method entails first calculating the total direct expenditures for SUNY Cortland including that of its employees and students and then using a reliable multiplier to determine the impact of these expenditures. The multiplier for this study was generated by RIMS II. RIMS II multipliers are generated from input-output analysis for a particular region and are obtained through the Bureau of Economic Analysis (for more information see www.BEA.gov). Recall, that the economic region for this study consists of Cortland, Cayuga, Onondaga, Broome and Tompkins counties.

In order to determine the direct expenditures, two surveys were conducted. One survey was designed for SUNY Cortland students. These student surveys were distributed in randomly selected courses that constituted a statistical representation of student body. An online survey was conducted to obtain information from employees of the College. Of the approximately 1100 employees on campus, 258 surveys were completed online for an approximately 27 percent response rate. Both the student's and employee's surveys were designed to acquire information concerning expenditures in various categories, including their own purchases of goods and services as well as the expenditures of their visitors.

Direct Expenditures

The responses to the individual surveys were used to calculate point estimates of the direct spending for the College's employees and students. This expenditure is a weighted average, that is, the average expenditure for each group is calculated from the survey data and is then multiplied by the total number of individuals in that group to obtain the total expenditure.

College Employee Expenditures

The College's employees were asked to provide expenditure information regarding their rent or mortgage, taxes and utilities, food, transportation, entertainment, services and other miscellaneous expenditures. The employees were categorized as faculty, professional staff, classified staff and Auxiliary Services Corporation (ASC) workers. Table 1 below displays the College employee's average monthly expenditures and the associated standard deviations within these categories. Total monthly average expenditures ranged from \$3,097 (Management Confidential) to \$2,126 (Research Foundation).

¹ For a detailed discussion of methodological choices see Choudhury, Sharmila and Mark Prus (1995). "The Economic Impact of State University of New York College at Cortland on the Central New York Regional Economy."

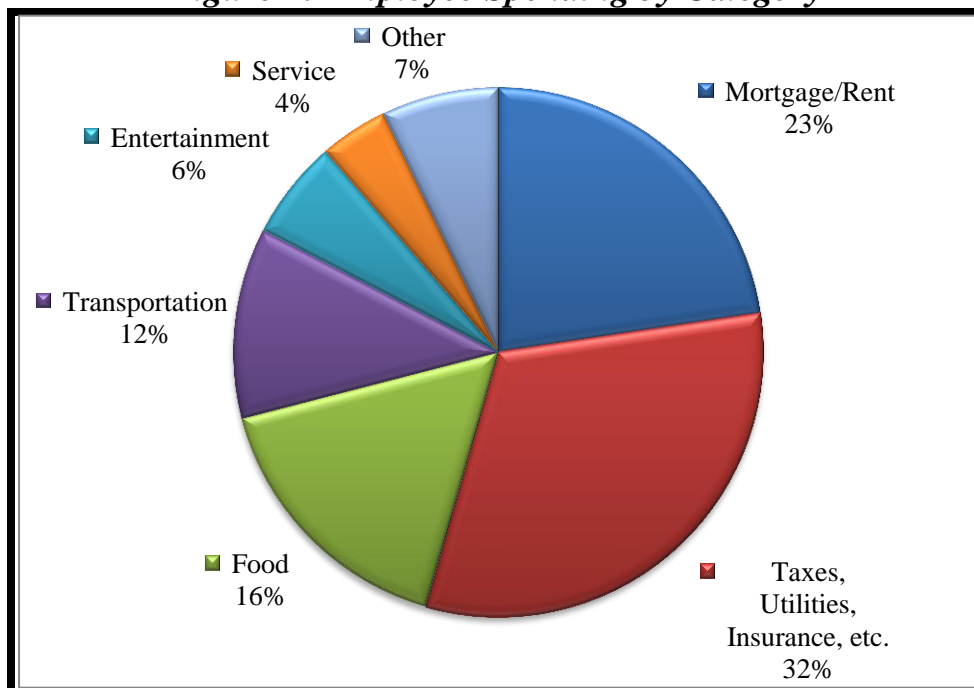
Table 1: Employee's Average Monthly Expenditures

Expenditure	Faculty	ASC	Classified Staff	Management Confidential	Professional Staff	Research Foundation	Emeritus
Rent/Mortgage	\$754	\$846	\$516	\$658	\$728	\$424	\$220
	±\$670	±\$505	±\$429	±\$916	±\$534	±\$377	±\$371
Taxes, Utilities	\$636	\$821	\$813	\$999	\$681	\$668	\$1,200
	±\$618	±\$432	±\$1,303	±\$673	±\$609	±\$414	±\$1,451
Food	\$437	\$464	\$394	\$478	\$504	\$390	\$361
	±\$299	±\$201	±\$213	±\$215	±\$285	±\$363	±\$316
Transportation	\$265	\$250	\$266	\$343	\$337	\$480	\$191
	±\$230	±\$176	±\$269	±\$234	±\$272	±\$395	±\$217
Entertainment	\$146	\$143	\$178	\$275	\$199	\$62	\$107
	±\$164	±\$97	±\$254	±\$215	±\$139	±\$63	±\$96
Services	\$156	\$161	\$102	\$120	\$118	\$45	\$61
	±\$252	±\$93	±\$104	±\$82	±\$94	±\$36	±\$58
Other	\$236	\$143	\$209	\$225	\$182	\$58	\$257
	±\$534	±\$215	±\$701	±\$238	±\$334	±\$85	±\$318

SOURCE: Survey of Employees 2011

The percent of monthly expenditures by all college employees in each category presented in Figure 2 below, indicate that for employees taxes and utilities constitute the highest expenditures (32 percent) followed by rent or mortgage payments (23 percent) then food (16 percent) and transportation (12 percent) expenditures.

Figure 2: Employee Spending by Category



Student Expenditures

Table 2 displays the average monthly expenditures for both on- and off-campus students, as well as the associated standard deviations. Student expenditures were categorized similar to the college employee expenditures. The categories include expenditures on rent, food, utilities, transportation, entertainment, socializing, services, and other miscellaneous expenditures.

Compared to on-campus students, off-campus students spend significantly more on *food*, *rent* and *utilities* as would be expected. Furthermore, off-campus students spend significantly more on *socializing*, *entertainment* and *services* than on-campus students. There is no significant difference between on-campus and off-campus students on *textbooks*.

Table 2: Student's Average Monthly Expenditures

Category	All Students	On Campus	Off Campus
Rent	691.26		691.26
	±188.29		±188.29
Utilities	80.16		80.16
	±111.42		±111.42
Food	45.32	18.18	48.82
	±73.78	±17.63	±32.17
Transportation	86.89	38.42	80.14
	±95.91	±49.23	±63.26
Entertainment	29.31	23.02	29.60
	±40.52	±46.70	±34.41
Socializing	85.75	65.59	99.61
	±105.19	±76.01	±125.14
Services	24.47	16.21	25.42
	±41.13	±29.32	±30.31
Books	82.84	87.34	81.88
	±41.04	±46.32	±36.90
Other	70.91	60.73	73.55
	±79.69	±90.12	±68.83

SOURCE: Survey of Students, 2011

Figures 3 and 4 depict the percent of total expenditures spent in each category by off- and on-campus students respectively. Nearly 70 percent of off-campus student's money is allocated towards rent, food, and other utilities. The largest share of spending for on-campus students is spent on books (28 percent) followed by socializing expenditures (21 percent).

Figure 3: Off-Campus Student Spending During Academic Year

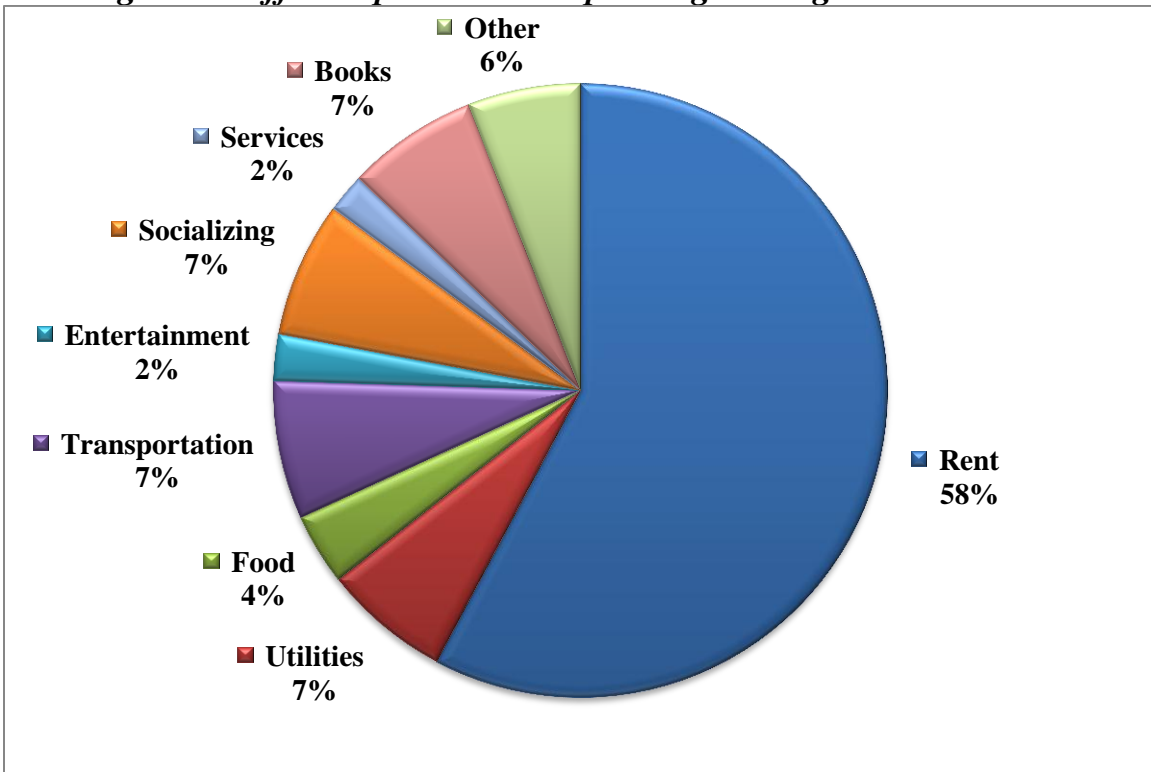
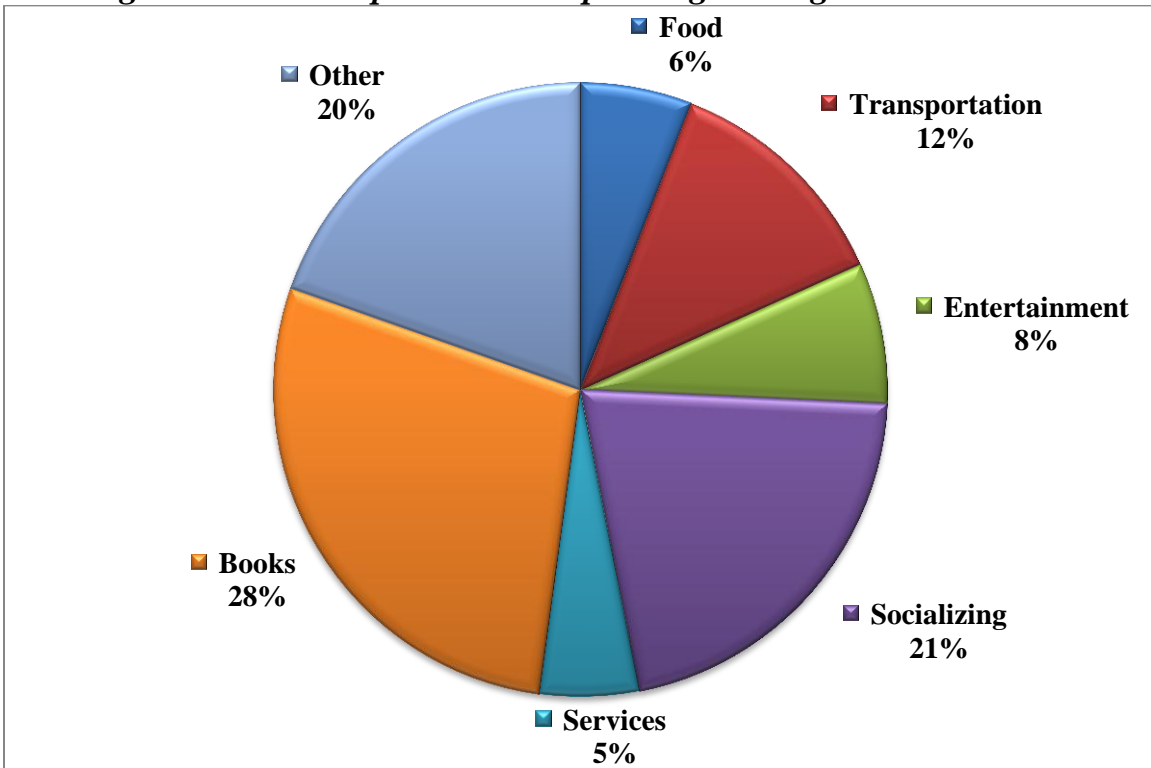


Figure 4: On-Campus Student Spending During Academic Year



Visitor's spending

Visitors of the College's employees and students inject over \$5.2 million into the local economy. SUNY Cortland students' visitors bring in over \$3.8 million to the area annually. This money would never have been spent here without the presence of the College. Visitor's expenditures are disaggregated by guests to each group of the College's employees as well as to students in Table 3 below.

Table 3: Visitor's Expenditures by Group

Group	Yearly Expenditure
Students	\$3,868,248
Faculty	\$458,345
Professional Staff	\$419,934
ASC	\$233,143
Classified Staff	\$190,778
Management Confidential	\$31,835
Emeritus	\$22,277
Research Foundation	\$14,400

SOURCE: Survey of Employees 2011 and Survey of Students, 2011

Impact of Direct Expenditures

The direct spending that the faculty, staff and students contribute as well as the College's spending has an indirect effect. This effect stems from the re-expenditure of the income generated in the local community from the initial spending of the College, its employees and students. That is, for every dollar expended by the College, that dollar has a reoccurring impact on the economy due to its re-expenditure within the local community. This impact is called the multiplier effect. The size of the multiplier is dependent upon the economic region. The multiplier used in this study, generated by RIMS II through the Bureau of Economic Analysis is 1.8526.

The economic impact of SUNY Cortland on the regional community during the 2011-12 academic year is over \$251 million, as is delineated in Table 4 below. This impact stems from the over \$135 million in direct spending by SUNY Cortland.

The students at SUNY Cortland contribute the largest share of the spending (\$46.3 million) followed by the College's employees (\$36.2 million). Including the visitors to the College's students and employees (5.2 million), the impact of these direct expenditures is nearly \$163 million.

It is important to note that 60 percent of the College's employees state that they would *not live in the area* if they did not work at SUNY Cortland. Thus, in addition to the loss of student spending, the regional economy would stand to lose and additional \$25 million in expenditures from college

employees as well as their visitors if SUNY Cortland did not exist. Moreover, 81 percent of the College’s employees own their own home. Based on the average housing prices as well as the average tax payment per \$1,000 in house value, Cortland County would approximately lose an additional \$1.3 million in county/city (\$264,360) and school taxes (\$301,822).

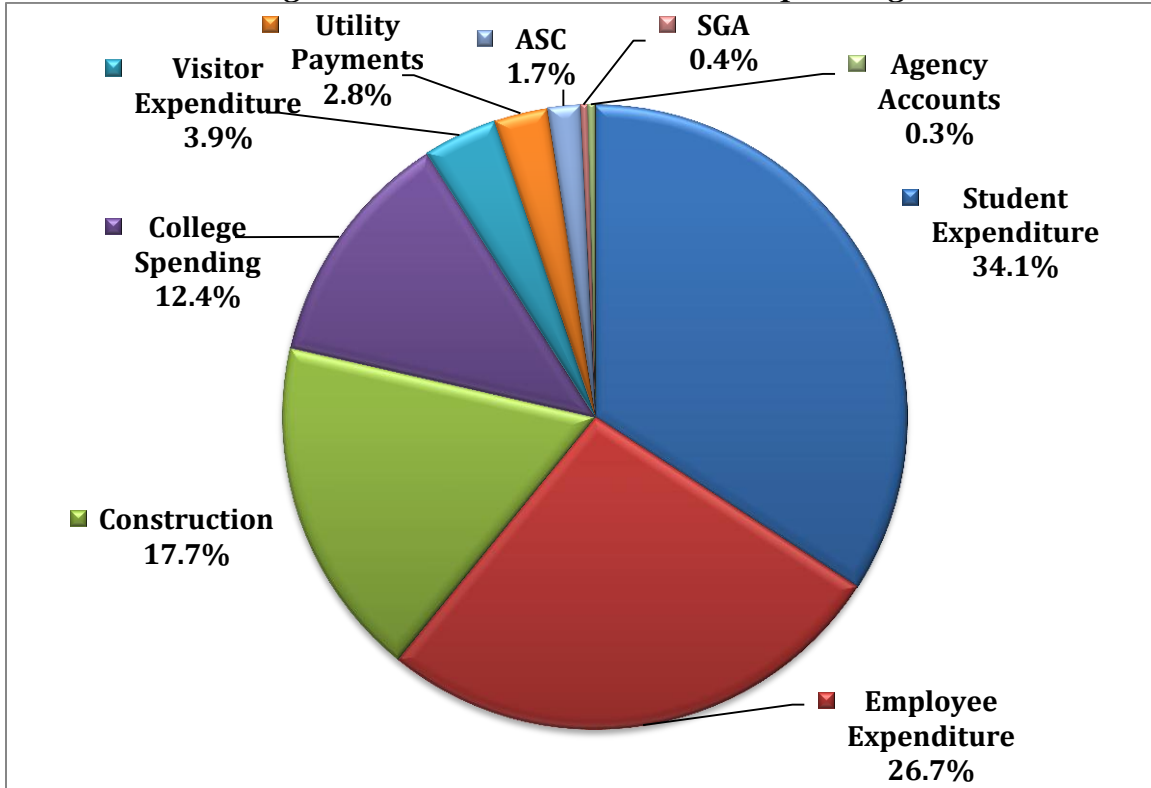
SUNY Cortland’s expenditures, on items other than personnel, constitute over \$16.8 million annually creating an impact in our regional community of over \$31 million. The direct expenditures of the Auxiliary Services Corporation (ASC), agency accounts, and the Student Government Association (SGA), nearly \$3.3 million combined, generate over \$6 million in the regional economy. Furthermore, the campuses \$24 million in critical maintenance construction injects over \$44.4 million back into our regional area. Finally, the College spends \$3.7 million in utilities, thus creating an impact of nearly \$7 million.

Table 4: Aggregate Annual Average Expenditures and its Impact on the Regional Economy

Source	Direct Spending	Total Impact
Employee Expenditure	\$36,278,906	\$67,210,301
Student Expenditure	\$46,321,954	\$85,816,051
Visitors' Expenditures	\$5,238,958	\$9,705,694
College	\$16,818,910	\$31,158,713
ASC	\$2,284,929	\$4,233,059
Agency Accounts	\$470,208	\$871,107
SGA	\$527,394	\$977,050
Construction	\$24,000,000	\$44,462,400
Utility Payments	\$3,738,728	\$6,926,367
TOTAL	\$135,679,987	\$251,360,743

The percentage of direct spending by expenditure category is displayed in Figure 5 below. Students and employees of SUNY Cortland and their visitors account for approximately 65 percent of the College’s impact on the regional economy. SUNY Cortland’s spending as well as their critical maintenance construction accounts for over 30 percent of the impact.

Figure 5: SUNY Cortland Direct Spending



Conclusion

In this study, the direct spending of SUNY Cortland, its students and employees is estimated. From this direct spending, the economic impact of the College is then calculated using the multiplier for the Central New York region including the Cortland, Broome, Onondaga and Tompkins Counties.

The presence of the SUNY Cortland is vital to the economic health of Cortland County. During the 2011-12 academic year, SUNY Cortland spent over \$135 million on average within our regional community. This expenditure led to an economic impact of over \$251 million in the Central New York regional economy. Approximately 61 percent of this impact stems from the expenditures of the College’s students (34percent) and employees (27 percent). The visitors to SUNY Cortland’s students and employees account for 4 percent of the overall impact injecting \$9.7 million into our regional area while visiting our community.

Comparing the current impact of SUNY Cortland to the College’s impact calculated in 2008, the effect of the recession is evident. The overall spending of students and employees has been reduced. Moreover, the College’s commitment to reducing its energy usage is also evident in the College’s decrease in utility expenditures. Regardless of this decrease, the expenditures of SUNY Cortland students, employees and the College itself remain a driving force behind the economic vitality in Cortland.