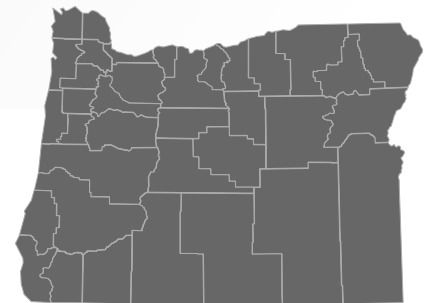


# The Economic Value of The Oregon Alliance of Independent Colleges and Universities



Oregon

The Oregon Alliance of Independent Colleges and Universities (The Alliance<sup>1</sup>) creates a significant positive impact on the business community and generates a return on investment to its major stakeholder groups—students, Oregon communities, and broader society—along with significant benefits to taxpayers. Using a two-pronged approach that involves an economic impact analysis and an investment analysis, this study calculates the benefits received by each of these groups. Results of the analysis reflect fiscal year (FY) 2020-21.

## Economic impact analysis

In FY 2020-21, The Alliance member institutions added **\$3.5 billion** in income to the Oregon economy, a value approximately equal to **1.3%** of the state's total gross state product (GSP). Expressed in terms of jobs, the member institutions' impact supported **43,396 jobs**. For perspective, the activities of the member institutions and their students support **one out of every 59 jobs** in Oregon.

### Operations spending impact

- The Alliance member institutions employed 6,766 full-time and part-time faculty and staff. Payroll amounted to \$485.8 million, much of which was spent in the

<sup>1</sup> The Alliance consists of Bushnell University, Corban University, George Fox University, Lewis & Clark College, Linfield University, Multnomah University, Pacific University, Reed College, University of Portland, Warner Pacific University, Western Seminary, and Willamette University.

state for groceries, mortgage and rent payments, dining out, and other household expenses. The institutions spent another \$233.5 million on day-to-day expenses related to facilities, supplies, and professional services.

- The net impact of the institutions' operations spending added **\$491.2 million** in income to the state economy in FY 2020-21.

### Visitor spending impact

- Tens of thousands of out-of-state visitors were drawn to Oregon for activities at The Alliance member institutions and brought new dollars to the economy through their spending at hotels, restaurants, gas stations, and other businesses.
- Visitor spending added approximately **\$26 million** in income to the Oregon economy.<sup>2</sup>

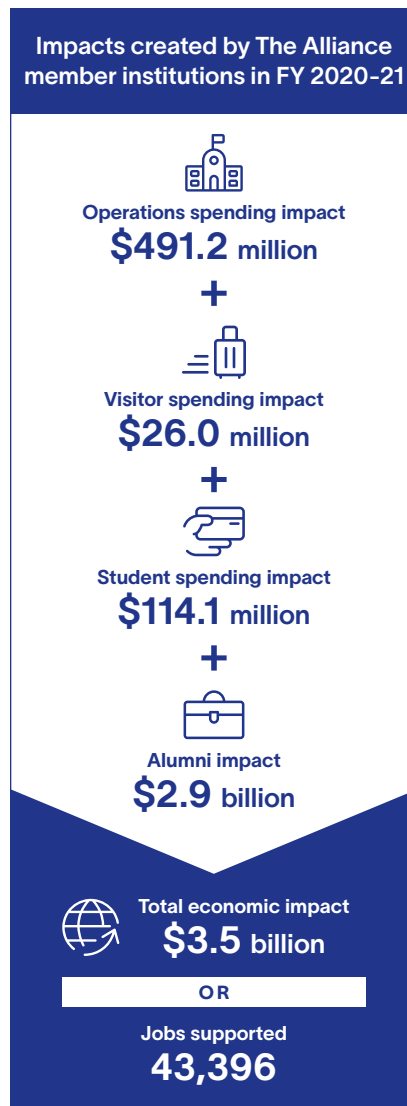
### Student spending impact

- Approximately 49% of students attending The Alliance member institutions originated from outside the state. Most of these students relocated to Oregon. In addition, some in-state students, referred to as retained students, would have departed Oregon for other educational opportunities if not for the member institutions. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at state businesses.
- The expenditures of relocated and retained students in FY 2020-21 added **\$114.1 million** in income to the Oregon economy.

### Alumni impact

- Over the years, students have studied at The Alliance member institutions and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, tens of thousands of these former students are employed in Oregon.
- According to Lightcast's Alumni Outcomes data, many of the member institutions' alumni are employed in the state workforce in industry sectors such as Government, Education; Health Care & Social Assistance; Professional & Technical Services; Manufacturing; Educational Services; Finance & Insurance; and Administrative & Waste Services, with their top occupations being registered nurses; lawyers; chief executives; tutors, teachers, & instructors; personal service managers & entertainment & recreation managers; postsecondary teachers; and general & operations managers.
- The net impact of The Alliance's former students currently employed in the state workforce amounted to **\$2.9 billion** in added income in FY 2020-21.

<sup>2</sup> Note that many institution events were canceled in FY 2020-21 due to COVID-19, substantially decreasing the visitor spending impact. In addition, only seven out of twelve member institutions were able to provide visitor data, which considerably reduces the total measured visitor spending impact.



# Investment analysis

## Student perspective

- The Alliance member institutions' FY 2020-21 students paid a present value of **\$549.6 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$344.8 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of **\$3.1 billion** in increased earnings over their working lives. This translates to a return of **\$3.50** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **12.5%**.

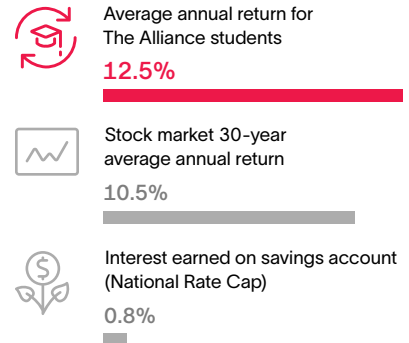
## Taxpayer perspective

- The state and local governments invest very little in The Alliance and its member institutions, yet Oregon taxpayers still receive a significant number of benefits from the private, nonprofit colleges and universities comprising The Alliance membership. They will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$773 million**. A reduced demand for government-funded services in Oregon will add another **\$156.4 million** in benefits to taxpayers. This sums to **\$929.4 million** in present value benefits to Oregon taxpayers.

## Social perspective

- In FY 2020-21, Oregon invested **\$1.1 billion** to support The Alliance member institutions. In turn, the Oregon economy will grow by **\$7.3 billion**, over the course of students' working lives. Society will also benefit from **\$483 million** of public and private sector savings.
- For every dollar invested in The Alliance member institutions in FY 2020-21, people in Oregon will receive **\$6.90** in return, for as long as the member institutions' FY 2020-21 students remain active in the state workforce.

## Students see a high rate of return for their investment in The Alliance member institutions



Source: Forbes' S&P 500, 1992-2021. FDIC.gov, 2-2022.

**For every \$1...**

- Students gain in lifetime earnings **\$3.50**
- Society gains in added income and social savings **\$6.90**

**In total...**

- Taxpayers gain in added tax revenue and public sector savings **\$929.4 million**



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