Catawba College (Catawba) creates value in many ways. The college improves education delivery throughout the region and helps students increase their employability and achieve their individual potential. By spending money at local vendors and by drawing students and visitors to the Catawba Service Area, the college also generates new dollars and opportunities for the region. Catawba further benefits society as a whole in North Carolina through the added income and social savings generated by students who remain in the state. The benefits of education extend as far as the state and local government, in the form of increased tax revenues and reduced government expenditures.

The purpose of this analysis is to assess the impact of Catawba on the economy of the Catawba Service Area and the benefits generated by the college for students, North Carolina as a whole, and taxpayers. Results of the analysis reflect student and financial data for the 2012-13 Fiscal Year.

**IMPACT ON REGIONAL ECONOMY**

This analysis shows that in FY 2012-13, payroll and operations spending of Catawba College (Catawba), together with the spending of its students, visitors, and alumni, created $91.3 MILLION in added regional income to the Catawba Service Area economy. The term “added regional income” in this context refers to economic impacts and is equivalent to the commonly referred to measure of Gross Regional Product (GRP). The added regional income, or additional GRP, of $91.3 million created by Catawba is equal to approximately 0.1% of the total GRP of the Catawba Service Area, and is equivalent to creating 1,512 new jobs.
The components that make up the $91.3 million in economic impacts appear in the following sections. To generate these impacts, Catawba spent $13.8 MILLION on payroll and benefits for 271 full-time and part-time employees, and spent another $27.8 MILLION on goods and services to carry out its day-to-day operations. This initial round of spending – along with the spending of its students, visitors, and alumni – created more spending across other businesses throughout the regional economy, resulting in the commonly referred to multiplier effects. For the sake of simplicity, only the combined initial and multiplier effects of each impact measure are presented in this fact sheet.

**Operations spending impact**
- Payroll to support Catawba’s day-to-day operations amounted to $13.8 MILLION.
- The net impact of the college’s operations spending in the Catawba Service Area during the analysis year was approximately $25.8 MILLION in added regional income, which is equivalent to creating 376 jobs.

**Student spending impact**
- Around 45% of graduate and undergraduate students attending Catawba originated from outside the region. Some of these students relocated to the Catawba Service Area and spent money on groceries, transportation, rent, and so on at regional businesses.
- The expenditures of students who relocated to the region during the analysis year added approximately $2.1 MILLION in regional income to the Catawba Service Area economy, which is equivalent to creating 31 new jobs.

**Visitor spending impact**
- Out-of-region visitors attracted to the Catawba Service Area for activities at Catawba brought new dollars to the economy through their spending at hotels, restaurants, gas stations, and other regional businesses.
- Visitor spending added approximately $246,100 in regional income for the Catawba Service Area economy, which is equivalent to creating 6 new jobs.
Alumni impact

- Over the years, students have gained new skills, making them more productive workers, by studying at Catawba. Today, thousands of these former students are employed in the Catawba Service Area.

- The accumulated contribution of alumni currently employed in the Catawba Service Area workforce amounted to **$63.2 MILLION** in income added to the Catawba Service Area economy, which is equivalent to creating **1,099** new jobs.

BENEFITS TO STUDENTS, SOCIETY, AND TAXPAYERS

**Student perspective**

- Students attending Catawba during FY 2012-13 paid a total of **$23.1 MILLION** to cover the cost of tuition, fees, books, and supplies. They also forwent another **$9 MILLION** in money that they would have earned had they been working instead of learning.

- In return for the money students invest to earn their degrees, they will receive a present value of **$109.6 MILLION** in increased earnings over their working lives.

- This translates to a return of **$3.40** in higher future income for every $1 that students invest in their education. The average annual return for students is **13.9%**.

**Societal perspective**

- North Carolina as a whole will receive a present value of **$549.2 MILLION** in added state income over the course of the students’ working lives. Communities will also benefit from **$63.5 MILLION** in present value social savings related to reduced crime, lower unemployment, and increased health and well-being across the state.

- For every dollar that society spent on education at Catawba during the analysis year, North Carolina will receive a cumulative value of **$11.80** in benefits, for as long as Catawba’s 2012-13 students remain active in the state workforce.
**Taxpayer perspective**

- The net present value of the added tax revenue stemming from higher student incomes and increased business output will amount to **$53.2 MILLION** in benefits to taxpayers.
- Savings to the public sector will add another **$11.3 MILLION** in benefits due to a reduced demand for government-funded services in North Carolina.

**CONCLUSION**

The results of this study demonstrate that Catawba creates value from multiple perspectives. The college benefits the region by increasing consumer spending and supplying a steady flow of workers in the labor force. It enriches the lives of students by increasing their employability and raising their lifetime incomes. It benefits North Carolina as a whole by creating a more prosperous economy and generating savings through the improved lifestyles of students. Finally, it benefits taxpayers by increasing tax receipts and reducing the demand for public services.

**ABOUT THE STUDY**

This study was conducted as part of a larger effort to assess the economic value of North Carolina’s higher education institutions in the state. Data and assumptions used to derive the results presented in this fact sheet are based on several sources, including the 2012-13 academic and financial reports from Catawba, outputs of EMSI’s Social Accounting Matrix (SAM) model, and a variety of studies and surveys relating education to social behavior. For a copy of the full report describing the data and methods used in this study, please visit the North Carolina Independent Colleges and Universities (NCICU) website at www.ncicu.org.

**ABOUT EMSI**

Economic Modeling Specialists International is a leading provider of economic impact studies and labor market data to educational institutions, workforce planners, and regional developers in the U.S. and internationally. Since 2000, EMSI has conducted comprehensive economic impact studies for higher education institutions across the US, Canada, the UK, and Australia.