

ECONOMIC IMPACT OF SAINT JOSEPH'S UNIVERSITY



FINAL REPORT – April 15, 2016

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EXECUTIVE SUMMARY

Saint Joseph's University (SJU) is Philadelphia's Catholic, Jesuit University, founded by the Society of Jesus in 1851 and consistently ranked among the top universities in the Northeast. An important member of Philadelphia's robust higher education and non-profit industries, SJU provides rigorous, student-centered academic programs rooted in the liberal arts to over 9,000 students each year.

Like other large institutions, SJU is an economic engine for its city, region and state. It generates a significant volume of direct and indirect economic activity and employment through its annual operations and capital investments. It attracts and retains significant ancillary spending on the part of its students and visitors. And it does all of this while educating and credentialing its students, yielding a wage premium for its alumni that circulates through the local economy and grows the tax base.

This economic impact analysis report quantifies and articulates the value of SJU's economic and social contributions to its host communities, to the Philadelphia region, to the Commonwealth of Pennsylvania, and to the broader society. From a purely economic standpoint, SJU's operating expenditures and capital investments give it a significant direct footprint within the local economy which is augmented by ancillary spending and household income via the wage premium attributable to SJU. Each year, the direct, indirect and induced economy activity associated with SJU is estimated to generate (see Table ES.1):

- \$306 million in total output within the City of Philadelphia, supporting 1,930 direct, indirect, and induced jobs with \$126 million in earnings, and generating more than \$5 million in tax revenues
- \$575 million in total output within the 5-county region, supporting 3,870 jobs with \$225 million in earnings
- \$610 million in total output within the Commonwealth of Pennsylvania, supporting 4,085 jobs with \$233 million in earnings, and generating nearly \$13 million in tax revenue

TABLE ES.1 – SUMMARY OF SAINT JOSEPH’S UNIVERSITY’S ANNUAL ECONOMIC AND FISCAL IMPACTS WITHIN THE CITY OF PHILADELPHIA, 5-COUNTY REGION AND COMMONWEALTH OF PENNSYLVANIA

City of Philadelphia	Operations	Capital (Annualized)	Ancillary Student and Visitor Spending	Wage Premium	Total
Economic Impact	\$208M	\$41M	\$48M	\$9M	\$306M
Employment (Jobs)	1,350	240	280	55	1,930
Labor Earnings	\$92M	\$18M	\$12M	\$3M	\$126M
Tax Revenue	\$3.3M	\$0.7M	\$0.6M	\$0.5M	\$5.1M
5-County Region	Operations	Capital (Annualized)	Ancillary Student and Visitor Spending	Wage Premium	Total
Economic Impact	\$390M	\$66M	\$85M	\$35M	\$575M
Employment (Jobs)	2,725	385	530	230	3,870
Labor Earnings	\$165M	\$28M	\$21M	\$11M	\$225M
Commonwealth of Pennsylvania	Operations	Capital (Annualized)	Ancillary Student and Visitor Spending	Wage Premium	Total
Economic Impact	\$397M	\$68M	\$95M	\$51M	\$610M
Employment (Jobs)	2,750	390	590	355	4,085
Labor Earnings	\$166M	\$29M	\$23M	\$15M	\$233M
Tax Revenue	\$6.1M	\$1.6M	\$1.9M	\$3.2M	\$12.9M

Further, the community and social impact of SJU goes well beyond its direct and indirect economic footprint. The philosophy and mission of the university is oriented towards the greater good, as encapsulated in the concept of “*Magis*” SJU students receive a comprehensive educational experience focused on developing fully their intellectual and moral capacities, preparing them to be contributing citizens, not just employees. This is reflected in the commitments that the University makes to the surrounding community and broader society, including inclusivity, neighborhood stewardship, volunteerism and service. Thus, SJU is contributing to the local, regional and state economy in ways that are also enriching its students, its host communities and society at large.

1.0 INTRODUCTION

1.1 ABOUT SAINT JOSEPH'S UNIVERSITY (SJU)

Saint Joseph's University (SJU) is Philadelphia's Catholic, Jesuit University, founded by the Society of Jesus in 1851 and consistently ranked among the top universities in the Northeast. An important member of Philadelphia's robust higher education and non-profit industries, SJU provides rigorous, student-centered academic programs rooted in the liberal arts to over 9,000 students each year.

Through its Phi Beta Kappa recognized College of Arts and Sciences and AACSB-accredited Erivan K. Haub School of Business, the University offers more than 75 undergraduate majors, 45 graduate programs and an Ed.D. in Educational Leadership, as well as 10 special-study programs and 23 study abroad programs.

Saint Joseph's beautifully maintained 114 acre-campus spans both Philadelphia and Montgomery counties, and its impact can be felt throughout the communities. SJU has an annual operating budget of over \$230 million and capital investments in excess of \$180 million over the past five years. The University employs over 1,500 local individuals and brings thousands of visitors to the area for admissions, academic, athletic, and cultural events each year.

The University's commitment to the Jesuit tradition of scholarship and service has earned SJU a place on the President's Higher Education Community Service Honor Roll and a community engagement classification from the Carnegie Foundation for the Advancement of Teaching. SJU's resources and research initiative regularly benefit the surrounding municipalities. The faculty and staff are engaged with local businesses and communities, serving on civic associations and organization boards, such as the City Avenue Special Services District (CASSD), the Wynnefield Overbrook Revitalization Corporation (WORC), the Greater Philadelphia Chamber of Commerce and the Main Line Chamber of Commerce.

The following report presents more information about the local and global impact of Saint Joseph's University, including quantifiable evidence of the University's role as an economic engine for the 5-county Region and the Commonwealth of Pennsylvania.

1.2 REPORT OVERVIEW

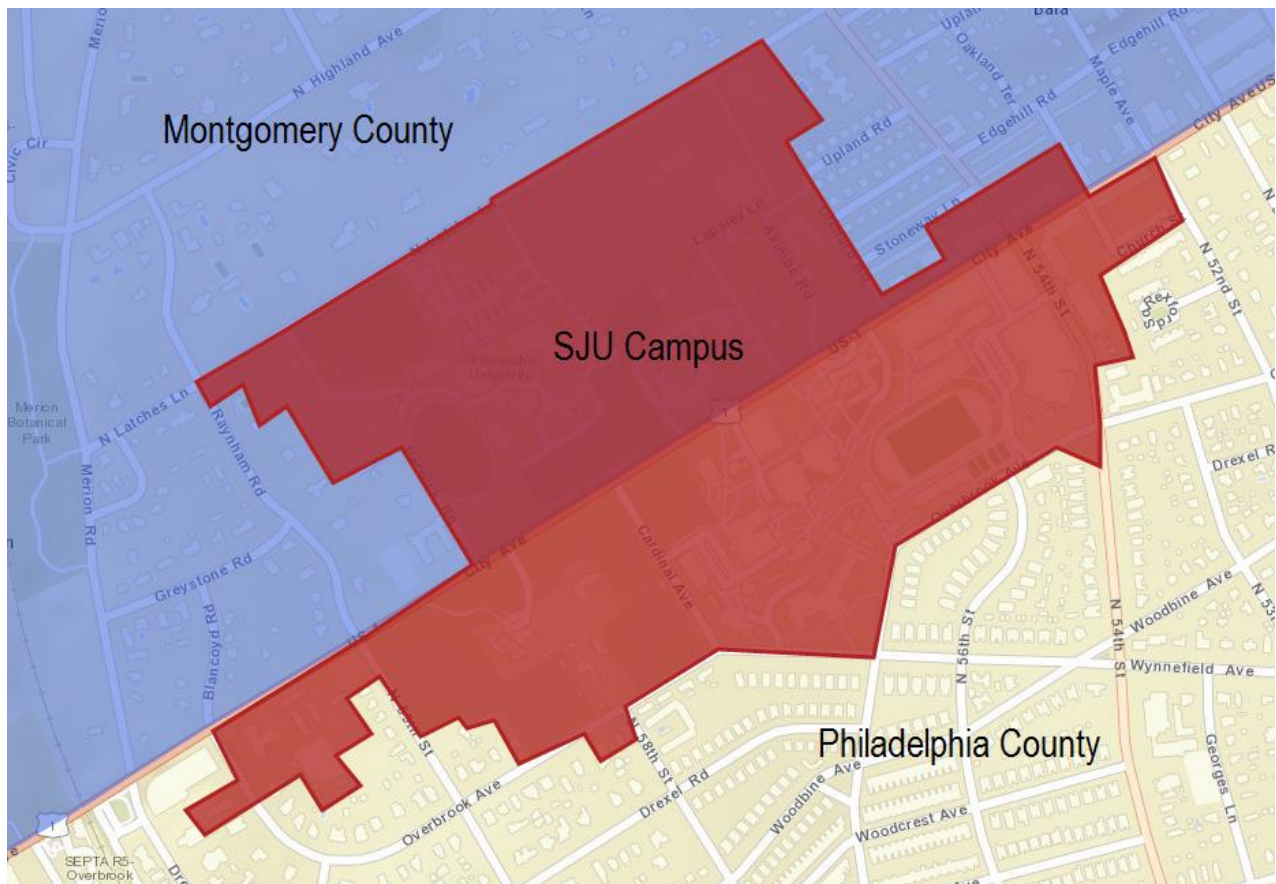
The remainder of Section 1 reviews the methodology used to quantify the economic and fiscal impact of SJU within the City of Philadelphia (and where possible, Lower Merion Township), the 5-county Region, and the Commonwealth of Pennsylvania. The sections that follow review and quantify these impacts across a number of discrete categories in Sections 2-5. Section 6 extends this analysis to describe additional impacts for adjacent communities stemming from SJU's local engagement efforts. The report proceeds as follows:

- Section 2: Impact from Operations – reviews and quantifies the impact of SJU's ongoing operations including employment, procurement, and the administration of programs and initiatives.
- Section 3: Impact from Capital Investments – reviews and quantifies the impacts of SJU's physical investments in construction, renovation and maintenance.
- Section 4: Impact from Student and Visitor Spending – estimates the impact of ancillary spending (i.e. spending within the local economy outside of the University) by SJU students who are recruited from outside the region or retained within the region and visitors who spend time in the region for a variety of reasons associated with SJU.
- Section 5: Impact from Wage Premium – describes and estimates the economic benefits associated with SJU's educational mission within the knowledge economy by quantifying the wage premium conferred by University degrees.
- Section 6: Community and Social Impact – describes the efforts of the University to do more, be more and achieve more for the greater good. This manifests itself in a commitment in both localized initiatives with specific impacts in the Philadelphia and Lower Merion communities and a broader commitment to social good that radiates globally.
- Section 7: Conclusion – reviews and summarizes the impact described within this report.

1.3 ECONOMIC AND FISCAL IMPACT METHODOLOGY

The economic impact associated with SJU can be found both locally and across the Commonwealth of Pennsylvania. SJU is a unique case in that its campus stretches over two separate municipalities and counties, with academic buildings, residence halls and athletic facilities on both sides of City Avenue which splits Montgomery County (and more specifically Lower Merion Township) and Philadelphia County (see Figure 1.1). SJU is surrounded by residential neighborhoods to the west, south, and east. Along the east side of City Avenue there is a strip of commercial and retail properties adjacent to the campus.

FIGURE 1.1 – SJU CAMPUS LOCATION



Source: SJU (2016), Esri Business Analyst (2016)

To account for direct economic activity taking place in both Lower Merion Township (which lies within Montgomery County) and the City of Philadelphia (Philadelphia County), SJU provided Econsult Solutions, Inc. (ESI) with both broad estimates of the distribution of activity on each side of the campus and zip codes (as available) for employee and student residences. Economic impacts, including direct, indirect and induced economic activity were then estimated for the City of Philadelphia, the Philadelphia 5-county region,¹ and the Commonwealth of Pennsylvania using input-output modeling as described below.

Fiscal impacts were estimated for the City of Philadelphia and Commonwealth of Pennsylvania. It is important to note that while the city and 5-county economies are wholly contained within the Commonwealth economy, the City is a distinct government entity from the Commonwealth. Therefore, estimated fiscal impacts to the City and State are wholly separate and additive from the standpoint of estimating the full fiscal impact of SJU. Additional fiscal impacts accrue to local jurisdictions in the four adjacent suburban Philadelphia counties within Pennsylvania (Bucks, Chester, Delaware, and Montgomery); however, these impacts are difficult to estimate reliably given the various levels of jurisdictions with different tax frameworks within them.

Input-Output Modeling

ESI uses standard input-output modeling techniques to estimate the full range of economic impact, employment impact and fiscal impact associated with the direct activity attributable to SJU.² In an inter-connected economy, every dollar spent generates two spillover impacts:

- First, some amount of the proportion of that expenditure that goes to the purchase of goods and services gets circulated back into an economy when those goods and services are purchased from local vendors. This represents what is called the “indirect effect,” and reflects the fact that local purchases of goods and services support local vendors, who in turn require additional purchasing with their own set of vendors.
- Second, some amount of the proportion of that expenditure that goes to labor income gets circulated back into an economy when those employees spend some of their earnings on various goods and services. This represents what is called the “induced effect,” and reflects the fact that some of those goods and services will be purchased from local vendors, further stimulating a local economy.

The role of input-output models is to determine the linkages across industries in order to model the magnitude and composition of spillover impact to all industries of a dollar spent in any one industry. Thus, the total economic impact of SJU is the sum of its own direct economic footprint plus the indirect and induced effects generated by that direct footprint.

¹ Bucks, Chester, Delaware, Montgomery and Philadelphia Counties in Pennsylvania

² See Appendix A for greater detail on ESI's methodological approach.

Fiscal Modeling

The economic impacts described above in turn produce one-time or ongoing increases in various tax bases, which yield temporary or permanent increases in tax revenues. Careful consideration must be given to the specific tax structure of multiple jurisdictions in order to appropriately estimate fiscal impacts. ESI has developed a custom fiscal impact model that translates total economic impact (as estimated by the IMPLAN model described above) into commensurate tax revenue gains for the City and Commonwealth.

1.4 ABOUT ECONSULT SOLUTIONS, INC.

This report was produced by Econsult Solutions, Inc. (“ESI”). ESI is a Philadelphia-based economic consulting firm that provides businesses and public policy makers with economic consulting services in urban economics, real estate economics, transportation, public infrastructure, development, public policy and finance, community and neighborhood development and planning, as well as expert witness services for litigation support. Its principals are nationally recognized experts in urban development, real estate, government and public policy, planning, transportation, non-profit management, business strategy and administration, as well as litigation and commercial damages. Staff members have outstanding professional and academic credentials, including active positions at the collegiate level, vast experience at the highest levels of the public policy process and extensive consulting experience.



2.0 IMPACT FROM OPERATIONS

2.1 SECTION OVERVIEW

Saint Joseph's University (SJU)'s most direct and consistent contribution to the local economy is through its large and growing annual operations. The ongoing activity at SJU represents an annual level of significant operating expenditures and payroll to its local employees, which supports jobs and businesses within the city, region and state economies. With over \$230 million in annual operating costs, SJU is a significant procurer of goods and services from Philadelphia and Pennsylvania companies. This business activity not only strengthens the residential and commercial corridors of the neighborhood, but also generates tax revenues for the City and Commonwealth.

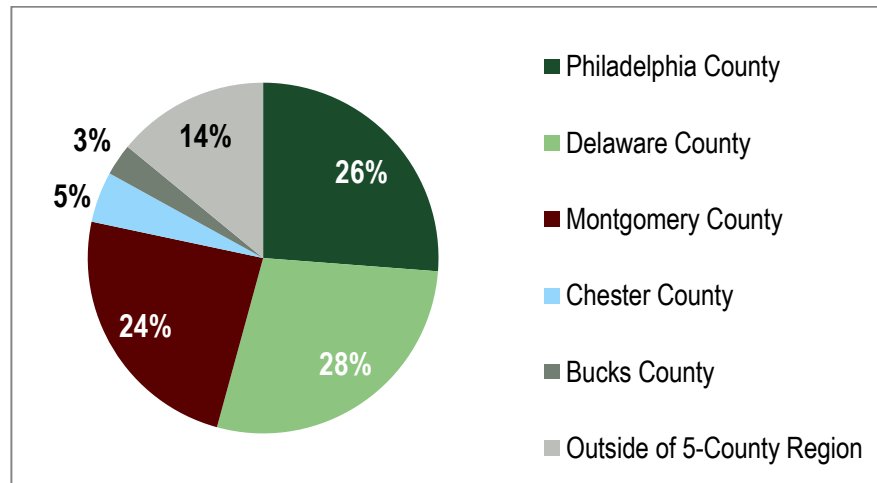
2.2 DIRECT OPERATING EXPENDITURES

SJU's operating expenditures for FY 2015 totaled \$213 million, up 22 percent from \$174 million in FY 2010.

- The majority of that expenditure, \$111 million, is devoted to compensation and benefits for the 1,735 employees of the University.
- \$102 million is spent on other operating expenses (such as goods and services).

Zip code data provided by SJU indicates that 86 percent of University employees reside within the Philadelphia 5-county Region (see Figure 2.1). Of those, 250 employees live in Lower Merion Township and 455 live in the City of Philadelphia. These employees and their families generate significant economic and fiscal impact within their communities through their regular household spending.

FIGURE 2.1 – HOME LOCATION OF CURRENT SJU EMPLOYEES



Source: SJU (2016)

2.3 ECONOMIC IMPACT FROM DIRECT OPERATING EXPENDITURES

Beyond the direct spending by SJU, the University's annual expenditures also generate significant indirect and induced impacts to the City, the 5-county Region and the Commonwealth. Each year, the direct expenditures within SJU generate:

- \$208 million in total output within the City of Philadelphia, supporting 1,350 direct, indirect, and induced jobs and \$92 million in earnings.
- \$390 million in total output within the 5-county region, supporting 2,720 jobs and \$165 million in earnings.
- \$397 million in total output within the Commonwealth of Pennsylvania, supporting 2,750 jobs and \$166 million in earnings (see Table 2.1).

TABLE 2.1 – ECONOMIC IMPACT OF FY 2015 OPERATIONS WITHIN PHILADELPHIA, THE 5-COUNTY REGION, AND THE COMMONWEALTH OF PENNSYLVANIA

FY 2015 Operations	City of Philadelphia³	5-county Region	Commonwealth of Pennsylvania
Direct Output	\$128M	\$213M	\$213M
Indirect and Induced Output	\$80M	\$177M	\$184M
Total Output	\$208M	\$390M	\$397M
Total Employment (FTE)	1,350	2,720	2,750
Total Earnings	\$92M	\$165M	\$166M

Source: SJU (2016), IMPLAN (2015), ESI (2016)

2.4 EMPLOYMENT IMPACT FROM DIRECT OPERATING EXPENDITURES

The economic activity associated with the ongoing operations of the university supports employment across a wide variety of industries within the Commonwealth. SJU's operating activity accrues primarily in the educational services category, supporting a large volume of employment in the educational services industry, supporting more than 1,800 statewide jobs in that sector.⁴ However, the spillover impacts of this economic activity ripple across a variety of industries. This spillover takes the form of both indirect activity (related to the purchase of goods and services by the university) and the induced activity (spending made possible by the labor income generated by SJU's activities). All told, more than 900 statewide jobs are supported in industries outside of educational services, including real estate, food services and healthcare (see Table 2.2).

³ For the purpose of modeling direct activity, 60% of on-campus activity was estimated to have taken place in Philadelphia County and 40% in Montgomery County, based on estimated proportions provided by SJU.

⁴ Note that the operating budget does not include capital investments, which are included in Section 4, and directly and indirectly support a high volume of employment in the construction sector.

TABLE 2.2 – EMPLOYMENT IMPACT OF FY 2015 OPERATIONS WITHIN THE COMMONWEALTH OF PENNSYLVANIA

Industry	Employment (FTEs)	Share of Employment
Private junior colleges, colleges, universities, and professional schools ⁵	1,823	66%
Real estate establishments	124	5%
Food services and drinking places	77	3%
Private hospitals	36	1%
Services to buildings and dwellings	32	1%
Other	658	24%
All	2,750	100%

Source: SJU (2016), IMPLAN (2015), ESI (2016)

2.5 FISCAL IMPACT FROM DIRECT OPERATING EXPENDITURES

The economic activity from both direct and spillover operations also translate to increased tax revenues for the City and Commonwealth. Between income, sales, and business tax revenues, it is estimated that SJU's annual operating activities generate \$3.3 million in tax revenues for the City and \$6.1 million in tax revenues to the Commonwealth (see Table 2.3). Additionally, SJU reports approximately \$26,000 in Local Service Tax (LST) fees paid by its employees directly to Lower Merion Township.

TABLE 2.3 – FISCAL IMPACT OF FY 2015 OPERATIONS WITHIN PHILADELPHIA, THE 5-COUNTY REGION, AND THE COMMONWEALTH OF PENNSYLVANIA

Tax Type	City of Philadelphia	Commonwealth of Pennsylvania
Income	\$2.8M	\$4.0M
Sales	\$0.2M	\$1.7M
Business	\$0.2M	\$0.4M
Parking and Amusement	\$0.1M	N/A
Total	\$3.3M	\$6.1M

Source: SJU (2016), IMPLAN (2015), Federal Reserve Bank of St. Louis (2011), City of Philadelphia (2012), Commonwealth of Pennsylvania (2015), ESI (2016)

⁵ This figure includes direct jobs in this sector at SJU as well as indirect and induced jobs at other institutions within the sector

3.0 IMPACT FROM CAPITAL INVESTMENTS

3.1 SECTION OVERVIEW

Capital investments made by Saint Joseph's University (SJU) represent a significant number of construction projects, which support jobs, create demand for various goods and services and generate city and statewide tax revenues. These investments stimulate additional business activity and create a more vibrant community for SJU students, staff and local residents. As the University continues to grow, improved facilities including state-of-the art labs, classrooms and other academic and health facilities will generate employment and service the City of Philadelphia, Philadelphia 5-county Region and the Commonwealth of Pennsylvania.

3.2 DIRECT CAPITAL INVESTMENTS

The following capital investment analysis includes all completed projects at SJU from 2011 to 2015. While many projects were smaller renovation or maintenance projects on existing structures, significant investments have also been toward newly constructed buildings and facilities on campus.

SJU spent over \$16 million to expand the Drexel Library in 2012. This 35,000-square-foot addition, known as the Post Learning Commons, has created 20 new group-study rooms, space for a collection of 350,000 books, an audio/visual multimedia lab, and seating for over one thousand students. In 2013, SJU completed Villiger Hall, a new 6-story residence hall on the main campus equipped with a fitness center, study lounges and dorm rooms for over 400 students. Additionally, major renovations on existing structures and significant improvements to the athletic fields and crosswalks have been made over the last five years. Looking forward, SJU has allocated approximately \$30 million for planned construction projects and campus improvements over the next two years.

In total, from 2011 to 2015, SJU invested \$184 million (an annual average of \$37 million) in construction projects (see Table 3.1).⁶ These projects span across the SJU campus including the Gillin Boathouse, on the Schuylkill River, which hosts SJU's rowing teams. This compares to \$229 million in capital investments (an annual average of about \$45 million) from FY 2006 to FY 2010.

⁶ Expenditures for FY 2011-2015 are inflated to 2015 dollars to provide for a common reference point and an accurate depiction of the current value of those expenditures.

TABLE 3.1 – SJU'S CAPITAL INVESTMENTS FROM 2011-2015 (2015\$)

Capital Investment Type	FY 11-15	Annualized
Major Projects	\$147.8M	\$29.6M
Maintenance and Renovation	\$16.2M	\$3.2M
Information Technology Improvements	\$10.6M	\$2.1M
Facilities & Equipment	\$9.6M	\$1.9M
Total	\$184.2M	\$36.8M

Source: SJU (2016)

To accurately account for SJU's capital investments, it is necessary to develop a detailed model that categorizes construction projects by geographic location and expenditure type. First, ESI determined which projects took place on the Maguire Campus, which lies within Montgomery County, and which projects took place on the University's main campus, which lies within Philadelphia County. Additionally, project expenditures were classified by type because, for example, retail expenditures, IT improvement costs, architectural services, insurance costs, and hard construction costs will all have varied effects on the local economy, depending on the availability of local businesses.⁷

3.3 ECONOMIC IMPACT FROM DIRECT CAPITAL INVESTMENTS

The capital investments made over the five year period from 2011 to 2015 has had a significant impact on the City of Philadelphia, the 5-county Region and the Commonwealth of Pennsylvania. In total, it is estimated that the capital investments generated:

- \$204 million in total output within the City of Philadelphia, supporting 1,220 direct, indirect, and induced jobs and \$91 million in earnings.
- \$329 million in total output within the 5-county region, supporting 1,920 jobs and \$142 million in earnings.
- \$338 million in total output within the Commonwealth of Pennsylvania, supporting 1,950 jobs and \$144 million in earnings (see Table 3.2).

⁷ It is important to note that some costs, including the purchase of land (which is viewed as a transfer of assets from one entity to another) are not included in the model as this expenditure represents a transfer within the economy that may not generate a secondary spending impact.

TABLE 3.2 – 2011-2015 ECONOMIC IMPACT OF CAPITAL EXPENDITURES WITHIN PHILADELPHIA, THE 5-COUNTY REGION, AND THE COMMONWEALTH OF PENNSYLVANIA

Economic Impact	City of Philadelphia	5-county Region	Commonwealth of Pennsylvania
Direct Output	\$118M	\$176M	\$176M
Indirect and Induced Output	\$87M	\$153M	\$161M
Total Output	\$204M	\$329M	\$338M
Total Employment (Job Years)	1,220	1,920	1,950
Total Earnings	\$91M	\$142M	\$144M

Source: SJU (2016), IMPLAN (2013), ESI (2016)

Annualized, this impact equates to:

- \$41 million in annual total output within the City of Philadelphia, supporting 240 direct, indirect, and induced jobs and \$18 million in earnings.
- \$66 million in annual total output within the 5-county region, supporting 380 jobs and \$28 million in earnings.
- \$67 million in annual total output within the Commonwealth of Pennsylvania, supporting 390 jobs and \$28 million in earnings (see Table 3.3).

TABLE 3.3 – ANNUAL ECONOMIC IMPACT OF CAPITAL EXPENDITURES WITHIN PHILADELPHIA, THE 5-COUNTY REGION, AND THE COMMONWEALTH OF PENNSYLVANIA

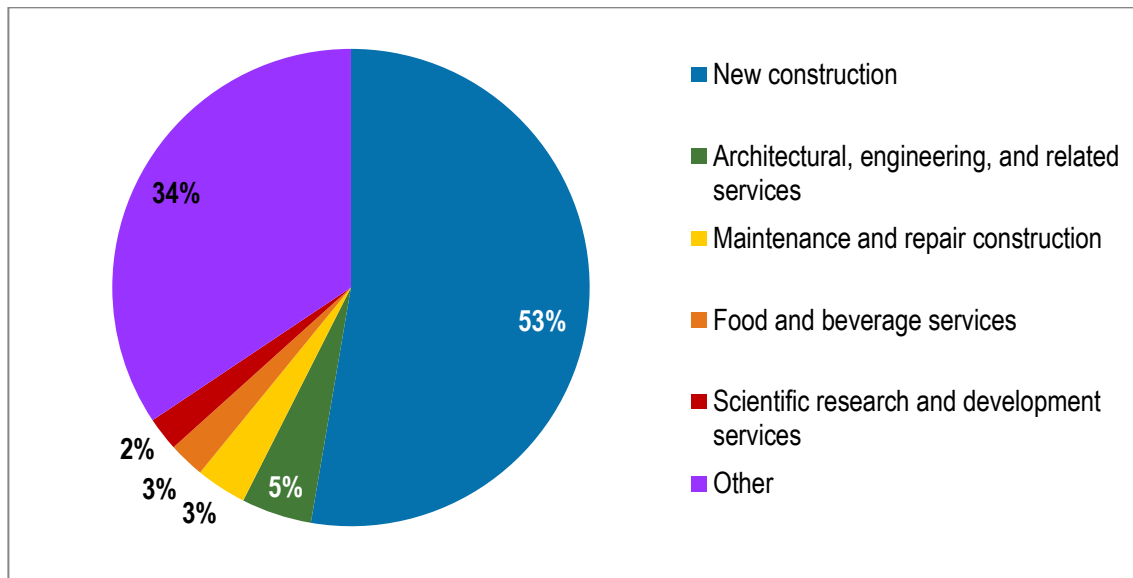
Economic Impact	City of Philadelphia	5-county Region	Commonwealth of Pennsylvania
Direct Output	\$23M	\$35M	\$35M
Indirect and Induced Output	\$17M	\$31M	\$32M
Total Output	\$41M	\$66M	\$67M
Total Employment (FTE)	240	380	390
Total Earnings	\$18M	\$28M	\$28M

Source: SJU (2016), IMPLAN (2013), ESI (2016)

3.4 EMPLOYMENT IMPACT FROM DIRECT CAPITAL INVESTMENTS

While the majority (53 percent) of jobs supported by SJU's capital investments fall within the construction industry, a significant portion of the employment impact occurs in a range of industries. Direct, indirect, and induced jobs are supported in the information technology, architectural and engineering, and food services industries, as well as additional industries across the Commonwealth (see Figure 3.1).

FIGURE 3.1 – INDUSTRY DISTRIBUTION OF EMPLOYMENT GENERATED BY CAPITAL INVESTMENTS WITHIN THE COMMONWEALTH OF PENNSYLVANIA



Source: SJU (2016), IMPLAN (2013), ESI (2016)

3.5 FISCAL IMPACTS FROM DIRECT CAPITAL INVESTMENTS

The fiscal impacts generated by these capital investments are substantial. SJU generates City and Commonwealth taxes both directly through its own capital activities and indirectly via spending by SJU's vendors, and spending by SJU and non-SJU employees. Annually, it is estimated that the capital investments generate \$690,000 in tax revenues to the City and over \$1.6 million in tax revenues to the Commonwealth in the form of income, sales, and businesses taxes (see Table 3.4).

TABLE 3.4 – FISCAL IMPACT OF ANNUALIZED CAPITAL EXPENDITURES IN THE CITY OF PHILADELPHIA AND THE COMMONWEALTH OF PENNSYLVANIA

Tax Type	City of Philadelphia	Commonwealth of Pennsylvania
Income	\$490K	\$857K
Sales	\$78K	\$616K
Business	\$122K	\$150K
Total	\$690K	\$1,623K

Source: SJU (2016), IMPLAN (2013), Federal Reserve Bank of St. Louis (2011), Philadelphia Department of Revenue (2012), Commonwealth of Pennsylvania (2015), ESI (2016)

4.0 IMPACT FROM ANCILLARY SPENDING

4.1 SECTION OVERVIEW

In addition to operations and capital expenditures made directly by the institution, the local economy benefits from spending by students attracted to or retained within the region by Saint Joseph's University (SJU), and the visitors brought to the region for a variety of purposes associated with SJU. This ancillary spending (i.e. spending which does not go to the university but accrues to local businesses, service providers and landlords) generates significant economic stimulus within the Philadelphia, Philadelphia 5-county Region, and Pennsylvania economies. Ancillary spending by a variety of groups is described and quantified throughout this section, including students, visitors of students, prospective students, and event attendees.

4.2 ESTIMATED AGGREGATE ANNUAL STUDENT AND VISITOR ANCILLARY SPENDING

Spending by students and their visitors at local restaurants, retail stores, service providers and more, represents a combination of new dollars infused into the local economy (in the case of students and visitors from outside of the region) and dollars retained within the local economy (in the case of local students who choose to stay local rather than move out of the state for school).⁸ These direct expenditures in turn have indirect and induced economic and fiscal impacts. Further, they support the development of local retail and entertainment options that generate employment, and increase the local tax base.

Spending estimates for students and visitors are described and presented in this section, and their economic and fiscal impacts are modeled. Appendix B contains a detailed description of the spending profiles and assumptions used to develop these estimates.

⁸ From the standpoint of calculating regional impact, spending by all SJU students is therefore additive to the local economy. The additive impact from "retained" students, who are native to the region, can be conceptualized by considering the alternative educational options for those students. Absent SJU, those students would either have left the region (taking their spending with them) or attended another local institution. In the latter case, that individual student would still be spending in the region, but they would displace another student that currently attends the alternative local institution (assuming a fixed number of spots). Therefore, from a regional standpoint, it is appropriate to include all local spending by SJU students, both retained and new to the area.

4.2.1 STUDENT SPENDING

Spending that takes place off-campus and does not accrue directly to SJU is considered “ancillary” for the purpose of this analysis, and from an impact standpoint must be accounted for above and beyond student spending on tuition, lodging and other categories that accrue directly to SJU as these costs are captured in SJU’s operating budget. In addition to paying tuition to SJU, graduate and undergraduate students also spend a significant amount of money on food, rent, school supplies, transportation, entertainment, and additional retail. A large proportion of this ancillary spending takes place within the City of Philadelphia, the 5-county region, and the Commonwealth of Pennsylvania. From an economic standpoint, this spending is either “new” to the region, in the case of students from outside the region, who in the absence of SJU would likely have attended a university outside of the region, or is retained within the region by the presence of SJU.⁹ In either case, this spending represents additive economic activity at local businesses attributable to the presence and activities of SJU.

Using data provided by SJU on projected annual costs for students, ancillary spending profiles were developed by student type, on-campus or off-campus. Conservative estimates were then made for the proportion of ancillary spending not directly captured by SJU.¹⁰

Additionally, it is necessary to account for only the proportion of spending that takes place in Philadelphia, the 5-county Region, and Pennsylvania. This adjustment recognizes that not all ancillary spending takes place within the local geography, especially as consumer behavior has shifted, with millennials in particular increasingly shifting towards online shopping. It is estimated that SJU’s on- and off-campus students generate approximately \$75 million in ancillary spending each year. Of this total spending, approximately \$39 million is captured within the Philadelphia economy, \$66 million is captured within the 5-county Region, and approximately \$73 million is captured within the Pennsylvania economy (see Table 4.1).¹¹

⁹ In the case of retained spending from local students, it is likely that many SJU students would have selected an alternative university within the region in the absence of SJU. However, doing so would have occupied a spot that is currently occupied, ultimately displacing a different student from that alternative university. Thus, while any individual student may be expected to stay in the region absent SJU, from the perspective of the region, student spending would ultimately be lost in the absence of SJU.

¹⁰ For example, students who live in dorm rooms and apartments owned by SJU pay rent directly to SJU, and significant food spending is captured by university. The impacts of this spending are already captured in the analysis of SJU operational activity, and are thus excluded from this analysis.

¹¹ See Appendix B.1 for more detail on this calculation.

TABLE 4.1 – ESTIMATED ANNUAL AGGREGATE ANCILLARY STUDENT SPENDING WITH THE CITY OF PHILADELPHIA, THE 5-COUNTY REGION, AND THE COMMONWEALTH OF PENNSYLVANIA

Student Type	# of Students	Per Student Ancillary Spending	Aggregate Ancillary Spending	Spending in Philadelphia	Spending in 5-county	Spending in Pennsylvania
On-campus	2,754	\$2,300	\$7M	\$2M	\$5M	\$5M
Off-campus	5,003	\$13,700	\$68M	\$37M	\$61M	\$68M
Total	7,757	\$10,200¹²	\$75M	\$39M	\$66M	\$73M

Source: SJU (2016), ESI (2016)

4.2.2 VISITOR SPENDING

Visitors to SJU come from all over the world and spend millions of dollars within Philadelphia and Lower Merion each year. This helps support employment and generates tax revenues for the City and Commonwealth. Among those visitors are out-of-town students, adults, and children who visit SJU to attend graduations, various programs hosted on campus, and sporting events.

To accurately estimate aggregate visitor spending, it is necessary to develop spending profiles of the various types of visitors, recognizing that not all visitors have the same economic footprint. Based on reason for visit, duration of trip, distance traveled, event type, and visitor age, unique spending pattern behaviors were created. This visitor spending analysis accounts for the following visitor types:

- Prospective Students, who visit SJU's admissions office and tour the campus and often patronize local businesses in the process.
- Visitors of students, including both regular social visits from other students and annual events like graduation and student move-in and move-out periods (which may attract an SJU's family).
- Athletic event attendees, which includes all non-student spectators at SJU's many sporting events.

These visitor types were cross-referenced with the visitor mix associated with each visit type. Attendance data and annual guest counts provided by SJU were then used to translate per visitor spending profiles into an aggregate annual ancillary spending estimate. Projected spending within each category was detailed by industry, and conservative estimates were then made for the proportion of this ancillary spending taking place with Philadelphia, the 5-county Region and Pennsylvania. As with the calculation of student spending, estimates reflect only the portion of

¹² Average spending per student

ancillary spending captured within the local economy. In total, visitors to SJU's campus are estimated to generate approximately \$4.2 million in annual ancillary spend within the City of Philadelphia, \$8.5 million in the 5-county Region, and \$9.4 million within the Commonwealth of Pennsylvania (see Table 4.2).¹³

TABLE 4.2 – ESTIMATED ANNUAL AGGREGATE VISITOR SPENDING WITH THE CITY OF PHILADELPHIA, THE 5-COUNTY REGION, AND THE COMMONWEALTH OF PENNSYLVANIA

On-campus Event	Visitors	Est. Spend per visit	Aggregate Ancillary Spend	Est. Ancillary Spend in Philadelphia	Est. Ancillary Spend in 5-county	Est. Ancillary Spend in Pennsylvania
Move in Weekend	9,000	\$186	\$1.7M	\$0.7M	\$1.4M	\$1.5M
Family Weekend/Homecoming	3,000	\$186	\$0.6M	\$0.2M	\$0.4M	\$0.5M
Open Houses	12,000	\$170	\$2.0M	\$0.8M	\$1.6M	\$1.8M
Admitted Students Weekend	4,000	\$186	\$0.7M	\$0.3M	\$0.6M	\$0.7M
Commencements	9,000	\$186	\$1.8M	\$0.7M	\$1.4M	\$1.6M
Sporting Events (non-students)	59,000	\$38	\$2.2M	\$1.0M	\$2.0M	\$2.1M
Visits to Students	12,000	\$113	\$1.3M	\$0.5M	\$1.1M	\$1.2M
Total	108,000	\$95¹⁴	\$10.3M	\$4.2M	\$8.5M	\$9.4M

Source: SJU(2016), ESI (2016), American for the Arts (2012), Longwoods International (2013)

4.3 ECONOMIC IMPACT FROM ANCILLARY STUDENT AND VISITOR SPENDING

The ancillary spending estimates for students and visitors can be aggregated, and their economic and fiscal impact on the local economy can be estimated like those from operations expenditures and capital investments.¹⁵ Each year, this spending is estimated to generate:

- \$48 million in total output within the City of Philadelphia, supporting 280 direct, indirect, and induced jobs and \$12 million in earnings.

¹³ See Appendix B.2 for more detail on this calculation.

¹⁴ Average per visitor

¹⁵ Note that a portion of the direct spending estimated in this category is “non-modelable” because it is not likely to circulate through the local economy. Most notably, with respect to retail sales, many local stores originally buy goods from wholesalers and manufacturers outside of the region. In those instances, our model conservatively attributes only the “retail margin” (the difference between purchase price for the retailer and the sales price to the customer) as contributing to local economic activity. Appendix B-3 contains a more detailed explanation of non-modelable expenditures, and Table B.4 shows the sum of modelable expenditures from ancillary student and visitor spending.

- \$85 million in total output within the 5-county region, supporting 530 jobs and \$21 million in earnings.
- \$95 million in total output within the Commonwealth of Pennsylvania, supporting 590 jobs and \$23 million in earnings (see Table 4.3).

TABLE 4.3 – ECONOMIC IMPACTS OF THE ANCILLARY STUDENT AND VISITOR SPENDING WITHIN THE CITY OF PHILADELPHIA, THE 5-COUNTY REGION, AND COMMONWEALTH OF PHILADELPHIA

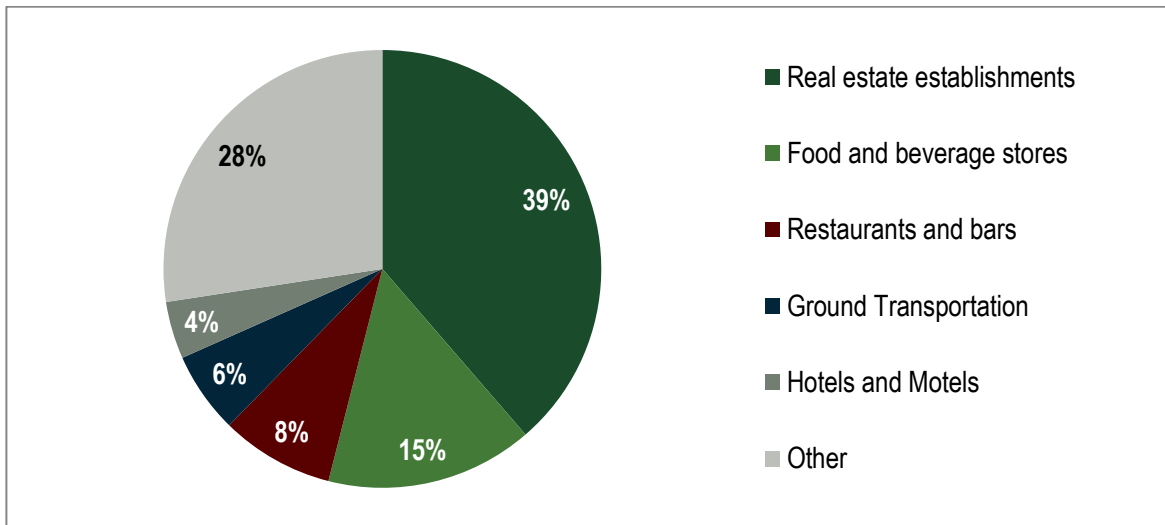
	City of Philadelphia	5-county Region	Commonwealth of Pennsylvania
Direct Output	\$34M	\$56M	\$62M
Indirect and Induced Output	\$14M	\$29M	\$33M
Total Output	\$48M	\$85M	\$95M
Employment (FTE)	280	530	590
Total Earnings	\$12M	\$21M	\$23M

Source: SJU (2016), IMPLAN (2013), ESI (2016)

4.4 EMPLOYMENT IMPACT OF ANCILLARY STUDENT AND VISITOR SPENDING

The ancillary spending of SJU students and their visitors supports jobs across various industries. As a large portion of direct student spending goes towards rent and meals, the majority of the jobs supported within the Commonwealth of Pennsylvania are in the real estate (39 percent), food retail (15 percent), or restaurant industries (8 percent). Additionally, jobs are supported in the transportation and hotel industries, both directly and indirectly as a result of SJU's students and their visitors (see Figure 4.1).

FIGURE 4.1 – EMPLOYMENT IMPACT OF ANCILLARY STUDENT AND VISITOR SPENDING



Source: ESI (2016), IMPLAN (2013)

4.5 FISCAL IMPACT FROM ANCILLARY STUDENT AND VISITOR SPENDING

The direct, indirect, and induced economic impact from ancillary student and visitor spending generate tax revenues to both the City of Philadelphia and the Commonwealth of Pennsylvania governments. The associated tax revenue gains come from the personal income or wages, sales, and business, directly and indirectly associated with the ancillary spending. The ancillary spending by students and their visitors are estimated to generate \$610,000 in tax revenues to the City and nearly \$1.9 million in tax revenues to the Commonwealth each year (see Table 4.4).

TABLE 4.4 - FISCAL IMPACT OF THE ANCILLARY STUDENT AND VISITOR SPENDING WITHIN THE CITY OF PHILADELPHIA, THE 5-COUNTY REGION, AND COMMONWEALTH OF PHILADELPHIA

Tax Type	City of Philadelphia	Commonwealth of Pennsylvania
Income	\$334K	\$678K
Sales	\$108K	\$976K
Business	\$168K	\$237K
Total	\$610K	\$1,891K

Source: SJU (2016), IMPLAN (2013), Federal Reserve Bank of St. Louis (2011), Philadelphia Department of Revenue (2012), Commonwealth of Pennsylvania (2015), ESI (2016)

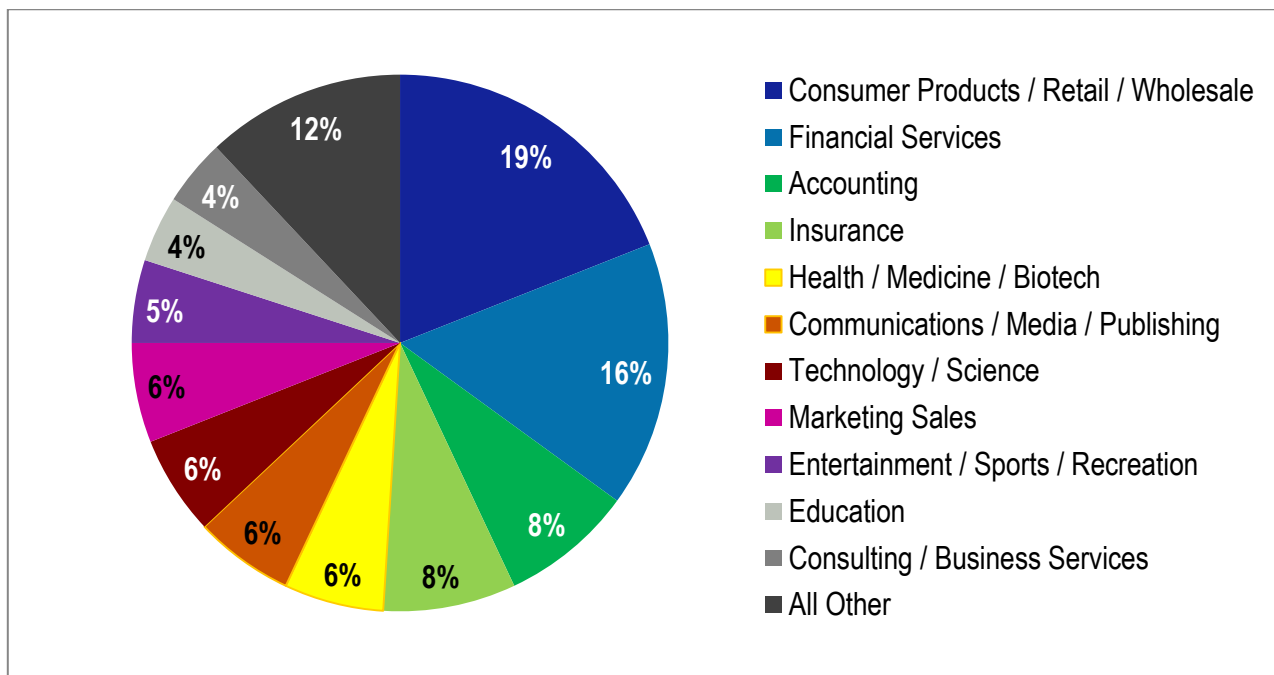
5.0 IMPACT FROM WAGE PREMIUM

5.1 SECTION OVERVIEW

While the operating and capital footprint of Saint Joseph's University (SJU) has economic implications similar to those of any large scale organization, the nature of SJU's "product," the education and credentialing of students, also has significant economic implications. In today's knowledge economy, education and skills are key drivers of workforce productivity and accordingly, of wages. SJU graduates enjoy a 97% success rate¹⁶ and embark on enriching careers across a variety of fields. Part of their earnings potential is attributable to the education and credentialing provided by the university. Over half of these students stay within Pennsylvania and contribute to the state economy. The additional wage premium they earn each year ultimately translates into increased economic activity within those geographies.

Data from the graduating class of 2015 shows that SJU students attain employment in a wide variety of fields, reflecting the variety of educational opportunities available at SJU and the diverse interests of its student body (see Figure 5.1).

FIGURE 5.1 –EMPLOYMENT BY INDUSTRY FOR SJU UNDERGRADUATE CLASS OF 2015



Source: SJU (2015)

¹⁶ 97% of SJU's class of 2015 was employed, pursuing a graduate degree, or in a full-time volunteer program within six months of graduation.

5.1.1 GEOGRAPHIC DISTRIBUTION OF SJU ALUMNI IN THE WORKFORCE

Estimating the magnitude of the aggregate increase in household income from the wage premium produced by SJU necessitates two calculations:

- First, it is necessary to estimate the number of SJU alumni working within the City, the 5-county Region and, the Commonwealth of Pennsylvania.
- Second, it is necessary to estimate the annual wage premium enjoyed by those alumni as a result of their degree from SJU.

Currently, there are a reported 65,000 living SJU alumni across the country and world. Based on a conservative employment proportion of 75 percent, it is estimated that approximately 48,400 SJU alumni are currently in the workforce.¹⁷

Data from eight graduating classes (spanning from 1988 – 2013) indicates that on average, approximately 54 percent of degree's granted are bachelor's degrees and 46 percent are graduate degrees. These proportions are applied to the estimate of alumni within the workforce, yielding an estimated distribution of approximately 26,000 alumni with bachelor's degrees and approximately 22,000 alumni with advanced degrees (see Table 5.1).

TABLE 5.1 – ESTIMATED SJU ALUMNI CURRENTLY IN THE WORKFORCE

Alumni in the Workforce	Total Alumni
Total alumni	65,000
(x) Estimated % in the workforce	75%
(=) # Working Alumni	48,400
Est. Working Alumni w/ Bachelor's Degree (54%)	26,200
Est. Working Alumni w/ Advanced Degree (46%)	22,200

Source: SJU (2015), Econsult Solutions (2016)

¹⁷ This assumption is based on the proportion of college graduates within the workforce, as reported in the Bureau of Labor Statistics, *Current Population Survey*, 2015. Note that those outside of the workforce are likely to be retired, stay at home parents, attaining further education, etc. - unemployment among those within this group seeking employment is likely to be negligible. This proportion is likely conservative in the case of SJU since enrollment and degrees granted have grown in recent decades, which would suggest that a lower proportion of SJU graduates are retired than among the population at large.

Data provided by SJU shows the geographic distribution of these alumni. The majority, 56 percent, currently live within the Commonwealth of Pennsylvania. 41 percent live within the 5-county Region, and 11 percent live in the City of Philadelphia.¹⁸ Applying these proportions to the estimate of alumni within the workforce developed in Table 5.1 yields an estimate of approximately 27,000 working alumni living in the state, 20,000 in the 5-county Region, and 5,500 in Philadelphia (see Table 5.2).

TABLE 5.2 – GEOGRAPHIC DISTRIBUTION OF ALUMNI ESTIMATED TO BE WITHIN THE WORKFORCE

Alumni Type	All Alumni	Living in Philadelphia	Living in 5-county Region	Living in Pennsylvania
% of Alumni		11%	41%	56%
Working Alumni (Bachelor's Degree)	26,200	3,000	10,800	14,600
Working Alumni (Advanced Degree)	22,200	2,500	9,200	12,400
Est. Total Working Alumni	48,400	5,500	20,000	27,000

Source: SJU (2015), Econsult Solutions (2016), IPEDS (1985-2015)

Alumni living within these local geographies stimulate the economy, patronize local business and grow the tax base. Additionally, SJU reports that 1,700 alumni currently live within Lower Merion (3% of all alumni).

5.1.2 ANNUAL WAGE PREMIUM FOR SJU ALUMNI

Recently released data from the U.S. Department of Education confirms the success of SJU graduates in achieving well-paying positions upon graduation. Federal "College Scorecard" data, released in September 2015, tracked the career paths of students enrolled at higher education institutions across the county (including SJU) in 2001 and 2002 to determine their median earnings at ten years after entering the school. The median salary for SJU undergrads within this dataset was \$58,500, well above the national average for college graduates.¹⁹

¹⁸ This figures overlap, as alumni who live in the City of Philadelphia also live in the five-county region, and alumni in both the city and region also live in the Commonwealth of Pennsylvania.

¹⁹ It is worth noting that this figure is likely conservative relative to the earning of all SJU alumni. First, it is calculated ten years after entering school and thus only a few years into the workforce for most graduates. These graduates are likely to see their wages increase over time as they stay in the workforce. Second, it includes only students who seek federal financial aid for school (since

Estimating earnings for these graduates absent an SJU education is a difficult exercise. *The Economist* recently undertook such an analysis to address this question for all of the schools in the federal College Scorecard database.²⁰ The study used multiple regression analysis of a variety of socio-economic characteristics of students (including family income, SAT scores, etc.) and a series of characteristics of each of the 1,275 four-year non-vocational colleges (including college size, programs offered, etc.) in the database to estimate an “expected earnings” figure for the attendees of each school had they studied elsewhere.

In the case of SJU, the study concluded that the \$58,500 median salary was about \$3,250 higher than the “expected earnings” of SJU students based on these variables. This full amount is attributable to the “value add” provided by SJU, because the incremental calculation assumes by design that the alternative for SJU students was to attend another university.²¹

Data on graduate premiums are more difficult to ascertain. While the incremental wage gain attributable to a graduate degree relative to an undergraduate degree are clear, a similar rigorous study of wage gains associated with graduate programs at a given university has not been identified. Returns are also likely to vary significantly by program and selectivity. To be conservative, half of the 5.9 percent wage premium attributed to undergraduate students, or 2.9 percent, is applied to SJU graduate students in this calculation. Set against the expected earnings associated with a graduate degree (according to the BLS), this results in a wage premium of approximately \$2,200 per advanced degree student (see Table 5.3).

this forms one of the characteristics necessary for data collection). In doing so, it omits students from higher income families, a characteristic which may be correlated with higher earnings.

²⁰ The results of this analysis and a detailed description of its approach can be found at: (<http://www.economist.com/blogs/graphicdetail/2015/10/value-university>).

²¹ Note that this calculation is conservative in its assumption that absent SJU, all students would have attended another university, and would be equally likely to be currently employed within the relevant geography. A wage premium calculation could alternately assume that if SJU did not exist, fewer bachelor's degrees would be awarded and/or graduates would be less likely to be retained within the region and state, each of which would produce a far higher estimated wage premium. In the case of a selective university that draws largely from a regional student pool like SJU, ESI considers the more conservative assumption that SJU students would likely have attended alternate universities in the region in the absence of SJU to be a more appropriate basis for the calculation.

TABLE 5.3 – ESTIMATED ANNUAL WAGE PREMIUM FOR ATTRIBUTABLE TO SJU DEGREES FOR WORKING ALUMNI

Alumni Type	Alumni Earnings	Expected Earnings	Premium (\$)	Premium (%)
Bachelor's Degree	\$58,500	\$55,252	\$3,248	5.9%
Advanced Degree	\$77,394	\$75,184	\$2,210	2.9%

Source: SJU (2015), IPEDS (2015), BLS (2015) The Economist (2015), Econsult Solutions (2016)

The per student wage premiums estimated in Table 5.3 can be observed against the geographic distribution of employed alumni estimated in Table 5.2 to yield an estimate of the aggregate wage premium attributable to SJU within the city, region and state. Importantly, this premium is not a one-time impact, but occurs each year, and continues to grow as more SJU alumni enter the workforce each year.

It is estimated that the annual wage premium for SJU alumni is \$134 million, of which \$75 million is within the Commonwealth of Pennsylvania, \$56 million within the 5-county Region, and \$15 million within the City of Philadelphia (see Table 5.4).

TABLE 5.4 – AGGREGATE WAGE PREMIUM ATTRIBUTABLE TO SJU DEGREES FOR WORKING ALUMNI LIVING WITHIN THE CITY OF PHILADELPHIA, THE 5-COUNTY REGION, AND COMMONWEALTH OF PENNSYLVANIA

Location		Bachelor's Degree	Advanced Degree	All Alumni
City of Philadelphia	# of Working Alumni	3,000	2,500	5,500
	Total Wage Premium	\$9.8M	\$5.6M	\$15.4M
5-county Region	# of Working Alumni	10,800	9,200	20,000
	Total Wage Premium	\$35.3M	\$20.2M	\$55.5M
Commonwealth of Pennsylvania	# of Working Alumni	14,600	12,400	27,000
	Total Wage Premium	\$47.5M	\$27.2M	\$74.7M
All SJU Alumni²²	# of Working Alumni	26,200	22,200	48,400
	Total Wage Premium	\$85.2M	\$49.0M	\$134.2M

Source: SJU (2015), IPEDS (2015), The Economist (2015), Econsult Solutions (2016)

²² These are not the sums for the three geographies. This row shows the wage premium for all SJU alumni, including those living in the City, the 5-county Region, and/or the Commonwealth.

5.2 ECONOMIC IMPACT FROM ANNUAL WAGE PREMIUM

The wage premium is best thought of as additional generated household income within these various geographies. Increased household income translates into increased spending – which may support local merchants, local jobs and the local tax base within these economies. Accounting for savings rates, tax withholdings, and spending outside of the City, the 5-county Region, and the Commonwealth, the annual economic impacts from the wage premium captured within the local economy will be less than the total value of the wage premium, but are nonetheless significant.

Each year, the wage premium for SJU alumni is estimated to generate:

- \$9 million in annual total economic output, supporting 55 jobs and \$3 million in earnings each year within the City of Philadelphia as a result of \$15 million in additional annual wages.
- \$35 million in annual total economic output, supporting 230 jobs and \$11 million in earnings each year in the 5-county Region as a result of \$56 million in additional annual wages.
- \$51 million in total economic output, supporting nearly 355 jobs and \$15 million in earnings in the Commonwealth of Pennsylvania as a result of \$75 million in additional annual wages (see Table 5.5).

TABLE 5.5 – ECONOMIC IMPACTS OF THE WAGE PREMIUM ASSOCIATED WITH SJU WITHIN THE CITY OF PHILADELPHIA, THE 5-COUNTY REGION, AND COMMONWEALTH OF PHILADELPHIA

	City of Philadelphia	5-county Region	Commonwealth of Pennsylvania
Direct Wage Premium	\$15M	\$56M	\$75M
Total Output	\$9M	\$35M	\$51M
Total Employment	55	230	355
Total Earnings	\$3M	\$11M	\$15M

Source: SJU (2016), IMPLAN (2013), ESI (2016)

5.3 FISCAL IMPACT FROM ANNUAL WAGE PREMIUM

In addition to economic impacts, the City and Commonwealth benefit from added taxes generated directly and indirectly from the wage premium associated with SJU graduates. The higher wage paid to SJU graduates represents a direct gain in terms of wage/personal income tax, in addition to the indirect gains from income, sales and business taxes from the economic activity generated by alumni spending. It is estimated that the additional income to SJU graduates generates more than \$500,000 in tax revenues to City of Philadelphia and \$3.25 million in various tax revenues to the Commonwealth of Pennsylvania (see Table 5.6).

TABLE 5.6 – FISCAL IMPACT OF THE WAGE PREMIUM ASSOCIATED WITH SJU WITHIN THE CITY OF PHILADELPHIA AND COMMONWEALTH OF PHILADELPHIA

Tax Type	City of Philadelphia	Commonwealth of Pennsylvania
Personal Income Taxes	\$497K	\$2,674K
Sales and Use Taxes	\$18K	\$461K
Business Taxes	\$28K	\$112K
Total	\$543K	\$3,247K

Source: SJU (2016), IMPLAN (2013), Federal Reserve Bank of St. Louis (2011), Philadelphia Department of Revenue (2012), Commonwealth of Pennsylvania (2015), ESI (2016)

6.0 COMMUNITY AND SOCIAL IMPACT

6.1 SECTION OVERVIEW

The previous four sections have articulated the many categorical ways in which Saint Joseph's University (SJU) is a significant contributor to the local and state economies. Through its operations and capital investments, ancillary spending by its students and visitors, and the increased earning potential of its graduates, SJU represents an economic engine generating significant economic activity, direct and indirect employment and state and local tax revenues.

As noted throughout this report, however, it is important to distinguish the way in which SJU produces these economic contributions from other industries. The comprehensive educational experience offered at SJU doesn't just impart knowledge and prepare students for employment, but develops fully the intellectual and moral capacities of each student through a focus on *cura personalis* - the care for the individual person. This educational philosophy instills in students both the skills and desires to make the world a better place and enrich the lives of others.

SJU articulates this contribution through the lens of *Magis*, a deeply personal Jesuit concept that has become an important and overarching theme for the institution. Loosely translated as "the more," *Magis* as lived out at Saint Joseph's means an entire university community that aspires to do more, be more, and achieve more for the greater good.

The purpose of this section is to explore specific manifestations of *Magis* at Saint Joseph's, the myriad of ways that the institution, in pursuing its overall educational and social mission, produces a profound impact on the local and state economies. These manifestations include the institution's commitment to diversity and inclusivity, the ways it deploys its campus and encourages its people to support the surrounding communities, and research initiatives that provide thought leadership and produce overall societal benefit.

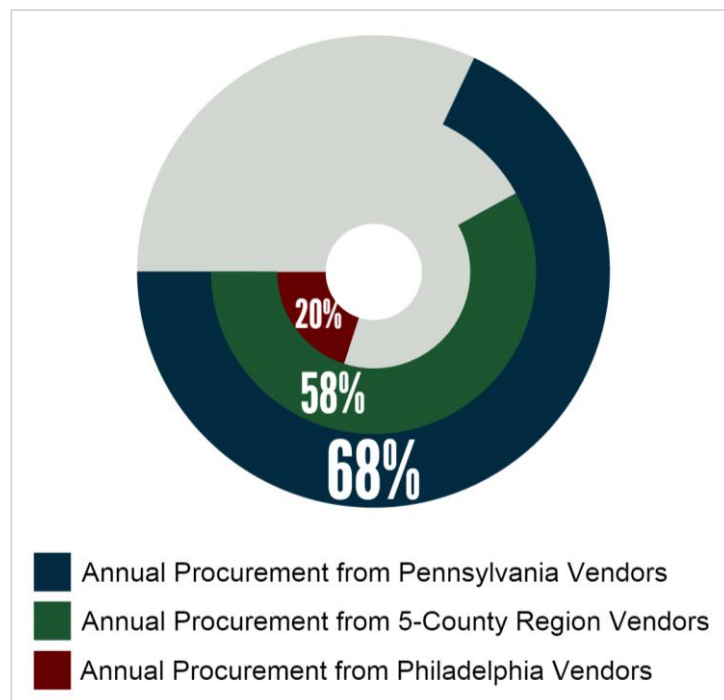
6.2 COMMITMENT TO INCLUSIVITY AND ECONOMIC OPPORTUNITY

Saint Joseph's University as a large-scale operation represents a significant base of potential economic opportunities for local residents and businesses. It has a long-standing commitment to instituting the necessary internal policies and measurement infrastructure to ensure local inclusivity and advancement in those opportunities. Further, SJU's efforts to maintain an affordable tuition and to provide grants and institutional aid in excess of \$90 million a year are essential to enabling students to access the opportunities afforded by the SJU educational experience.

6.2.1 LOCAL AND DIVERSITY PROCUREMENT

SJU has tracked the distribution of its vendor spending and has measured how much of that spending goes towards locally-owned and minority or women-owned businesses for the past 10 years. Vendor data provided for SJU's operations in FY 2015 identified about \$50 million in spending with Pennsylvania-based businesses or 68 percent of its total expenditures, and \$19 million or 20 percent with Philadelphia-based businesses (see Figure 6.1). Of these expenditures, \$2 million went to minority/women-owned businesses.

FIGURE 6.1 – SJU FY 2015 PROCUREMENT BY LOCATION OF VENDOR



Source: SJU (2015)

6.2.2 SCHOLARSHIPS AND FINANCIAL AID

Saint Joseph's University is also committed to recruiting and retaining a high quality, socioeconomically diverse student body, and to financially equipping them to manage their education. An array of scholarships is made accessible to admitted and enrolled students based on financial need and merit. In addition to grants and work study jobs, SJU provides the option of need- and non-need-based loans. Altogether, 93 percent of SJU's student body receives some form of financial assistance.

In addition to federally funded grants like the Federal Supplemental Educational Opportunity Grant (SEOG) and the Federal Pell Grant, and state grants, which are recognized by Pennsylvania and several surrounding states, SJU offers unique grant sources. The University offers 17 different grants originating from general university funds. SJU's grants include merit-based, athletic, major specific, minority and cancer survival scholarships.

In the FY 2015 aid-year, SJU offered more than \$85 million in institutional gift aid (scholarships and grants awarded to students that do not have to be paid back). In addition, another \$6 million was awarded in gift aid from federal, state and other non-institutional sources for a total of more than \$91 million.

Institutional aid awarded by SJU to students from Philadelphia totaled \$8 million, while aid awarded to students in Lower Merion was \$1.5 million. In total, more than \$44.5 million was awarded to Pennsylvania residents in the 2014 to 2015 aid-year (see Table 6.1). SJU also provides its students with additional resources for external scholarships.

TABLE 6.1 – UNIVERSITY INSTITUTIONAL GRANT AID AWARDED IN FY 2015 BY HOME LOCATION OF STUDENT

Location	Total Institutional Grant Aid
Lower Merion	\$1.5M
Philadelphia	\$8.0M
Pennsylvania	\$44.5M
Other	\$31.1M
Total	\$85.1M

Source: SJU (2015)

According to the Federal College Scorecard database, 91 percent of SJU students are listed as “paying down their debt” (meaning that they have repaid at least \$1 of the principal balance on their federal loans within three years of leaving school), far above the national average of 66 percent. This statistic gives some insight into the preparation and opportunity SJU provides its students, who are overwhelmingly positioned to enter the workforce, begin responsible financial planning and realize the return on their college investment (as discussed with respect to the annual wage premium in Section 5).

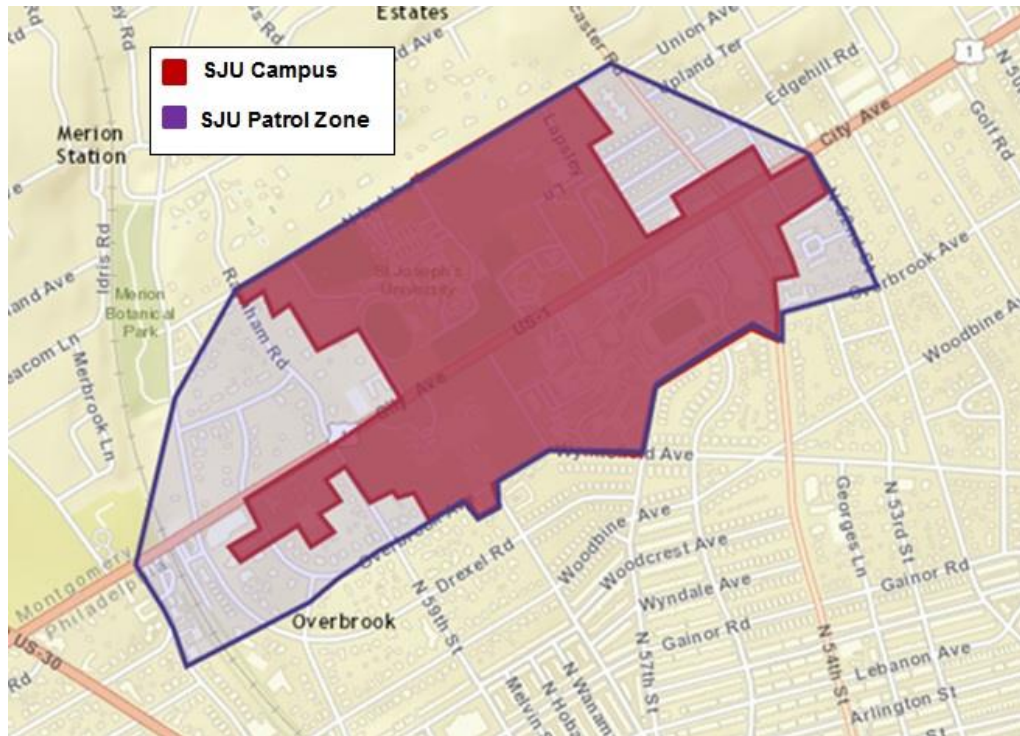
6.3 THE CAMPUS AS A NEIGHBORHOOD AMENITY

Saint Joseph's University's campus is not an island of activity separated from its community—rather it is integrated into the surrounding neighborhoods in a number of ways. SJU provides (and finances) a wide variety of public services that benefit the surrounding community, and the demand generated by their students and staff supports local businesses, notably retail and food establishments. In addition, the Philadelphia campus itself is not closed to the public, but instead provides a locus of green space, activities and events that the local residents are welcome to enjoy.²³

As a relatively large-scale institution, Saint Joseph's University's operating capacity allows it to provide for itself many services that are usually rendered by municipal government. In areas such as public safety, snow removal, storm water management, landscaping and sanitation, Saint Joseph's renders its own services, supplementing those provided by the City and Lower Merion Township, thereby reducing its public service needs. In addition, SJU extends these boundaries for many of these services beyond its own campus, benefitting the adjacent neighborhood. For example, Saint Joseph's officers patrol neighborhoods beyond the campus, insuring safety to off campus students and non-student residents alike seven days a week, at all hours of the day (see Figure 6.2). Additionally, SJU contracts two Philadelphia Police Officers to patrol campus seven days a week.

²³ Access to the Lower Merion Campus is limited by zoning and land development restrictions demanded by certain Lower Merion Township neighbors.

FIGURE 6.2 – SJU CAMPUS AND PATROL ZONE BOUNDARIES



Source: SJU (2015)

The University facilities management team also performs snow removal operations on various roads used by students, employees and the general public. The University operates and maintains stormwater management facilities on the Maguire Campus, Merion Gardens, Moore Hall, and throughout the Main Campus. In fact, long standing stormwater drainage problems in the adjacent York Lynne Condominium Association were corrected by SJU after zoning and land development approval to make certain improvements on campus. When requested, facilities management's grounds crew also assist in mowing the lawn and remove fall leaves at Samuel Gompers Elementary School and around the open park space on 394 N. Latches Lane. The University also plants and maintains trees on campus that add to the beautification of the community.

6.4 CIVIC ENGAGEMENT

SJU is also an active and engaged member of the civic community on both sides of City Avenue. SJU takes pride in its commitment to economic and community development and is an active participant in local chambers of commerce. Further, the University offers areas of study focused on community development, and integrates partnerships with neighborhood organizations like the Wynnefield Overbrook Revitalization Corporation (WORC). The University leadership team assumes leadership positions in a variety of local organizations, committees and boards of

directors dedicated to stewardship of the local community. Finally, SJU makes direct financial contributions to a number of local organizations.

Chambers of Commerce

- Greater Philadelphia Chamber of Commerce: SJU has a longstanding partnership with the Greater Philadelphia Chamber of Commerce (GPCC). GPCC works on the behalf of Philadelphia at the city, state and federal level to support public policy that boosts the region's economy. As a community partner, SJU acts as reinforcement towards policies that the University feels strongly about; such issues include tax reform, transportation, infrastructure, education and workforce development.
- Main Line Chamber of Commerce: SJU is an active member and sponsor of the Main Line Chamber of Commerce (MLCC). The Chamber, along with the help of SJU's Board members, created a network called "The Talent and Education Network" (TEN) that aims to provide practical training towards students from Saint Joseph's, and 19 other universities through internships opportunities. This practical experience forms professional relationships that help to retain educated talent in the region. Retaining university graduates in the Region will add skilled workers to the labor market.
- Delaware County Chamber of Commerce: Similar to its partnership with Greater Philadelphia Chamber of Commerce, SJU acts as a member of the DelCo Chamber of Commerce to advocate for a business friendly environment. SJU collaborates closely with the Chamber to promote opportunities for students to work with local businesses. Through the University's Initiative for Family Business and Entrepreneurship (IFBE), SJU and the Chamber have been supporting family businesses.

Strategic Majors and collaborations

SJU has established and continues to encourage alumni affinity groups that help in the development of the community. SJU hosts several networking events for alumni working in real estate, construction, insurance, and food marketing fields. SJU also collaborates with Wynnefield Overbrook Revitalization Corporation (WORC), an economic and community development nonprofit that works to improve the business corridor on 54th street.

By collaborating with local alumni, institutions, and community groups, the college of Arts and Sciences provides hands-on learning experience for students in various fields of study.

- SJU Communication students have an opportunity to serve as digital media consultants to Philadelphia-area non-profit organizations through the enterprise Beautiful Social. These students conduct research to help clients build sustainable social media strategies for

over 50 clients such as Bartram Garden, Philly Sustainable Urban Development and The American Cancer Society.

- The Economics Department has teamed up with organizations such as the Bureau of Labor Statistics and the U.S. Department of Commerce, Voya Financial and non-profit group Profugo to provide experiential learning opportunities.
- GeoKids LINKS is a collaboration involving Saint Joseph's University, the Wagner Free Institute of Science, and the School District of Philadelphia. This program places graduate and advanced undergraduate Fellows into Philadelphia 1st through 5th grade classrooms as a part of their training in science. Fellows work with the teachers and education experts from the Wagner Free Institute to implement hands-on science learning activities.
- The Health Administration Program is keeping pace with the education and development of students in the Healthcare industry in management, informatics and education. Internships with healthcare facilities for experiential learning is being increased.

The accreditations at SJU (like AACSB for the Haub School) are the gold standard for their respective fields, assuring that our faculty, curriculum, and facilities are top-notch and meet the demands of the region's employers as they continually adapt to a global economy in transformation. Many fields of study at SJU are national recognized and have significant impact on the region's economy.

- SJU has one of the most successful graduate programs in Special Ed/Deaf and Hard of Hearing in the country.
- The Actuarial Sciences program has seen dramatic growth recently and has become one of the most in-demand skills set in our insurance/risk management-heavy economy.
- SJU has the only CERI-accredited (Center for Effective Reading Instruction) Master's program in Special Education in the Commonwealth.
- Students are prepared at two different levels for the national certifying exam in Applied Behavioral Analysis of the Behavior Analyst Certifying Board. These students are filling the skyrocketing demand for ABA-certified workers in the region with educational, health care and social service organizations.
- The computer science program is accredited with the Accreditation Board for Engineering and Technology and the Chemistry program is accredited by the American Chemical Society.

Local Leadership

Members of the SJU community are leaders in a variety of organizations dedicated to advancing the region. The list below provides just a sample of local institutions on which members of the SJU community lend their time and expertise. They include a range of civic, educational and neighborhood organizations, as well as local non-profits dedicated to serving the community in a variety of ways.

- School District of Haverford Township Board of Directors
- Irish American Business Chamber and Network Board of Directors
- Main Line Chamber of Commerce Board of Directors Executive Committee, Government Affairs Committee, Talent and Education Network Board, Society of Professional Women Advisory Board
- Lower Merion Township Community Facilities Element Committee
- Pennsylvania Intergovernmental Cooperation Authority (PICA) Board of Directors
- City Avenue Special Services District Board of Directors
- Greater Philadelphia Chamber of Commerce Board of Directors
- Upper Darby Historical Society
- Penn Wynne Library Association Board of Directors
- Saint Charles Borromeo Seminary, College Seminary Committee
- Merion Civic Association Board of Directors
- The Forum of Executive Women, Public Leadership Committee
- Taylor Community Foundation Board of Directors
- Daemion Counseling Center Scientific Advisor
- St. Christopher's Hospital for Children Bioethicist
- Mercy Health System Quality and Ethics Board Committee
- Sickle Cell Disease Association of America, Philadelphia/Delaware Valley Chapter Board of Directors
- Institute for Ethical Leadership and Social Responsibility College at Rosemont Board of Directors
- Settlement Music School Board of Directors
- Greater Philadelphia Economy League Leadership Exchange

Financial Contributions

In addition to providing public services that benefit the surrounding neighborhood, SJU makes monetary contributions through its membership with The Foundation for Community Service. Saint Joseph's annually SJU contributes, along with other private institutions, to the Foundation to the Township of Lower Merion; allocating resources to both the Fire and Police Department and for educational needs in the Township, particularly in their Library system. These funds directly benefit the public, especially the neighboring residents.

SJU is also a member of the City Avenue Special Services District (“CASSD”), an organization that unites local businesses, residents and members of the community focused on making City Avenue a thriving location to live and work. SJU makes an annual monetary contribution to support the services offered by the District, including physical improvements like landscaping, cleaning efforts like street sweeping, public safety and transportation initiatives and events, all of which contribute to growing business activity along this corridor. SJU and CASSD are working together to improve pedestrian safety on City Ave through multiple grant applications and active advocacy.

6.5 COMMITMENT TO SERVICE

SJU has a rich tradition of volunteerism, which engages students, faculty, and staff in a wide range of service opportunities that build leadership and instill civic pride in the volunteers while contributing to households and communities throughout the City. The deployment of staff in service to the immediate community and issues of broader geographic reach is an important manifestation of *Magis* for the University.

There are also community service programs housed on the University's campus, and some are even integrated into the classrooms, allowing students, faculty, and staff to regularly participate. Some of the major initiatives include Service-Learning, the Kinney Center for Autism Education and Support and Veterans Services programs. SJU also offers research-based initiatives through the Pennsylvania Institute for Food Marketing Education and Research (PIFMER). In addition, the Initiative for Family Business and Entrepreneurship (IFBE) provides critical support services to large and small family businesses with an emphasis on succession planning.

6.5.1 SERVICE LEARNING

SJU offers classes that incorporate service-learning into their core curriculum. This form of educative civic engagement allows students to not only grasp a better understanding on broad concepts from the classroom, but also to “do more” for the greater good.

SJU's service-learning courses combine traditional academic coursework with weekly service engagement and reflection. The classes focus on social justice issues that are aimed to develop the students' understanding of why service engagement is important: Topics of discussion include poverty, AIDS, violence, mental illness and racism. Students commit three hours each week to collaborate with a partnering non-profit organization. SJU students have volunteered at 56 different organizations, schools and clinics; including Project H.O.M.E, Mercy Ambulatory Clinic and Hope Partnership School.

6.5.2 VOLUNTEER SERVICE

The SJU community (students, faculty and staff) represents a significant locus of volunteer activity. Data tracked by SJU for academic year 2013-14 identified more than 200 unique community service initiatives undertaken by the SJU community across a wide range of university programs. These include programs such as teaching independent living skills to individuals affected by autism; leading motivational discussions at local middle schools; helping low- to moderate- income individuals with their tax-return forms; gathering clothing for homeless individuals; and delivering food baskets to low-income families in the community, and collecting nearly 300 pounds of breakfast food for delivery during the summer to school age children who receive free or reduced lunch through the school system during the school year.

While a complete accounting of hours volunteered and students served is not available for each initiative, those programs that did track students hours yielded a total of 87,600 aggregate hours of student service for the academic year. This service was undertaken by at least 7,500 members of the SJU community,²⁴ and served more than 110,000 total individuals. Traditional methods for voluntary worker hours place the per-hour wage at \$20 or more,²⁵ meaning that SJU's contribution through volunteer work is worth about \$2 million.

6.5.3 KINNEY CENTER FOR AUTISM EDUCATION AND SUPPORT

The Kinney Center for Autism Education and Support educates and trains SJU students to serve individuals and families affected by autism. The Center provides students with an opportunity to not only serve, but also gain the professional training needed to major or specialize in Autism studies leading to a certification. Students are also able to apply for short-term programs such as the High School Volunteer program, the Scholars program and the Internship program.

The High School Volunteer program allows local high school students in Lower Merion to participate in a semester long training and service experience. The program teaches students to develop essential communication and leadership skills, and helps them to understand and care for individuals and families affected by autism. The Kinney Center Scholars program provides SJU students with 2,000 hours of practical experience in working in the field of autism throughout their time at SJU. The Kinney Center provides SJU students and local high school students with 20 hour-week internship opportunities.

The Kinney Center possesses many advantages for students and local high school students, but perhaps the most significant benefit to this program is its mission of improving the quality of lives

²⁴ Note that this figure does not represent a "unique" count, as individuals may have participated in multiple initiatives.

²⁵ For example, The Independent Sector estimated the value of volunteer time at about \$23 per hour nationwide in 2014 (https://www.independentsector.org/volunteer_time).

in individuals with autism, including individuals in the surrounding community. This, here, is a manifestation of *Magis* and a meaningful way SJU contributes to society as a whole.

6.5.4 VETERANS SERVICES AND PROGRAMS

For over 100 years, SJU has been committed to supporting military service members and veterans. SJU was identified by *U.S. News & World Report* as one of the best colleges for veterans. SJU believes in supporting individuals who have served their country, and aims to provide veterans with an opportunity to attain their career development objectives, despite any challenges that they might have faced after their service, including any disabilities. The University runs entrepreneurship programs for veterans with disabilities that allow them to think creatively and critically about start-up businesses, while establishing a network of veterans that are able to learn and grow from each other. These start-up businesses promote economic growth and development for the local community and beyond.

7.0 CONCLUSION

This report has identified, articulated and quantified the broad impact associated with Saint Joseph's University (SJU). Like other large institutions, SJU is an economic engine for its city, region and state. It generates a significant volume of direct and indirect economic activity and employment through its annual operations and capital investments. It attracts and retains significant ancillary spending on the part of its students and visitors. And it does all of this while educating and credentialing its students, yielding a wage premium for its alumni that circulates through the local economy and grows the tax base.

Further, the community and social impact of SJU goes well beyond its direct and indirect economic footprint. The philosophy and mission of the university is oriented towards the greater good, as encapsulated in the concept of "*Magis*" SJU students receive a comprehensive educational experience focused on developing fully their intellectual and moral capacities, preparing them to be contributing citizens, not just employees. This is reflected in the commitments that the University makes to the surrounding community and broader society, including inclusivity, neighborhood stewardship, volunteerism and service.

7.1 SUMMARIZING THE ANNUAL ECONOMIC IMPACT OF SJU

From a computational standpoint, the annual impact from operations (Section 3), capital investments (Section 4), ancillary student spending (Section 5) and wage premium (Section 6) have been carefully segmented to avoid any overlap. As a result, these estimates can be added to yield the total annual economic and fiscal impacts of SJU at various geographic levels.

Within the City of Philadelphia, SJU generates \$306 million in total economic output annually, supporting nearly 2,000 direct, indirect and induced jobs and \$126 million in earnings, and generating about \$5 million in local tax revenue (see Table 7.1).

TABLE 7.1 – SUMMARY OF SJU'S ANNUAL ECONOMIC AND FISCAL IMPACTS WITHIN THE CITY OF PHILADELPHIA

	Operations	Capital (Annualized)	Ancillary Student and Visitor Spending	Wage Premium	Total
Economic Impact	\$208M	\$41M	\$48M	\$9M	\$306M
Employment (Jobs)	1,350	245	280	55	1,930
Labor Earnings	\$92M	\$18M	\$12M	\$3M	\$126M
Tax Revenue	\$3.3M	\$0.7M	\$0.6M	\$0.5M	\$5.1M

Within the 5-county Region, SJU generates \$575 million in total economic output annually, supporting nearly 3,900 direct, indirect and induced jobs and \$225 million in earnings (see Table 7.2).

TABLE 7.2 – SUMMARY OF SJU'S ANNUAL ECONOMIC IMPACTS WITHIN THE 5-COUNTY REGION

	Operations	Capital (Annualized)	Ancillary Student and Visitor Spending	Wage Premium	Total
Economic Impact	\$390M	\$66M	\$85M	\$35M	\$575M
Employment (Jobs)	2,725	385	530	230	3,870
Labor Earnings	\$165M	\$28M	\$21M	\$11M	\$225M

Within the Commonwealth of Pennsylvania, SJU generates \$611 million in total economic output annually, supporting more than 4,000 direct, indirect and induced jobs and \$233 million in earnings, and generating about \$13 million in state tax revenue (see Table 7.3).

**TABLE 7.3 – SUMMARY OF SJU'S ANNUAL ECONOMIC AND FISCAL IMPACTS
WITHIN THE COMMONWEALTH OF PENNSYLVANIA**

	Operations	Capital (Annualized)	Ancillary Student and Visitor Spending	Wage Premium	Total
Economic Impact	\$397M	\$68M	\$95M	\$51M	\$611M
Employment (Jobs)	2,750	390	590	355	4,085
Labor Earnings	\$166M	\$29M	\$23M	\$15M	\$233M
Tax Revenue	\$6.1M	\$1.6M	\$1.9M	\$3.2M	\$12.9M

APPENDIX A – ECONOMIC AND FISCAL IMPACT METHODOLOGY

A.1 OVERVIEW

Economic impact estimates are generated by utilizing **input-output models** to translate an initial amount of direct economic activity into the total amount of economic activity that it supports, which includes multiple waves of spillover impacts generated by spending on goods and services and by spending of labor income by employees. This section summarizes the methodologies and tools used to construct, use, and interpret the input-output models needed to estimate SJU's economic impact.

A.2 INPUT-OUTPUT MODEL THEORY

In an inter-connected economy, every dollar spent generates two spillover impacts:

- First, some amount of the proportion of that expenditure that goes to the purchase of goods and services gets circulated back into an economy when those goods and services are purchased from local vendors. This represents what is called the “**indirect effect**,” and reflects the fact that local purchases of goods and services support local vendors, who in turn require additional purchasing with their own set of vendors.
- Second, some amount of the proportion of that expenditure that goes to labor income gets circulated back into an economy when those employees spend some of their earnings on various goods and services. This represents what is called the “**induced effect**,” and reflects the fact that some of those goods and services will be purchased from local vendors, further stimulating a local economy.

The role of input-output models is to determine the linkages across industries in order to model out the magnitude and composition of spillover impact to all industries of a dollar spent in any one industry. Thus, the total economic impact is the sum of the direct economic footprint plus the indirect and induced effects generated by that direct footprint.

A.3 INPUT-OUTPUT MODEL MECHANICS

To model the impacts resulting from the direct expenditures generated by SJU, Econsult Solutions, Inc. developed a customized economic impact model using the **IMPLAN** input/output modeling system. IMPLAN represents an industry standard approach to assess the economic

and job creation impacts of economic development projects, the creation of new businesses, and public policy changes.

IMPLAN is one of several popular choices for regional input-output modeling. Each system has its own nuances in establishing proper location coefficients. IMPLAN uses a location quotient to determine its regional purchase coefficient (RPC). This represents the proportion of demand for a good that is filled locally; this assessment helps determine the multiplier for the localized region. Additionally, IMPLAN also accounts for inter-institutional transfers (e.g. firms to households, households to the government) through its Social Account Matrix (SAM) multipliers. IMPLAN takes the multipliers and divides them into 440 industry categories in accordance to the North American Industrial Classification System (NAICS) codes.

These economic impacts in turn produce one-time or ongoing increases in various tax bases, which yield temporary or permanent increases in various tax revenues. To estimate these increases, Econsult Solutions, Inc. created a **fiscal impact model** to translate total economic impacts into their commensurate tax revenue gains.

A.4 EMPLOYMENT AND WAGES SUPPORTED

IMPLAN estimates the direct jobs employed by the project or activity being modeled. These estimated direct jobs will be displayed in the report unless the number of jobs is known beforehand by the project's owner, and if provided, will be noted in the body of the report. The project/activity expenditures also support induced and indirect jobs. These are jobs not directly employed by the project, but instead are employees who work for the project's vendors and employees who work at businesses frequented by those employees directly employed by the project. We report the total jobs supported by the project, therefore all direct, indirect, and induced jobs. These jobs are a mix of full-time and part-time jobs.

IMPLAN generates job estimates based on the term job-years, or how many jobs will be supported each year. For instance, if a construction project takes two years, and IMPLAN estimates there are 100 employees, or more correctly "job-years" supported, over two years, that represents 50 jobs each year. The 50 jobs represent the annualized number of jobs supported by the construction project. The job can be the same each year such as the coffee barista serving the directly employed construction workers or different if in the first year of the project a welder is needed and in the second year of the project an electrician is required.

The total income is for all direct, indirect and induced jobs. It includes proprietor income, wages, and all benefits. Since many projects/events require the employment sourced from multiple industries, the average wages paid will be different per industry. Therefore, it is not correct to divide the total labor income and divide it by the total job-years to derive an average employee compensation estimate.

A.5 SCOPE OF IMPACT

For the purposes of this report, economic impacts were sized to the following geographies: (1) the “**City**,” which is the city of Philadelphia, (2) the “**5-county Region**” of Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties, and (3) the “**Commonwealth**,” which is the Commonwealth of Pennsylvania. Fiscal impacts were calculated at the city and state level.

APPENDIX B - DETAILED ANCILLARY STUDENT AND VISITOR SPENDING METHODOLOGY

The estimation of student and visitor spending requires a series of inputs which collectively seek to define:

- The number of spenders (students and visitors of various types)
- Total spending and ancillary spending (that which is not captured by SJU) by those spenders
- The proportion of that spending that is captured within the City of Philadelphia, the 5-county Region, and Commonwealth of Pennsylvania economies

Each step necessary for these calculations is detailed below. Data from a variety of sources, including SJU, are used to develop estimates, and where proxy data is unavailable, conservative proportions are assumed.

B.1 ANCILLARY STUDENT SPENDING

The first step in the calculation of ancillary student spending is to define the total annual spend for students by category. Data for this calculation is drawn from SJU's Financial Aid office, which lists an approximate annual student budget in the categories of rent, books and supplies, meal plan and other retail. The total on-campus student spending per academic year is estimated at \$17,020 (see Table B.1).

It is also necessary to account for the proportion of this spending that is captured by the SJU itself. Since the revenue generated by the institution is ultimately reflected in the operating budget, impacts from this spending are representing in the calculations of SJU's annual operating impact. This spending must therefore be excluded from student spending estimates, which reflect only ancillary spending not captured by SJU, and are therefore additive with operating impacts. Spending on room and board for on-campus students are assumed to accrue to SJU, as are a portion of spending in additional categories by on-campus, off-campus, and commuter students to reflect the SJU-operated dining facilities and retail options. Conservative estimates on rental costs and on-campus spending were made for off-campus students. These percentage estimates can be multiplied by the budget per academic year to produce annual ancillary spending estimates for on-campus, off-campus students, and commuters (see Table B.1).

TABLE B.1 – ANNUAL ANCILLARY SPENDING ESTIMATES FOR ON-CAMPUS AND OFF-CAMPUS STUDENTS

Spending Category	On-Campus Undergrad		Off-campus Undergrad and Grad		Commuters	
	Annual Spend	Spend Outside of SJU	Annual Spend	Spend Outside of SJU	Annual Spend	Spend Outside of SJU
Rent	\$9,720	\$0	\$9,600	\$8,640	N/A	\$0
Books and educational supplies	\$830	\$415	\$830	\$620	\$830	\$830
Food and beverage	\$5,200	\$1,040	\$4,000	\$3,200	\$4,000	\$3,600
Other retail	\$820	\$410	\$820	\$610	\$1,640	\$1,640
Transportation	\$450	\$450	\$1,000	\$1,000	\$1,650	\$1,650
Total per student	\$17,020	\$2,315	\$16,250	\$14,070	\$8,120	\$7,720

Source: SJU (2015), Econsult Solutions (2015)

Next, the proportion of ancillary spending taking place within the City, 5-county Region, and Commonwealth economies are estimated by expenditure category. Adjustments are made that reflect the fact that the majority of retail spending by millennials takes place online, and is therefore not captured within a local geography.²⁶ In addition, a portion of transportation spending, especially for commuter students, is likely to take place outside of the local geography. These proportions can be applied to each spending category developed in Table B.1 to produce an estimate of aggregate ancillary spending captured within the City of Philadelphia (\$39 million), the 5-county Region (\$66 million) and the Commonwealth of Pennsylvania (\$73 million), as shown in Table B.2.

²⁶ For example, a recent study by The Intelligence Group found that 72 percent of Millennials research and shop their options online. (*Forbes*, "Millennials Double Trouble for Retail," April 2014.) Business Insider found that millennials spend \$2,000 on annually e-commerce, more than any other age group. (*Business Insider*, "The surprising facts about who shops online and on mobile," February 2015.)

**TABLE B.2 – ESTIMATED ANCILLARY STUDENT SPENDING CAPTURED
WITHIN THE CITY OF PHILADELPHIA, THE 5-COUNTY REGION AND COMMONWEALTH OF PENNSYLVANIA**

Spending Category	Philadelphia County	5-county Region	Commonwealth of Pennsylvania
Rent	\$26.5	\$40.3	\$45.7
Books and educational supplies	\$0.2	\$0.4	\$0.4
Food and beverage	\$9.7	\$19.4	\$20.2
Other retail	\$0.9	\$1.8	\$2.1
Transportation	\$2.1	\$4.2	\$4.4
Total Spend Captured	\$39.4	\$66.1	\$72.8

Source: SJU (2015), Econsult Solutions (2015)

B.2 ANCILLARY VISITOR SPENDING

Calculating ancillary visitor spending requires an estimation of the volume and type of visitors attracted to campus for various reasons, and the application of spending profiles to each of those visitor types.

Spending profiles were developed by visit type to reflect that visitor spending patterns vary based on point of origin (local vs. out of town), reason for visit, and other factors. Unique spending patterns were estimated for seven different visitor types using available proxy data on tourist spending in the Philadelphia region and local spending associated with events. Where no proxy data is available, conservative assumptions are utilized. Table B.3 below shows spending estimates by trip type by category, and discusses the sources from which they are drawn. Note that student spending associated with events is excluded, since student spending is estimated separately.

**TABLE B.3 – ESTIMATED ANCILLARY STUDENT SPENDING CAPTURED
WITHIN THE CITY OF PHILADELPHIA, THE 5-COUNTY REGION AND COMMONWEALTH OF PENNSYLVANIA**

Type of Visitor	Food and Beverage	Lodging (per person)	Other Retail	Transportation	Total	Source
Local Visitors	\$14	\$0	\$4	\$3	\$21	Americans for the Arts ²⁷
Non-local Visitors (in PHL or Mont)	\$42	\$67	\$26	\$14	\$149	Longwoods Intl ²⁸
Non-local Visitors (outside of PHL or Mont, in PA)	\$10	\$17	\$6	\$4	\$37	Longwoods Intl
Non-Local Students (visiting) (in PHL or Mont)	\$14	\$0	\$4	\$18	\$36	Various ²⁹
Non-Local Students (visiting) (outside of PHL or Mont, in PA)	\$0	\$0	\$0	\$3	\$3	Assumption

Source: SJU (2015), Econsult Solutions (2015)

All spending within Table B.3 is estimated to take place within Philadelphia or Montgomery Counties, with the exception of the “Non-local visitors (spillover to PA)” category, which represents the portion of spending by non-local visitors estimated to take place in Pennsylvania counties outside of Philadelphia or Montgomery Counties.

B.3 MODELABLE EXPENDITURES

In order to properly estimate the economic impact within the city, regional and state economies, modeling must take into account the contribution of this spending to economic activity within those geographies. In the case of ancillary spending, the amount available to circulate through the local economy will be less than the direct amount spent locally by SJU students and visitors. This difference is primarily attributable to the economics of the retail industry.

For retail establishments, there is a significant difference between total economic value of retail and the amount available to circulate through the local economy. Because local stores buy goods

²⁷ Each year America for the Arts releases the Arts and Economic Prosperity Report, a national study that quantifies the economic impact of non-profit Arts and Culture Organizations and their audiences. Data from the report, where available for the Philadelphia Region, was used to estimate visitor spending associated with events visitation.

²⁸ Visit Philly provided ESI with Longwoods International Survey data from 2012 and 2013, specific to Philadelphia region tourism. The averages of per person expenditures by spending category were utilized for these non-local visitors. Further, we assume that 80% of regional spending captured locally and 20% spills over to other PA counties.

²⁹ As these students will likely stay in student housing (at no cost), the spending profile of a non-local visiting student was derived based on local visitor spending with additional costs for transportation.

from wholesalers and manufacturers outside of the area, the expenditures cannot be fully attributed to the local economy. Instead, it is only the “retail margins” (i.e. the difference between purchase price and sales price for the retailers) that are certain to stay within the local economy. IMPLAN accounts for regions in which the wholesalers and manufacturers are located by industry and attributes a portion of this spending appropriately to the target region. Further, other costs for retailers outside of the purchase of goods (salaries, maintenance, etc.) will be fully retained within the local geography.

Table B.4 below shows the aggregate estimated direct spending by students and visitors at each geographic level by category. It also shows the portion of the that direct spending that is estimated to be modelable within each geography for the purpose of estimated total economic impact (i.e. output, employment and fiscal impacts) as reported in Table 4.3 in Section 4.

- Within the City of Philadelphia, direct expenditures from students and visitors are estimated to be \$44.2 million, of which \$34 million is considered modelable
- Within the 5-county Region, direct expenditures from students and visitors are estimated to be \$73.4 million, of which \$54.2 million is considered modelable
- Within the Commonwealth of Pennsylvania, direct expenditures from students and visitors are estimated to be \$82.4 million, of which \$63.2 million is considered modelable (see Table B. 4)

**TABLE B.4 – ESTIMATED ANCILLARY STUDENT AND VISITOR SPENDING
MODELABLE WITHIN THE CITY OF PHILADELPHIA, 5-COUNTY REGION AND COMMONWEALTH OF PENNSYLVANIA ECONOMIES**

Spending Category	Philadelphia County		5-county Region		Commonwealth of Pennsylvania	
	Total	Modelable	Total	Modelable	Total	Modelable
Retail - Food and Beverage	\$10M	\$3M	\$19M	\$5M	\$20M	\$6M
Restaurants and Bars	\$1M	\$1M	\$3M	\$3M	\$3M	\$3M
Retail - Miscellaneous	\$2M	\$1M	\$3M	\$1M	\$4M	\$2M
Retail - Books and Edu Supplies	\$0.2M	\$0.1M	\$0.4M	\$0.2M	\$0.4M	\$0.2M
Real Estate	\$26M	\$26M	\$40M	\$40M	\$46M	\$46M
Hotels and Motels	\$2M	\$2M	\$3M	\$3M	\$4M	\$4M
Public Transportation	\$1M	\$1M	\$2M	\$2M	\$2M	\$2M
Retail - Gas	\$2M	\$0M	\$3M	\$0M	\$3M	\$0M
Total Spend Captured	\$44.2M	\$34.1M	\$73.4M	\$54.2M	\$82.4	\$63.2

APPENDIX C – COMPARISONS TO FY 2010 SJU ECONOMIC IMPACT STUDY

ESI last conducted an assessment of SJU's economic impact for FY 2010 (in a report released in July 2011). The methodology and models used in the current report seek to quantify SJU's impact as accurately and conservatively as possible, rather than to replicate exactly the approach utilized for the FY 2010 study.

Broadly, this report quantifies the same major categories of economic impact, and uses similar economic and fiscal modeling techniques to arrive at total impact figures. However, methodological and modeling changes mean that the reported figures for total economic output are not directly comparable to yield an applicable "growth rate" in SJU's economic impact between FY 2010 and FY 2015. Most notably, the FY 2010 study was conducted using RIMS, an input-output model produced by the U.S. Department of Commerce's Bureau of Economic Analysis, which was subsequently discontinued for several years due to federal budget cuts. The FY 2015 study is conducted with the IMPLAN input-output model, an industry-standard private provider. Differences between these models produce variations in the total economic impact above and beyond the differences in the direct economic activity associated with SJU. In addition, some methodological changes have been implemented in ESI's approach to estimating direct ancillary spending and wage premium associated with SJU. Where changes were made, ESI tended to err on the more conservative side, so as not to overstate results.

Nonetheless, it is possible and useful to compare the direct economic activity in the four impact categories for FY 2010 and FY 2015. For the five-county region, estimated aggregate direct economic activity grew from \$336 million in FY 2010 to \$379 million in FY 2015, an increase of 13% (see Table C.1).

TABLE C.1 – ESTIMATED DIRECT SAINT JOSEPH'S UNIVERSITY ACTIVITY IN THE 5-COUNTY REGION, FY 2010 AND FY 2015

Direct Activity	FY 2010	FY 2015
Operations	\$170M	\$213M
Capital (Annualized)	\$46M	\$35M
Ancillary Student and Visitor Spending	\$74M	\$75M
Wage Premium	\$46M	\$56M
Total	\$336M	\$379M