



# News Release

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**ADVISORY:** The South Dakota Board of Regents and South Dakota Chamber of Commerce & Industry will hold a legislative briefing today (Jan. 31) to release results of a research study measuring the impact of South Dakota's six public universities on the state economy. This briefing is open to the public in Room 414 of the State Capitol Building; it begins at 3 p.m. CST or immediately after the legislative session adjourns, if the session concludes later than 3 p.m. Public and media access also is available by livestream (audio only) through The South Dakota Network at <http://www.sd.net/room414/>.

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**FOR IMMEDIATE RELEASE:** Tuesday, January 31, 2017

## **\$2.66 Billion Economic Impact from Higher Education in South Dakota**

PIERRE, S.D. – The six public universities in South Dakota generate \$2.66 billion a year in annual economic impact within the state, from a state investment of \$197 million. That is a key finding from a research report released today that measures public higher education's impact on the state economy.

“This study, updated from baseline research conducted in 2010, documents a significant economic impact of the public universities in real dollars and cents,” said Mike Rush, the Board of Regents' executive director and CEO. “In fact, the statewide impact of the public university system on South Dakota's economic growth and well-being has grown by 35 percent in just six years.” The research was sponsored by the South Dakota Board of Regents and the South Dakota Chamber of Commerce & Industry.

“The public universities increase South Dakota's gross domestic product by \$2.66 billion a year, which is nearly 6 percent of the state's economy,” said David Owen, president of the South Dakota Chamber of Commerce & Industry. “The value to our businesses and industry throughout the state, from qualified employees to research, is significant.”

The study was conducted by lead researcher Michael Allgrunn, associate professor of economics at the University of South Dakota's Beacom School of Business, who also directed the initial research study in 2010. The study showed the public universities directly support 5,628 full-time jobs in South Dakota. Another 21,950 jobs are located in the state because public universities generate business locally and indirectly support workers in other industries. “To put it another way, 27,578 full-time jobs in South Dakota exist because of the public university system,” Dr. Allgrunn said.

## Economic Impact – 2

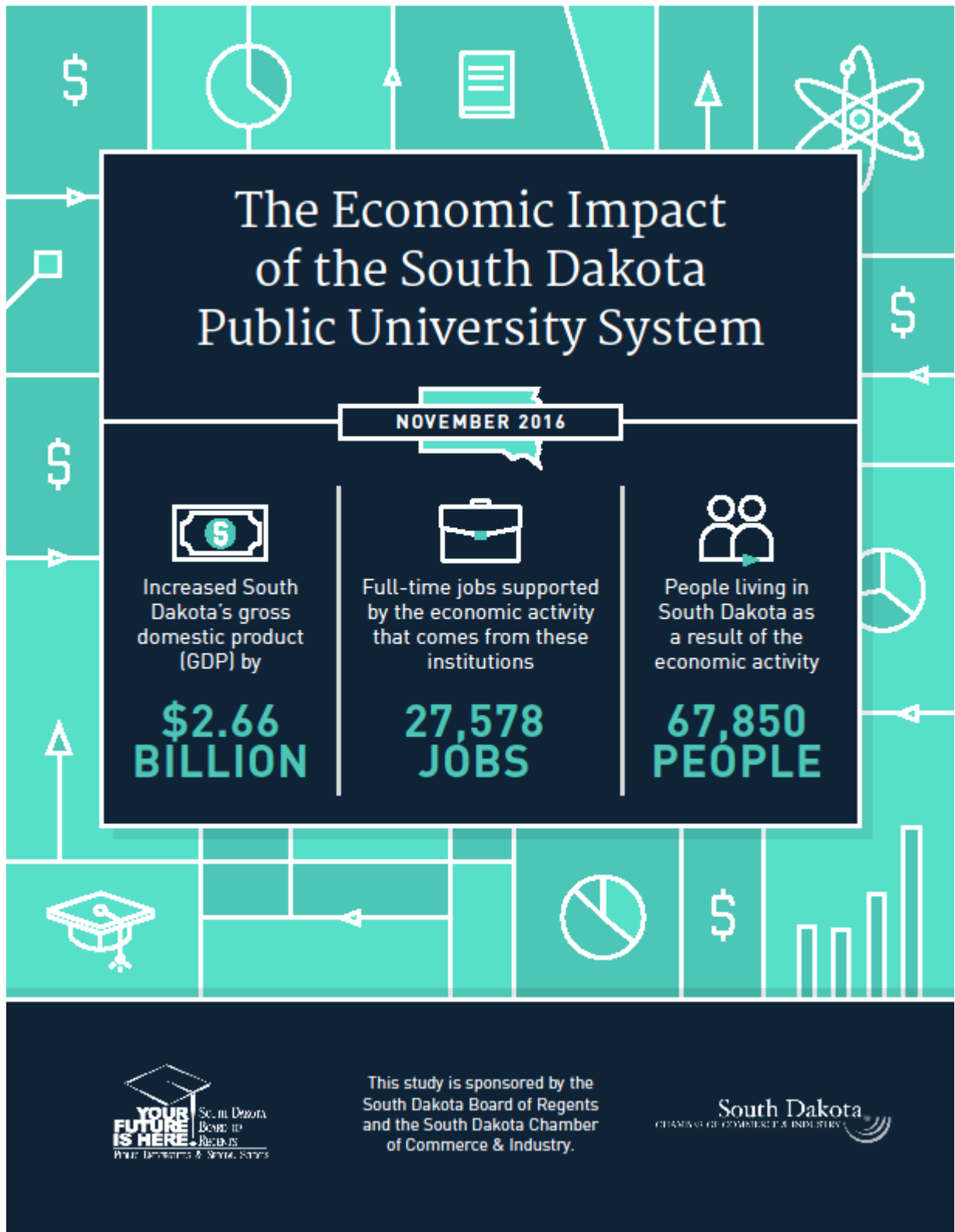
Data from the public universities, survey data from employees, students, and alumni, and a dynamic regional economic model were used to estimate the impact of the public university system in South Dakota. “When assumptions are necessary, we are conservative with our input values so their true economic impact is likely higher than the findings we report,” the research study reported.

An estimated 67,850 people live in South Dakota who would not be here without the public universities, according to the 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:

- Sales and property tax revenues in South Dakota are more than \$162 million higher due to the economic activity generated by the public university system.
- Non-resident students are an important contributor to the economic vitality of the public universities, and 29.3 percent of out-of-state students are placed in South Dakota jobs by the time they graduate.

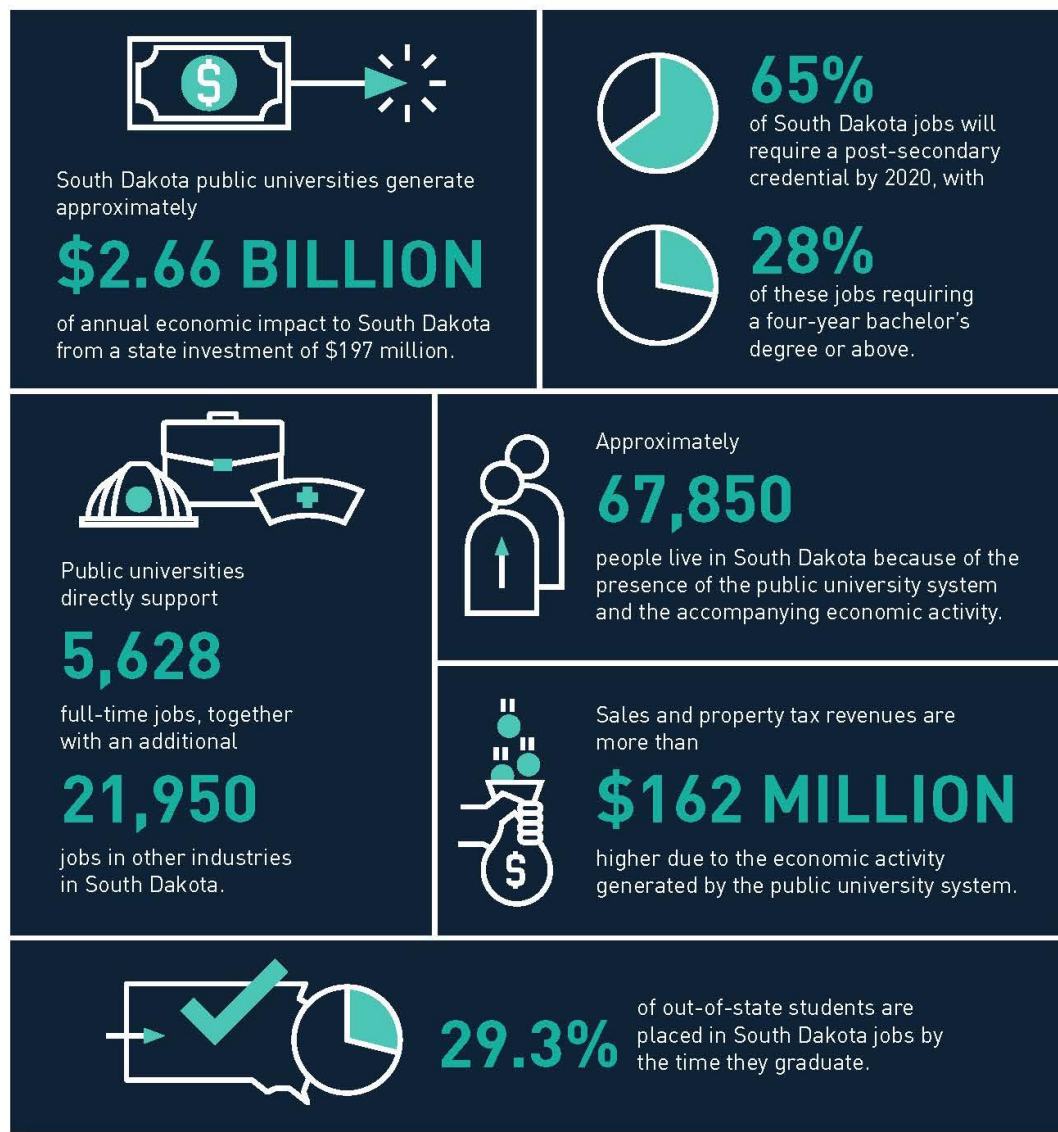
The full report is available from the regents’ website at <https://www.sdbor.edu/mediapubs/Documents/EconImpact2016.pdf> . An infographic on pages 3-4 of this release summarizes key findings in the research report.



## Executive Summary

This report analyzes the quantifiable impacts of the six public universities on the economy of South Dakota. These universities play a vital role in South Dakota's economic growth and well-being. The public university system is supported by the State of South Dakota and governed by a single Board of Regents.

### HIGHLIGHTS INCLUDE:



All dollar amounts are annual economic impacts based on Fiscal Year 2016 data. Jobs are annual full-time equivalents and include the BOR central office.

Methodology and details can be found in the full report: The Economic Impact of the South Dakota Public University System, November 2016.

This study is co-sponsored by the South Dakota Board of Regents and the South Dakota Chamber of Commerce & Industry. The analysis is conducted by a research team from the Beacom School of Business at the University of South Dakota.

