



News Release

Contacts: Jack R. Warner, Executive Director and CEO
jack.warner@sdbor.edu

Janelle Toman, Director of Communications
janelle.toman@sdbor.edu

Telephone: (605) 773-3455

Fax: (605) 773-5320

www.sdbor.edu

FOR IMMEDIATE RELEASE: Monday, September 20, 2010

Public Universities Have Nearly \$2 Billion Economic Impact

SIoux FALLS, S.D. – The six public universities in South Dakota generate about \$1.97 billion a year in annual economic impact within the state, from a state investment of \$176 million. That is a key finding from a new research report released today that measures public higher education's impact on the state economy.

“As a result of this first-ever system-wide study, we now are able to document the significant economic impact of the public universities in real dollars and cents,” said Jack R. Warner, the Board of Regents' executive director and CEO. “This report confirms that our public universities contribute in vital and substantial ways to South Dakota's economic development and quality of life,” he said.

The report was conducted by the Government Research Bureau at The University of South Dakota. Lead researcher Dr. Michael Allgrunn, an assistant professor of economics at USD's Beacom School of Business, said the study showed the public universities directly support 5,326 full-time jobs in South Dakota. Another 9,432 jobs are located in the state because public universities generate business locally and indirectly support workers in other industries, Dr. Allgrunn said. “To put it another way, 14,758 full-time jobs in South Dakota exist because of the public university system,” he said.

Data from the public universities, combined with survey data from faculty, students, and alumni, and a dynamic regional economic model were used to estimate the impact of the public university system in South Dakota. “Where necessary, we chose to make conservative assumptions so that our estimates actually represent the lower range for the true economic impact of the public universities,” said Dr. William Anderson, director of the Government Research Bureau.

More than 42,800 people live in South Dakota who would not be here without the public universities, according to Dr. Allgrunn's research. This includes students; faculty and staff employed by the universities and their families; as well as other workers and their families not affiliated directly with the universities, but who make a living here due to the economic activity that the public universities generate.

Other major findings from the study:

- Public universities generated \$182 million in direct economic impact through their daily operations and consumption of goods and services.

Economic Impact – 2

- More than \$142 million in revenue accrued to the state last year from federal and private grants and contracts for research and development projects at the public universities.
- Public university visitors added more than \$30.6 million to the South Dakota economy through off-campus spending for athletic events, performances, and other special events.
- Students paid more than \$233 million in tuition and fees to South Dakota public universities and spent an additional \$192 million on other goods and services while attending college here. All of the tuition and fee revenue and most of the other spending are lost to the state if students attended college elsewhere.

The study was sponsored by the Board of Regents. Warner said it is likely, now that baseline data have been established, that the research will be updated periodically. The full report is available from the regents' website at www.sdbor.edu.