

UWM ECONOMIC IMPACT STUDY HIGHLIGHTS

UW-Milwaukee represents a major economic force in Wisconsin.

- The operation of UWM has an annual impact of \$1.6 billion on Wisconsin's economy.
- This is a payback of 13 times the state's annual investment of \$124 million (based on 2007-08 expenditures).
- Almost 80% of the annual expenditures of \$570 million come from sources other than state taxes.
- UWM employees spend \$147 million in Wisconsin annually.
- Beyond their tuition and fees, UWM students spend \$285 million each year.
- Visitors to UWM, its students, employees and athletic events spend \$146 million each year.
- The expenditures of UWM, its employees, students and visitors total more than \$750 million annually and result in almost 31,000 jobs (not including UWM jobs).

EXECUTIVE SUMMARY

The University of Wisconsin-Milwaukee is a major urban institution. It spends more than \$570 million (2007-08 fiscal year), employs over 4,900 people (not including student hourly workers) and educates over 29,000 students. It makes a major contribution to the economic vitality of the state through direct spending on goods and services, payroll, spending by UWM students, and UWM visitor spending. However, UWM's economic contribution to the state is not limited to its direct spending. In turn, this direct spending is "recycled" through the state economy as the dollars spent by UWM on goods and services are spent again on goods and services by the businesses and individuals that serve UWM. This recycling, or rippling, of dollars through the economy is captured by multipliers that are applied to direct UWM spending.

Direct UWM spending totals more than \$750 million per year. The components of that spending are UWM non-payroll expenditures, spending by UWM students and employees, and spending by visitors to UWM students, employees, athletic events and visitors on UWM business.

<u>Contributor</u>	
Institution	\$ 172,300,000
Employees	146,700,000
Students	285,400,000
Visitors	145,800,000
	<u>\$ 750,200,000</u>

When these direct expenditures are multiplied by an economic multiplier specific to higher education in the Milwaukee metropolitan area, the total economic contribution that UWM makes to the state is about \$1.6 billion. When one considers that only 22% of the university expenditures come from state taxes, UWM provided a return on the state's investment of \$124 million (based on 2007-08 expenditures) in fiscal year 2008 of 13 dollars for every 1 dollar invested.

The money spent by UWM and its employees, students, and visitors also creates jobs in the state—almost 31,000 Wisconsin jobs are attributable to UWM's presence.

METHODOLOGY

The purpose of this analysis is to measure the economic contribution that UW-Milwaukee makes to the state. In 1997, Professor William Strang conducted an analysis of UW System's impact on Wisconsin's economy. As part of that study, information was also provided on UW-Milwaukee's contribution to the state's economy. An update of the 1997 study was prepared for UW System in September 2002. However, the 2002 study did not contain specific data for UWM. This analysis attempts to apply the methodology used in both the 1997 and 2002 studies to obtain updated figures on UWM's economic contribution to the state.

In general, expenditure data was from the 2007-08 fiscal year. Estimates of direct institutional non-payroll expenditures, UWM employee take-home pay, UWM student expenditures, and expenditures by visitors to UWM students, employees, athletic events and visitors on UWM business were made applying the methodology used in the 1997 and 2002 reports. The output multiplier used to calculate the indirect effect of UWM expenditures is specific to higher education in the Milwaukee metropolitan area. The jobs multiplier used is the same as in the 1997 study.

STAFF

Questions, comments, or further details about this analysis should be directed to Peter Alexopoulos at x4988 or alexopo2@uwm.edu.

**SUMMARY OF UWM ECONOMIC IMPACT
2007-08**

Estimated institutional non-payroll expenditures	\$	172,356,000	
Estimated take-home pay		146,690,000	
Estimated student expenditures, excluding tuition		285,428,000	
Estimated visitor expenditures		<u>145,768,000</u>	
Estimated total expenditures	\$	750,242,000	
Economic output multiplier		2.1143	Output multiplier for higher education in Milwaukee metropolitan area
Impact on Wisconsin economy	\$	<u>1,586,237,000</u>	
		12.8	UWM impact on WI economy (from above) divided by state's investment of \$124 million (based on 2007-08 expenditures)
Wisconsin Jobs Created by UWM			
UWM and UWM-caused expenditures (millions)	\$	750.24	Estimated total expenditures (from above)
Jobs multiplier		41.2	
Total employment effect--jobs attributable to UWM		<u>30,910</u>	