



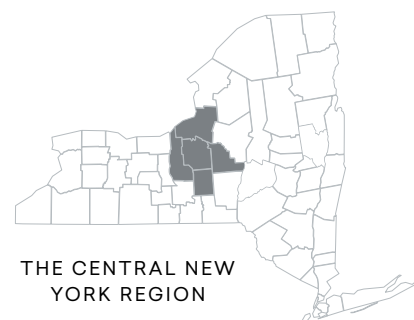
## The Economic Value of State University of New York at Oswego



**S**TATE UNIVERSITY OF NEW YORK AT OSWEGO (SUNY Oswego) creates value in many ways. The university plays a key role in helping students increase their employability and achieve their individual potential. The university facilitates new research developments and draws visitors and students to the region, generating new dollars and opportunities for the Central New York Region.<sup>1</sup> Its student and employee volunteers support the regional economy through the output and employment generated by regional businesses and organizations. SUNY Oswego provides students with the education, training, and skills they need to have fulfilling and prosperous careers. Furthermore, SUNY Oswego is a place for students to meet new people, increase their self-confidence, and promote their overall health and well-being.

SUNY Oswego influences both the lives of its students and the regional economy. The university supports a variety of industries in the Central New York Region, serves regional businesses, and benefits society as a whole in New York from an expanded economy and improved quality of life. Additionally, the benefits created by SUNY Oswego extend to the state and local government through increased tax revenues and public sector savings.

This study measures the economic impacts created by SUNY Oswego on the business community and the benefits the university generates in return for the investments made by its key stakeholder groups—students, taxpayers, and society. The following two analyses are presented:



SUNY Oswego influences both the **lives of its students** and the **regional economy**.



### Economic impact analysis



### Investment analysis

All results reflect employee, student, and financial data, provided by the university, for fiscal year (FY) 2019-20. Impacts on the Central New York Region economy are reported under the economic impact analysis and are measured in terms of added income. The returns on investment to students, taxpayers, and society in New York are reported under the investment analysis.

<sup>1</sup> For the purposes of this analysis, the Central New York Region is comprised of Oswego, Cayuga, Cortland, Madison, and Onondaga Counties.



# ECONOMIC IMPACT ANALYSIS



SUNY Oswego promotes economic growth in the Central New York Region through its direct expenditures and the resulting expenditures of visitors, students, and regional businesses. The university serves as an employer and buyer of goods and services for its day-to-day and research operations. The university's reputation and activities attract visitors and students from outside the Central New York Region, whose expenditures benefit regional vendors. SUNY Oswego encourages its students and employees to volunteer in the regional community, helping businesses and organizations grow. In addition, SUNY Oswego is a primary source of higher education to the Central New York Region residents and a supplier of trained workers to regional industries, enhancing overall productivity in the regional workforce.

## Operations spending impact



SUNY Oswego adds economic value to the Central New York Region as an employer of regional residents and a large-scale buyer of goods and services. In FY 2019-20, the university employed 1,447 full-time and part-time faculty and staff (excluding research employees), 89% of whom lived in the Central New York Region. Total payroll at SUNY Oswego was \$115.5 million (excluding payroll from research employees), much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. In addition, the university spent \$49.2 million on day-to-day expenses related to facilities, supplies, and professional services (excluding research expenditures).

SUNY Oswego's day-to-day operations spending added \$165.8 million in income to the region during the analysis year. This figure represents the university's payroll, the multiplier effects generated by the in-region spending of the university and its employees, and a downward adjustment to account for funding that the university received from regional sources. The \$165.8 million in added income is equivalent to supporting 2,014 jobs in the region.

## Research spending impact



Research activities impact the economy by employing people and requiring the purchase of equipment and other supplies and services. Over the last four years, SUNY Oswego received 11 invention disclosures, filed 11 new patent applications, and produced one license.

### IMPACTS CREATED BY SUNY OSWEGO IN FY 2019-20



Operations spending impact

**\$165.8 million**



Research spending impact

**\$1.1 million**



Construction spending impact

**\$8.3 million**



Visitor spending impact

**\$2 million**



Student spending impact

**\$36.7 million**



Volunteerism impact

**\$2.2 million**



Alumni impact

**\$203.3 million**



**TOTAL ECONOMIC IMPACT**

**\$419.4 million**

OR

Jobs supported

**5,541**

## SUNY OSWEGO RESEARCH DEVELOPMENTS

Fiscal year	Inventions	Patents	Licenses
2016-17	3	2	0
2017-18	2	5	0
2018-19	5	4	0
2019-20	1	0	1
<b>Total</b>	<b>11</b>	<b>11</b>	<b>1</b>

Source: SUNY Oswego.

In FY 2019-20, SUNY Oswego spent \$326 thousand on payroll to support research activities. This, along with \$1.2 million in other research spending, created a net total of \$1.1 million in added income for the regional economy. This added income is equivalent to supporting 14 jobs.

## Construction spending impact



SUNY Oswego invests in construction each year to maintain its facilities, create additional capacities, and meet its growing educational demands. While the amount varies from year to year, these quick infusions of income and jobs have a substantial impact on the regional economy. In FY 2019-20, SUNY Oswego's construction spending generated \$8.3 million in added income, which is equivalent to supporting 109 jobs.

## Visitor spending impact



Tens of thousands of visitors from outside the region were attracted to SUNY Oswego during the analysis year to attend sports events, orientation, and other entertainment and business-related activities sponsored by the university.<sup>2</sup> While in the region, visitors spent money for lodging, food, transportation, and other personal expenses. The off-campus expenditures of the university's out-of-region visitors generated a net impact of \$2 million in added income for the regional economy in FY 2019-20. This \$2 million in added income is equivalent to supporting 42 jobs.

## Student spending impact



Around 67% of credit students attending SUNY Oswego originated from outside the region in FY 2019-20, and some of these students relocated to the Central New York Region to attend SUNY Oswego. These students may not have come to the region if the university did not exist. In addition, some in-region students, referred to as retained students, would have left the Central New York Region if not for the existence of SUNY Oswego. While attending the university, these relocated and retained students spent money on groceries, accommodation, transportation, and other household expenses. This spending generated \$36.7 million in added income for the regional economy in FY 2019-20, which supported 769 jobs in the Central New York Region.

<sup>2</sup> Note that many events were canceled due to COVID-19, decreasing the visitor spending impact.

## Volunteerism impact



SUNY Oswego encourages its students and employees to volunteer in the Central New York Region, where they can work with regional businesses and organizations to help meet their goals. The work of these student and employee volunteers allows businesses and organizations to grow, increasing their output and impacting the economy at large. Using the value per volunteer hour for New York as provided by the Independent Sector,<sup>3</sup> SUNY Oswego student and employee volunteers added \$950.2 thousand in value to the regional economy. In terms of actual impact to the regional economy, SUNY Oswego student and employee volunteers generated an impact of \$2.2 million in added income for the region in FY 2019-20, equivalent to supporting 28 jobs.

## Alumni impact



The education and training SUNY Oswego provides for regional residents has the greatest impact. Since its establishment, students have studied at SUNY Oswego and entered the regional workforce with greater knowledge and new skills. Today, thousands of former SUNY Oswego students are employed in the Central New York Region. As a result of their education from SUNY Oswego, the students receive higher earnings and increase the productivity of the businesses that employ them. In FY 2019-20, SUNY Oswego alumni generated \$203.3 million in added income for the regional economy, which is equivalent to supporting 2,565 jobs.

## Total impact

SUNY Oswego added \$419.4 million in income to the Central New York Region economy during the analysis year, equal to the sum of the operations, research, and construction spending impacts, the visitor and student spending impacts, the volunteerism impact, and the alumni impact. For context, the \$419.4 million impact was equal to approximately 0.9% of the total gross regional product (GRP) of the Central New York Region. This contribution that the university provided on its own is nearly half as large as the entire Transportation & Warehousing in the region.

SUNY Oswego's total impact can also be expressed in terms of jobs supported. The \$419.4 million impact supported 5,541 regional jobs, using the jobs-to-sales ratios specific to each industry in the region. This means that one out of every 82 jobs in the Central New York Region is supported by the activities of SUNY Oswego and its students. In addition, the \$419.4 million, or 5,541 supported jobs, stemmed from different industry sectors. For instance, SUNY Oswego's spending and alumni in the Government, Education industry sector supported 1,851 jobs in FY 2019-20. If the university did not exist, these impacts would not have been generated in the Central New York Region.

### SUNY OSWEGO IMPACTS BY INDUSTRY (JOBS SUPPORTED)



**One out of every 82 jobs** in the Central New York Region is supported by the activities of SUNY Oswego and its students.

<sup>3</sup> Value per volunteer hour per state was provided by Independent Sector (see [https://independentsector.org/resource/vovt\\_details/](https://independentsector.org/resource/vovt_details/)).

# INVESTMENT ANALYSIS



An investment analysis evaluates the costs associated with a proposed venture against its expected benefits. If the benefits outweigh the costs, then the investment is financially worthwhile. The analysis presented here considers SUNY Oswego as an investment from the perspectives of students, taxpayers, and society in New York.

## Student perspective



In FY 2019-20, SUNY Oswego served 10,914 credit and 3,716 non-credit students. In order to attend the university, the students paid for tuition, fees, books, and supplies. They also took out loans and will incur interest on those loans. Additionally, students gave up money they would have otherwise earned had they been working instead of attending college. The total investment made by SUNY Oswego's students in FY 2019-20 amounted to a present value of \$113.5 million, equal to \$44.5 million in out-of-pocket expenses (including future principal and interest on student loans) and \$69 million in forgone time and money.

In return for their investment, SUNY Oswego's students will receive a stream of higher future earnings that will continue to grow throughout their working lives. For example, the average SUNY Oswego bachelor's degree graduate from FY 2019-20 will see annual earnings that are \$31,300 higher than a person with a high school diploma or equivalent working in New York. Over a working lifetime, the benefits of the bachelor's degree over a high school diploma will amount to an undiscounted value of \$1.4 million in higher earnings per graduate. The present value of the cumulative higher future earnings that SUNY Oswego's FY 2019-20 students will receive over their working careers is \$797.3 million.

The students' benefit-cost ratio is 7.0. In other words, for every dollar students invest in SUNY Oswego in the form of out-of-pocket expenses and forgone time and money, they will receive a cumulative value of \$7.00 in higher future

### STUDENTS SEE A HIGH RATE OF RETURN FOR THEIR INVESTMENT IN SUNY OSWEGO



Average annual return for SUNY Oswego students

**22.6%**



Stock market 30-year average annual return

10.6%

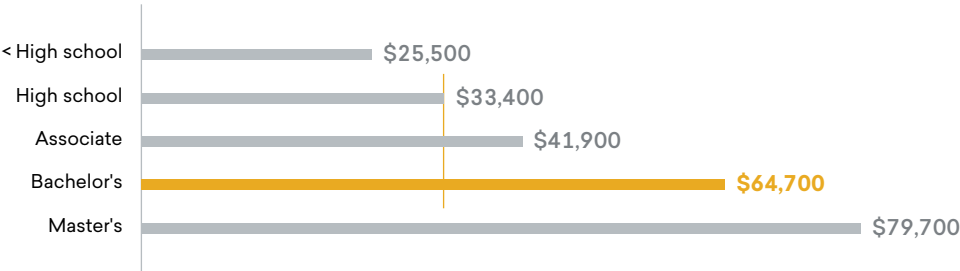


Interest earned on savings account (National Rate Cap)

0.8%

Source: Forbes' S&P 500, 1990-2020, FDIC.gov, 6-2021.

The average bachelor's degree graduate from SUNY Oswego will see an increase in earnings of **\$31,300** each year compared to a person with a high school diploma or equivalent working in New York.



Source: Emsi Burning Glass employment data.

earnings. Annually, the students' investment in SUNY Oswego has an average annual internal rate of return of 22.6%, which is impressive compared to the U.S. stock market's 30-year average rate of return of 10.6%.

## Taxpayer perspective



SUNY Oswego generates more in tax revenue than it takes. These benefits to taxpayers consist primarily of taxes that the state and local government will collect from the added revenue created in the state. As SUNY Oswego students will earn more, they will make higher tax payments throughout their working lives. Students' employers will also make higher tax payments as they increase their output and purchases of goods and services. By the end of the FY 2019-20 students' working lives, the state and local government will have collected a present value of \$224.4 million in added taxes.

Benefits to taxpayers will also consist of savings generated by the improved lifestyles of SUNY Oswego students and the corresponding reduced government services. Education is statistically correlated with a variety of lifestyle changes. The educations that SUNY Oswego students receive will generate savings in three main categories: 1) healthcare, 2) justice system, and 3) income assistance. Improved health will lower students' demand for national health care services. In addition, costs related to the justice system will decrease. SUNY Oswego students will be more employable, so their reduced demand for income assistance such as welfare and unemployment benefits will benefit taxpayers. For a list of study references, contact the university for a copy of the main report. Altogether, the present value of the benefits associated with a SUNY Oswego education will generate \$40.9 million in savings to state and local taxpayers.

Total taxpayer benefits amount to \$265.3 million, the present value sum of the added taxes and public sector savings. Taxpayer costs are \$95.1 million, equal to the amount of state and local government funding SUNY Oswego received in FY 2019-20. These benefits and costs yield a benefit-cost ratio of 2.8. This means that for every dollar of public money invested in SUNY Oswego in FY 2019-20, taxpayers will receive a cumulative present value of \$2.80 over the course of the students' working lives. The average annual internal rate of return for taxpayers is 6.4%, which compares favorably to other long-term investments in the public and private sectors.

For every dollar of public money invested in SUNY Oswego, taxpayers will receive a cumulative value of **\$2.80** over the course of the students' working lives.

## Social perspective



Society as a whole in New York benefits from the presence of SUNY Oswego in two major ways. Primarily, society benefits from an increased economic base in the state. This is attributed to the added income from students' increased lifetime earnings (added student income) and increased business output (added business income), which raise economic prosperity in New York.

Benefits to society also consist of the savings generated by the improved lifestyles of SUNY Oswego students. As discussed in the previous section, education is statistically correlated with a variety of lifestyle changes that generate social savings. Note that these costs are avoided by the consumers but are distinct from the costs avoided by the taxpayers outlined above. Healthcare savings include avoided medical costs associated with smoking, alcohol dependence, obesity, drug abuse, and depression. Justice system savings include avoided costs to the government and society due to less judicial activity. Income assistance savings include reduced welfare and unemployment claims. For a list of study references, contact the university for a copy of the main report.

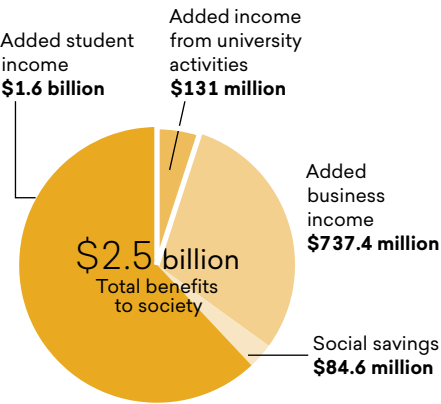
Altogether, the social benefits of SUNY Oswego equal a present value of \$2.5 billion. These benefits include \$1.6 billion in added student income, \$737.4 million in added business income, \$131.0 million in added income from university activities, as well as \$84.6 million in social savings related to health, crime, and income assistance in New York. People in New York invested a present value total of \$271.3 million in SUNY Oswego in FY 2019-20. The cost includes all the university and student costs.

The benefit-cost ratio for society is 9.2, equal to the \$2.5 billion in benefits divided by the \$271.3 million in costs. In other words, for every dollar invested in SUNY Oswego, people in New York will receive a cumulative value of \$9.20 in benefits. The benefits of this investment will occur for as long as SUNY Oswego's FY 2019-20 students remain employed in the state workforce.

### Summary of investment analysis results

The results of the analysis demonstrate that SUNY Oswego is a strong investment for all three major stakeholder groups—students, taxpayers, and society. As shown, students receive a great return for their investments in a SUNY Oswego education. At the same time, taxpayers' investment in SUNY Oswego returns more to government budgets than it costs and creates a wide range of social benefits throughout New York.

SOCIAL BENEFITS IN NEW YORK FROM SUNY OSWEGO



Source: Emsi Burning Glass impact model.

STUDENT PERSPECTIVE		TAXPAYER PERSPECTIVE		SOCIAL PERSPECTIVE	
Present value benefits \$797.3 million		Present value benefits \$265.3 million		Present value benefits \$2.5 billion	
Present value costs \$113.5 million		Present value costs \$95.1 million		Present value costs \$271.3 million	
Net present value \$683.8 million		Net present value \$170.2 million		Net present value \$2.2 billion	
Benefit-cost ratio	Rate of return	Benefit-cost ratio	Rate of return	Benefit-cost ratio	Rate of return
7.0	22.6%	2.8	6.4%	9.2	n/a*

\* The rate of return is not reported for the social perspective because the beneficiaries of the investment are not necessarily the same as the original investors.



# CONCLUSION

The results of this study demonstrate that SUNY Oswego creates value from multiple perspectives. The university benefits regional businesses by increasing consumer spending in the region and supplying a steady flow of qualified, trained workers to the workforce. SUNY Oswego enriches the lives of students by raising their lifetime earnings and helping them achieve their individual potential. The university benefits state and local taxpayers through increased tax receipts and a reduced demand for government-supported social services. Finally, SUNY Oswego benefits society as a whole in New York by creating a more prosperous economy and generating a variety of savings through the improved lifestyles of students.

## About the study

Data and assumptions used in the study are based on several sources, including the FY 2019-20 academic and financial reports from SUNY Oswego, industry and employment data from the U.S. Bureau of Labor Statistics and U.S. Census Bureau, outputs of Emsi Burning Glass's Multi-Regional Social Accounting Matrix model, and a variety of studies and surveys relating education to social behavior. The study applies a conservative methodology and follows standard practice using only the most recognized indicators of economic impact and investment effectiveness. For a full description of the data and approach used in the study, please contact the university for a copy of the main report.

The results of this study demonstrate that SUNY Oswego creates value from **multiple perspectives.**



Emsi Burning Glass provides colleges and universities with labor market data that helps create better outcomes for students, businesses, and communities. Our data, which cover more than 99% of the U.S. workforce, are compiled from a wide variety of government sources, job postings, and online profiles and résumés. Hundreds of institutions use Emsi Burning Glass to align programs with regional needs, drive enrollment, connect students with in-demand careers, track their alumni's employment outcomes, and demonstrate their institution's economic impact on their region. Visit [economicmodeling.com/higher-education](https://economicmodeling.com/higher-education) to learn more or connect with us.