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USD by the Numbers

$478.9 Million
Generated in Economic Impact

3,368 Jobs
Supported and Sustained

$18.7 Million
in State and Local Taxes Generated

$94.6 Billion
Direct Impact Generated by USD Alumni throughout the Course of their Careers

9,920 Students

2,145 Graduates Annually

91.9% classes taught by faculty

67.9% undergraduate students from South Dakota

12.6% first-generation college students

97 Undergraduate Programs

82 Graduate Programs

50 Certificate Programs

73 Minors
The University of South Dakota (USD) is the state’s oldest postsecondary institution and was founded in 1862 — before the state was admitted into the union in 1889. With its proximity to the state’s major population center in Sioux Falls and broad access to residents of South Dakota, USD provides a world-class education for all South Dakotans who seek to enter. USD is regionally acclaimed and nationally recognized as a high-quality liberal arts institution with South Dakota’s only schools of law (Knudson School of Law), medicine (Sanford School of Medicine), and business (Beacom School of Business). USD’s 200+ undergraduate programs give small towns and communities of South Dakota access to professionals that support and sustain them.

USD’s mission is to prepare the leaders of tomorrow — and the success of this mission is evident across the state. For over 125 years, USD has sought to impart their students with the skills that employers seek and that are core to a liberal arts education – creative and analytical thinking, effective communication, and the ability to work with others in teams to solve complicated problems. Many of South Dakota’s most prominent leaders and elected officials are alumni of USD. USD draws students from across the state, provides them with a world-class education, and prepares them to return to their communities as teachers, bankers, lawyers, accountants, doctors, physician assistants, nurses, dental hygienists, and occupational, physical, and speech therapists.

Outside of the classroom the USD Coyotes — the Yotes — field 18 Division I teams. Their Dakota Days homecoming celebration is a mainstay of the University with a parade through Vermillion and football game at the Dakota Dome.

Recognized by U.S. News and World Report as a “Best National University” for 29 years in row, USD is the highest-ranked university in South Dakota. It fills a uniquely important role as the major provider of a broad range of professionals that support and strengthen communities large and small across the state.
The University of South Dakota offers undergraduate, graduate, and professional programs within the South Dakota System of Higher Education. As the oldest university in the state, the University of South Dakota serves as the flagship and the first public liberal arts university in the state.
About the Study

In July 2021, the South Dakota Board of Regents (SDBOR) engaged Parker Philips, Inc. to measure the economic contribution of public higher education overall and of each of South Dakota’s six universities. The goal of this analysis is to tell USD’s story from a numbers and narrative perspective. To develop this report Parker Philips, Inc. gathered student, financial, and employment data about USD, visited and toured the campus, conducted interviews, and researched secondary data and information to inform the writing and key messages.
The primary tool used in the performance of this study is the input-output model and data set developed by IMPLAN Group LLC. Financial data used in this study was obtained from South Dakota Board of Regents and included the following data points: operational expenditures, capital expenditures, and payroll and benefits for employees for FY 19. Secondary data was used to estimate spending by visitors (day and overnight) and students (undergraduate and graduate) exclusive of tuition and fees. Additional information on the methodology and assumptions used to complete this study can be found in Appendix B.

The impact presented in this analysis is broken down into three categories: direct impact, indirect impact, and induced impact. The indirect and induced impacts are commonly referred to as the “multiplier effect.” The graphic below provides an overview of the types of impact detailed in this report.
USD contributes to the local and statewide economies through its expenditures on operations, capital projects, wages, the spending of students off campus, and the spending of visitors to campus. The direct, day-to-day expenditures of USD, combined with the student and visitor spending, cause a ripple effect throughout the statewide economy.

The total economic impact of USD in FY 19 totaled $478.9 million. This contribution to the local and statewide economies is a point-in-time snapshot depicting how the expenditures of USD and its faculty, staff, students, and visitors make an impact.

**UNIVERSITY OF SOUTH DAKOTA STUDY PROFILE**

- **Data Source:** South Dakota Board of Regents and South Dakota State University
- **Study Type:** Economic Contribution Analysis
- **Geography:** South Dakota
- **Study Year:** Fiscal Year 2019 (FY 19)
- **Methodology:** IMPLAN

**USD Contributes to the State and Local Economy**

USD operations and capital spending in FY 19 contributed a total of $384.2 million as a result of operational and capital spending. USD’s operations generated $207.0 million in direct economic impact, $60.1 million in indirect economic impact, and $117.1 million in induced economic impact.

**Student Spending Contribution**

USD students contributed a total of $81.2 million to the state’s economy in FY 19 as a result of their spending. They generated $53.7 million in direct economic impact, $14.1 million in indirect economic impact, and $13.4 million in induced economic impact.

**Visitor Spending Contribution**

Visitor spending contributed a total of $13.4 million. Visitors to USD generated $8.1 million in direct economic impact, $2.8 million in indirect economic impact, and $2.5 million in induced economic impact.
USD’s Combined Economic Impact (FY 19)

$384,250,018
Total operations spending
- Direct Spending: $207,049,861
- Indirect Spending: $60,116,570
- Induced Spending: $117,083,587

$81,210,505
Total student spending
- Direct Spending: $53,660,030
- Indirect Spending: $14,144,286
- Induced Spending: $13,406,189

$13,425,389
Total visitor spending
- Direct Spending: $8,143,674
- Indirect Spending: $2,805,207
- Induced Spending: $2,476,508

$478,885,912
Total combined economic impact
- Total Direct Spending: $268,853,565
- Total Indirect Spending: $77,066,063
- Total Induced Spending: $132,966,284

Source: Parker Philips using IMPLAN with data from SDBOR and USD
Creating & Sustaining Jobs Throughout South Dakota

USD supports a total of 3,368 full- and part-time jobs throughout the state. Beyond the direct jobs at the university, indirect and induced jobs include construction for campus projects, retail, restaurants, daycare, real estate, and banking — to name a few.

Jobs Generated by University Operations
USD operations supported and sustained a total of 2,537 jobs: 1,410 direct jobs, 353 indirect jobs, and 774 induced jobs.

Jobs Generated by Student Spending
Students from USD supported and sustained a total of 706 jobs as a result of their spending: 539 direct jobs, 78 indirect jobs, and 89 induced jobs.

Jobs Generated by Visitor Spending
Visitors to USD supported and sustained a total of 125 jobs as a result of their spending: 91 direct jobs, 18 indirect jobs, and 16 induced jobs.

Based on analysis by industry sectors, other jobs supported by the university’s economy outside of the higher-education and healthcare sectors include jobs in real estate, retail, and services (e.g., restaurants, child-care centers, and entertainment).

University of South Dakota (USD) Employment Contribution (Jobs, FY 19)

<table>
<thead>
<tr>
<th>Jobs Generated (Operations)</th>
<th>Direct Contribution</th>
<th>Indirect Contribution</th>
<th>Induced Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,537 jobs</td>
<td>1,410</td>
<td>353</td>
<td>774</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Jobs Generated (Students)</th>
<th>Direct Contribution</th>
<th>Indirect Contribution</th>
<th>Induced Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>706 jobs</td>
<td>539</td>
<td>78</td>
<td>89</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Jobs Generated (Visitors)</th>
<th>Direct Contribution</th>
<th>Indirect Contribution</th>
<th>Induced Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>125 jobs</td>
<td>91</td>
<td>18</td>
<td>16</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Combined Jobs</th>
<th>Direct Contribution</th>
<th>Total Indirect Contribution</th>
<th>Total Induced Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,368 jobs</td>
<td>2,040</td>
<td>449</td>
<td>879</td>
</tr>
</tbody>
</table>

Source: Parker Philips using IMPLAN with data from SDBOR and USD
USD’s employees, suppliers, and related constituencies contribute to the local and statewide tax bases. In FY 19, the university contributed an estimated $18.7 million ($10.2 million direct and $8.5 indirect and induced) through local spending (operational, capital, students, and visitors) as well as direct and indirect support of jobs. At the state and local levels, USD contributes to the tax bases through its purchasing. Specific taxes include employee and employer contributions to state and local social-insurance funds, sales and use taxes, personal property taxes, taxes paid on motor-vehicle licenses, and payments of fines and fees.

### University of South Dakota State and Local Tax Impacts (FY 19)

<table>
<thead>
<tr>
<th></th>
<th>SUB COUNTY GENERAL</th>
<th>SUB COUNTY SPECIAL DISTRICTS</th>
<th>COUNTY</th>
<th>STATE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DIRECT</strong></td>
<td>$1,952,504</td>
<td>$2,236,286</td>
<td>$907,094</td>
<td>$5,145,005</td>
<td>$10,240,889</td>
</tr>
<tr>
<td><strong>INDIRECT</strong></td>
<td>$472,778</td>
<td>$543,035</td>
<td>$215,614</td>
<td>$1,195,418</td>
<td>$2,426,845</td>
</tr>
<tr>
<td><strong>INDUCED</strong></td>
<td>$1,179,594</td>
<td>$1,355,147</td>
<td>$537,322</td>
<td>$2,953,755</td>
<td>$6,025,818</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$3,604,876</td>
<td>$4,134,468</td>
<td>$1,660,030</td>
<td>$9,294,178</td>
<td>$18,693,552</td>
</tr>
</tbody>
</table>

Source: Parker Philips using IMPLAN with data from SDBOR and USD
The Sanford School of Medicine (SSOM) offers exceptional training across four hospital systems in the state as well as in numerous clinics throughout the state. There are 6 residencies and 4 fellowships in Sioux Falls that are affiliated with Family Medicine programs in Sioux Falls and Rapid City. The SSOM also has the statewide Center for Rural Health and the School of Health Sciences houses the Center for the Prevention of Child Maltreatment.

---

**280**
Sanford School of Medicine Students with a class size of 70

**25% Matched**
to a South Dakota residency program

**85.1%**
medical students are from South Dakota (2018-19)
Ranked 8 of 50

**76.8%**
students retained in SD that did both MD and residency in SD.
Ranked 8 of 50

**46.1%**
SD residents retained in SD after residency
Ranked 20 of 50

**41.5%**
SD MD graduates are retained in SD after residency - regardless of where residency was conducted.
Ranked 21 of 50

---

**4 Fellowship Programs**

Cardiovascular Disease
Child & Adolescent Psychiatry
Geriatrics
Interventional Cardiology

---

**6 Residency Programs**

Family Medicine Sioux Falls
Family Medicine Rapid City
Internal Medicine
General Surgery
Pathology
Pediatrics
Psychiatry
Transitional Year

---

Based on MD graduates between Academic Year 2006-2007 and Academic Year 2010-2011

**99th percentile**
graduates practicing in Rural Areas (20% of our grads)

**76th percentile**
graduates practicing in Primary Care (23.3% of our grads)

Based on Graduate Medical Education/Residents between Academic Year 2012-2013 and Academic Year 14-15

**91st percentile**
Training in Family Medicine (15.1% of those in training)

**72nd percentile**
Training in Primary Care (26.4% of those in training)
“Healthcare deserts” — areas that lack basic access to adequate medical care — exist in most parts of South Dakota. According to the South Dakota Department of Health, healthcare deserts exist in 52 of the state’s 66 counties in 2021. Lack of access to mental healthcare is even more acute, existing in 60 counties. Whether due to a shortage of primary care physicians or nurses, the absence of hospitals and trauma centers within a reasonable driving distance or a lack of internet to access telemedicine, many South Dakotans struggle to address their medical needs. As a result, the physical and economic well-being of rural communities are at risk.

The University of South Dakota’s Sanford School of Medicine has been nationally recognized for its sustained efforts to fill these gaps. In 2017, the school received the highest honor conferred upon medical schools by the Association of American Medical Colleges, the Spencer Foreman Award for Outstanding Community Service. The award recognizes schools with a long-standing commitment to partnering with communities to meet medical needs. USD’s medical school stood out largely because of its reach statewide, with students spreading out across the state to learn, work, and serve in both cities and rural communities across South Dakota.

These students are supported by programs like Frontier and Rural Medicine, or FARM, which pairs medical students with family physicians in rural communities such as Milbank, Parkston, Winner, and Pierre. FARM helps students learn what it’s like to work and thrive in small-town clinics and hospitals.

Dr. Matthew Owens, a 1993 graduate of USD Sanford School of Medicine who is board certified in family medicine and operates a rural practice in Redfield, SD, is making an impact by serving a community of about 2,200 residents in the northeast quadrant of the state. He joins four other USD Sanford School of Medicine MD graduates practicing in a small 17-bed hospital attached to a rural health clinic. “I don’t think you’re going to recruit a lot of physicians into rural South Dakota from outside the state. USD Sanford School of Medicine drives rural healthcare in South Dakota and makes our small communities strong,” says Owens. This healthcare system is a major economic engine of the area, employing 129 healthcare professionals ranging from speech therapists to nurses and hospital administrators to cleaning crews.
Knudson School of Law

Established in 1901 and approved since 1923, the University of South Dakota Knudson School of Law is accredited by the Council of the Section of Legal Education and Admissions to the Bar of the American Bar Association in Chicago, IL. It has also been a member of the Association of American Law Schools since 1907. The Law School combines a practical curriculum with a uniquely personal and engaging learning environment. With strong job placement rates and affordable tuition, students maximize their return on investment. Knudson School students are an integral part of South Dakota, and their graduates stay in the state to practice their craft.

“We do something fundamental — provide leaders to communities across the state.”

Neil Fulton
Dean of USD Knudson School of Law

Case Study:

PROJECT RURAL PRACTICE — STRENGTHENING SMALL TOWNS AND REGIONAL HUBS WITH MAIN STREET LAWYERS

Most lawyers in South Dakota live and practice in the state’s big towns and cities. But South Dakota’s vast geography is dotted with rural communities that are connected by regional hubs — the small and mid-size towns that provide a range of professional services within a reasonable driving distance.

These communities need lawyers too. Without them, many South Dakotans would lack access to legal guidance needed to incorporate a new small business, draft a will to protect the family farm, manage a divorce, or staff local courthouses. Lawyers in smaller communities provide outsized leadership by serving on the boards of schools, hospitals, and libraries. Increasingly, South Dakota’s small-town Main Streets need small-town Main Street lawyers.

To address this challenge, in 2013 the South Dakota State Bar launched Project Rural Practice, a first-of-its kind effort to incentivize and support newly minted lawyers to practice in the state’s small towns and regional hubs. The University of South Dakota has been instrumental in this program, leading the way in recruiting, preparing, and supporting graduates of its law school as they seek to give back to rural communities.

USD graduates participating in Project Rural Practice are woven into the fabric of these towns — they practice law, open small businesses such as real estate agencies and hardware stores, raise their families, and enroll their children in local schools. Through Project Rural Practice, USJ, the State Bar Association, and USD is keeping homegrown talent in the state and strengthening South Dakota’s small towns and regional hubs.
As the leading business school in the state and in the region, this AACSB accredited business school continuously seeks to identify ways to prepare its students and benefit the South Dakota economy. With the launch of BEST-Sioux Falls and the Coyote Business Consulting Group, the students of USD’s Beacom School of Business are making a difference for businesses in South Dakota while learning on the job.

Coyote Business Consulting Group is a student-centered initiative at the USD Beacom School of Business designed to help businesses stay competitive in the state of South Dakota and throughout the region. The program enables student-teams, with the guidance of faculty advisors, to help businesses solve a critical problem for their organization. Coyote Business Consulting Group is intended to be mutually beneficial for both the students and the businesses. The consulting service will be offered at no charge to businesses and students will have the opportunity to receive academic credits, financial support, and real-world experience. This program is available to all businesses, but a special emphasis will be placed on small businesses, as they are the backbone of the economy.

In the first two rounds of engagement, Coyote Business Consulting has helped 56 small businesses in South Dakota with value-added contributions towards their business survival and growth. 112 students were engaged in the first two rounds of engagement. 60% of the small businesses served are located in rural communities in the state.

BEST-Sioux Falls is a student-centered, project-based engagement with Sioux Falls businesses with the goal of developing a healthy pipeline of talented business professionals for career opportunities with the businesses in Sioux Falls. The program is aimed at providing business students with experience in solving real-world business problems. The University of South Dakota Beacom School of Business is the leading business school in the state and in the region. Students are prepared to pursue careers in business and trained with a rigorous curriculum, cutting-edge technology, and mentored by our team of highly talented and dedicated faculty. In its first round of engagement, BEST-Sioux Falls has assisted 11 organizations on high-impact projects, engaging 25 business students.
USD’s School of Education and Pathways Program

The USD School of Education prepares professionals both inside and outside the classroom to provide a comprehensive learning experience, promote, lifelong learning, and develop professionals grounded in best practices of the profession. USD’s research and practitioner-based programs train future educators, counselors, leaders, and fitness and sport-related professionals for successful careers.

Most areas of South Dakota have experienced or expect a scarcity of qualified teachers and the pool of qualified candidates is dwindling. According to Title II reports, from 2008 to 2017, the number of traditionally-trained teachers entering the job market dropped by 6% in South Dakota. The result is that students are taught by teachers without training in the content area or who are not certified to teach.

The University of South Dakota’s School of Education has developed innovative programs to address this need. The Teacher Pathway program in Sioux Falls, the state’s largest school district, identifies high school students who exhibit qualities of outstanding teachers. USD tore down barriers for these students to register for high school English or history classes concurrently with college Foundations of American Education and Field Experience courses. While still in high school, these students learn about the profession of teaching and gain experience as teachers in K-12 classrooms working with younger students. They can then transition to USD through one of two paths: (1) traditional path at USD’s main campus or (2) a new option through Community College of Sioux Falls (CCSF). At CCSF, they can earn an Associate’s Degree in two years, then transition to USD main campus for their third year methods classes. Students on both paths return to Sioux Falls for their fourth year residency (student teaching). The school district has guaranteed Pathway students a job in the school district upon graduation and certification.

The program partnership started so successfully that they quickly expanded to a second career program to train professionals looking to start a second career as a teacher. They are currently in the process of further expanding to advance educational possibilities for paraprofessionals to become certified as classroom teachers. These innovative programs in partnership with the school district will greatly increase the number of highly qualified teachers in the Sioux Falls area.

Since its inception on Fall 2019, 186 high school students have taken the pathway courses for college credit. Of those, 51 have enrolled at USD main campus and 40 of those majored in education. The CCSF path is very new, but 11 students have enrolled and 6 of those have indicated an interest in education. In Fall 2021, the USD School of Education began expansion of the pathway program to rural areas. In partnership with the CORE Ed Cooperative in the Platte area, they developed a program that could reach multiple schools in highly rural South Dakota. The Platte program is interesting because it utilizes DIAL (Dakota Interactive Academic Link, https://www.dialsd.net/about), which provides high quality online 6-12 course options to South Dakota schools to deliver the coursework that would count both for high school and college credit.
USD Research

The University of South Dakota is a place of innovation and discovery, with research opportunities available in all disciplines for individuals and multidisciplinary competitive research centers that foster academic excellence and spur economic growth. USD performs research in biomedicine, physics and dark matter, chemistry, biology, bioinformatics and computation, media/marketing, humanities, social sciences, and politics and governance.

Some examples of research activity at USD from National Science Foundation (NSF) competitively awarded grants — which are new, fresh federal dollars drawn into the state — include:

USD biomedical engineering professors received an NSF grant to better understand and treat cardiovascular disease, a leading cause of death in the United States.

USD’s Office of Research received a grant from the Economic Development Administration to establish the Technology Readiness Acceleration Center (TRAC), which pairs students with faculty inventors to commercialize novel research technologies.

USD biology received a National Institutes of Health grant to study the link between fetal alcohol exposure and social behavior deficits.

In FY 19 research expenditures at USD generated $42.8 million in economic impact, supported 247 jobs, and generated $906,096 in local and state tax revenue.

USD Research Impacts (FY 19)

<table>
<thead>
<tr>
<th></th>
<th>Employment (Jobs)</th>
<th>Economic Output</th>
<th>State &amp; Local Tax Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>131</td>
<td>$24,221,470</td>
<td>$283,706</td>
</tr>
<tr>
<td>Indirect</td>
<td>62</td>
<td>$10,412,855</td>
<td>$253,281</td>
</tr>
<tr>
<td>Induced</td>
<td>54</td>
<td>$8,146,329</td>
<td>$369,109</td>
</tr>
<tr>
<td>Total</td>
<td>247</td>
<td>$42,780,654</td>
<td>$906,096</td>
</tr>
</tbody>
</table>

Source: SDBOR with analysis by Parker Philips, Inc.

Research commercialization activity at USD in FY 19 resulted in 4 invention disclosures, 2 patents issued, and 2 signed licensing agreements.

USD Research Commercialization Activity

<table>
<thead>
<tr>
<th></th>
<th>Patents Filed</th>
<th>Patents Issued</th>
<th>License Agreements Signed</th>
<th>License Agreements Signed with Start-ups</th>
<th>Invention Disclosures Coming from Research</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 17</td>
<td>5</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>6</td>
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<tr>
<td>FY 18</td>
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<td>5</td>
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<td>6</td>
</tr>
<tr>
<td>FY 19</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>FY 20</td>
<td>9</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>13</td>
</tr>
<tr>
<td>FY 21</td>
<td>7</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>15</td>
<td>15</td>
<td>7</td>
<td>33</td>
</tr>
</tbody>
</table>

Source: SDBOR and USD
Last year, 2,145 students graduated from USD. Thanks to partnerships with local employers, USD has built an intentional pipeline to jobs across the state and a strong demand for talent and graduates at businesses big and small. Fifty-four percent of USD graduates plant their roots in South Dakota, contributing their talents to the state and making a positive economic impact after graduation. The direct impact of the total average wage earned by undergraduate and graduate alumni of USD currently living and working on the economy over a 40-year career totals $94.6 billion.

The earnings of the 32,690 undergraduate and graduate degree recipients from USD over the course of their 40-year careers will total $93.6 billion, support and sustain a cumulative total of 622,116 jobs, and generate $4.2 billion in fiscal impacts at the local, state, and federal levels.
The USD Coyotes (/ˈkɑːɪənts/) are the pride of Vermillion, South Dakota. The achievements of USD athletes in the classroom and on the playing field are impressive. The impact of athletics is felt across the community and on campus.

<table>
<thead>
<tr>
<th>#GoYotes</th>
<th>18</th>
<th>DIVISION I MEN’S AND WOMEN’S SPORTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12</td>
<td>SPORTS IN THE SUMMIT LEAGUE, INCLUDING BASKETBALL, SWIMMING AND DIVING, GOLF, AND SOCCER.</td>
</tr>
<tr>
<td></td>
<td>22</td>
<td>NATIONAL INDIVIDUAL CHAMPIONS</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>NATIONAL CHAMPIONSHIP TEAMS</td>
</tr>
<tr>
<td></td>
<td>113</td>
<td>CONFERENCE CHAMPIONS</td>
</tr>
<tr>
<td></td>
<td>70%</td>
<td>OF STUDENT-ATHLETES AT USD ARE ACADEMIC HONOR ROLL STUDENTS</td>
</tr>
</tbody>
</table>

Football Team Plays in the Missouri Valley Football Conference

USD Football Team Has Beaten a Nationally Ranked Team Every Year Since 2013

In the 2020 Olympics, Chris Nilson, a 2020 Graduate of USD, Won the Silver Medal in the Men’s Pole Vault, Clearing 19-7 — The Highest An American Has Jumped in Olympic History
USD is an integral part of Vermillion — providing access to amenities that are not available elsewhere in the small town. For example, community members can join the Wellness Center to practice rock-climbing on the 38-foot climbing wall. The community and students also have access to the racquetball court, fitness classes, cycling classes, and the Dakota Dome pool for swimming laps and lessons.

The National Music Museum is a nonprofit that partners closely with University of South Dakota. On the campus in Vermillion, the museum is overseen by a board of trustees and staffed by members of the University of South Dakota’s Music Department. Access to the historical and archival information in the museum is a key to graduate education in music at the university — which offers the only master’s degree in music in South Dakota and the only graduate degree in the history of musical instruments in the country. With the renovations and the new Janet L. Wanzek Performance Hall, students can perform with the Chamber Orchestra or attend a performance right on campus.

The Vermillion community benefits from USD faculty, staff, and students. Based upon assumptions derived from the U.S. Census Bureau and the Points of Light Foundation regarding donation amounts and volunteerism rates by age, income level, and employment status, it is estimated that staff, faculty, and students give nearly $1.1 million annually in charitable donations and volunteer for nearly 160,000 hours, valued at $3.8 million. In FY 19, the combined impact of charitable giving and volunteerism totaled $4.8 million. These benefits were in addition to the $478.9 million annual economic impact.

**Charitable Giving and Volunteer Impact of USD**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff and Faculty Charitable Giving</td>
<td>$724,727</td>
</tr>
<tr>
<td>Student Charitable Giving</td>
<td>$369,520</td>
</tr>
<tr>
<td>Total Charitable Giving</td>
<td>$1,094,247</td>
</tr>
<tr>
<td>Staff and Faculty Volunteerism Hours</td>
<td>19,562</td>
</tr>
<tr>
<td>Student Volunteerism Hours</td>
<td>138,682</td>
</tr>
<tr>
<td>Total Volunteerism Hours</td>
<td>158,244</td>
</tr>
<tr>
<td>Value of Staff and Faculty Volunteerism Hours</td>
<td>$460,871</td>
</tr>
<tr>
<td>Value of Student Volunteerism Hours</td>
<td>$3,267,338</td>
</tr>
<tr>
<td>Total Value Volunteerism Hours</td>
<td>$3,728,209</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$4,822,456</td>
</tr>
</tbody>
</table>
Conclusion

The University of South Dakota educates the leaders of tomorrow. Generating over $478 million in economic impact annually, USD is just the oldest liberal arts university in the state, and is for the largest employer in the Vermillion area. From doctors, CEOs, and lawyers to musicians and journalists, USD graduates will contribute almost $100 billion to South Dakota over the course of their careers. USD offers accessibility for South Dakota’s sons and daughters and is a catalyst for changing lives and communities across the state.
## Appendix A: Terms & Definitions

<table>
<thead>
<tr>
<th><strong>Study Year</strong></th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dollar Year</strong></td>
<td>Presented in 2019 dollars</td>
</tr>
<tr>
<td><strong>Total Economic Output/ Economic Impact</strong></td>
<td>Includes organizational spending on operations, capital expenditures, labor income expenditures, and value added to the economy as a result of expenditures made by an organization. It is the combined impact of direct, indirect, and induced impacts.</td>
</tr>
<tr>
<td><strong>Direct Economic Impact</strong></td>
<td>All direct expenditures made by an organization due to its operating expenditures. These include operating expenditures, capital expenditures, and pay and benefits expenditures.</td>
</tr>
<tr>
<td><strong>Indirect Economic Impact</strong></td>
<td>The indirect impact includes the impact of local industries buying goods and services from other local industries. The cycle of spending works its way backward through the supply chain until all money is spent outside of the local economy, either through imports or by payments to value added (multiplier effect).</td>
</tr>
<tr>
<td><strong>Induced Economic Impact</strong></td>
<td>The response by an economy to an initial change (direct effect) that occurs through re-spending of income received by a component of value added. IMPLAN's default multiplier recognizes that labor income (employee compensation and proprietor income components of value added) is not lost to the regional economy. This money is recirculated through household spending patterns causing further local economic activity (multiplier effect).</td>
</tr>
<tr>
<td><strong>Multiplier Effect</strong></td>
<td>The multiplier effect is the additional economic impact created as a result of the organization’s direct economic impact. Local companies that provide goods and services to an organization increase their purchasing by creating a multiplier (indirect/supply-chain impacts). Household spending generated by employees of the organization and the organization’s suppliers create a third wave of multiplier impact (induced/household-spending impacts).</td>
</tr>
<tr>
<td><strong>Government Revenue/ State and Local Tax Impact</strong></td>
<td>Government revenue or tax revenue that is collected by governmental units at the state and local levels in addition to those paid directly by an organization. This impact includes taxes paid directly by the organization itself, employees of the organization, and vendors who sell products to the organization and at the household level.</td>
</tr>
<tr>
<td><strong>Direct Employment</strong></td>
<td>Total number of employees, both full-time and part-time, at the organization based on total jobs, not FTEs.</td>
</tr>
<tr>
<td><strong>Indirect Employment</strong></td>
<td>Additional jobs created as a result of an organization’s economic impact. Local companies or vendors that provide goods and services to an organization increase their number of employees as purchasing increases, thus creating an employment multiplier.</td>
</tr>
<tr>
<td><strong>Induced Employment</strong></td>
<td>Additional jobs created as a result of household spending by employees of an organization and the employees of vendors. This is another wave of the employment multiplier.</td>
</tr>
</tbody>
</table>
Appendix B: Data & Methods

Data used to complete the contribution analysis was provided by the South Dakota Board of Regents and the university. Data supplied included operating expenditures, capital spending, pay and benefits, and total employees. Primary and secondary data was used to complete the input-output models in IMPLAN. The study approach and economic-impact findings are a conservative estimate of impact and are based on actual financial information. The study is a snapshot of the economic impact of the university.

OVERVIEW AND THE IMPLAN MODEL

The most common and widely accepted methodology for measuring the economic impacts of economic sectors is input-output (I-O) analysis. At its core, an I-O analysis is a table that records the flow of resources to and from companies/organizations and individuals within a region at a given time. For a specified region such as a state of the nation, the input-output table accounts for all dollar flows among different sectors of the economy in a given period. With this information, a model can then follow how a dollar added into one sector is spent and re-spent in other sectors of the economy, generating outgoing ripples of subsequent economic activity. This chain of economic activity generated by one event is called the “economic multiplier” effect.

The primary tool used in the performance of this study is the I-O model and dataset developed and maintained by IMPLAN Group LLC (formerly Minnesota IMPLAN Group Inc.). IMPLAN is a widely accepted and used software model first developed by the U.S. Forest Service in 1972. Data used in the baseline IMPLAN model and data set come largely from federal-government databases. The input-output tables themselves come from the Bureau of Economic Analysis. Much of the annual data on labor, wages, final demand, and other market data comes from the Bureau of Labor Statistics, the U.S. Census Bureau, and other government sources.

Government agencies, companies, and researchers use IMPLAN to estimate the economic activities associated with spending in a particular industry or on a particular project. The IMPLAN model extends conventional I-O modeling to include the economic relationships among government, industry, and household sectors, allowing IMPLAN to model transfer payments such as taxes. Producers of goods and services must secure labor, raw materials, and other services to produce their product. The resources transferred to the owners of that labor or those raw materials and services are then spent to secure additional goods and services or inputs to the products they sell. For example, an organization in a region may develop a company that produces tractors with a value of $1 million. However, to produce that product, they may be required to spend $500,000 in wages and benefits, $200,000 to suppliers of tractor parts, $100,000 for electricity, $50,000 for transportation of goods and raw materials to and from the plant, and $50,000 in various professional services associated with operating a business (e.g., attorneys and accountants). The suppliers will, in turn, spend those resources on labor and raw materials necessary to produce tractors. Workers and the owners of the company will buy goods and services from other firms in the area (e.g., restaurants and gas stations) and pay taxes. The suppliers, employees, and owners of this second tier will, in turn, spend those resources on other goods and services whether within the study region or elsewhere. The cycle continues until all of the money leaves the region.
IMPLAN METHODOLOGY

The model uses national production functions for over 536 industries to determine how an industry spends its operating receipts to produce its commodities. These production functions are derived from U.S. Census Bureau data. IMPLAN couples the national production functions with a variety of county-level economic data to determine the impacts at a state and congressional-district level. IMPLAN collects data from a variety of economic data sources to generate average output, employment, and productivity for each industry in a given county. IMPLAN combines this data to generate a series of economic multipliers for the study area. The multiplier measures the amount of total economic activity generated by a specific industry's spending an additional dollar in the study area. Based on these multipliers, IMPLAN generates a series of tables to show the economic event’s direct, indirect, and induced impacts to gross receipts, or output, within each of the model’s more than 536 industries.

The model calculates three types of effects: direct, indirect, and induced. The economic impact of USD is the sum of these three effects.

CONSIDERATIONS CONCERNING IMPLAN

There are three important points about the use of IMPLAN (or any other input-output model):

It is a fixed-price model. The model assumes that changes in consumption are not limited by capacity and do not affect prices. This assumption does not cause a problem for the analysis presented here because we are taking a snapshot of South Dakota in a specific year.

As in many studies using this type of model, the direct impacts are not calculated by the model; they are a reflection of actual spending levels and patterns created by South Dakota. Changing the level of direct spending allows us to calculate the magnitude of the indirect and induced effects associated with the initial level of spending.

Because the model continues to calculate additional spending until all of the money leaves the region (i.e., “leakage”), the larger and more economically diverse the region, the longer it will take for spending to leave the region and the larger the impact is likely to be. For example, employees of South Dakota may spend some amount of their income on buying a car. If there are no car manufacturers in their state or county, this spending will leave the region and the multiplier effect will stop. At the national level, some portion of that same spending by that same individual may go to a national auto producer. That spending would lead to more spending at the national level than would be captured by a more regional model. The national impact will be larger than the sum in the individual states, and the individual state impact will be larger than the sum of the impacts in its congressional districts.
Appendix C: FAQs

WHAT IS AN ECONOMIC-CONTRIBUTION ANALYSIS?

Technically, this study is a contribution analysis. The study quantifies the economic contribution of the university in terms of economic impact, jobs, and local and state tax revenue. The study calculates how spending by employees, visitors, and students contributes to the economy of South Dakota and beyond. It examines how expenditures create additional impact in the economy directly and through the multiplier.

For the purposes of this study, an economic contribution is defined as the gross changes in South Dakota’s existing economy that can be attributed to the universities. Contribution analysis is a descriptive analysis that tracks gross economic activity: how spending by the university and its constituencies cycles dollars through the economy. The university’s economic-contribution analysis does not consider how spending at this university may crowd out spending at another college or university within the state. This type of analysis is one of the most common that is performed and is often mislabeled as an economic-impact study. Please note that while the terms used to express the contribution of South Dakota to the statewide economy are referred to as economic impact, this is a contribution analysis.

Spending by students, staff, and faculty who are explicitly participating in activities associated with South Dakota's output represents a “stemming-from effect” and could also be considered a direct effect of the higher-education industry. For example, a student who attends classes and spends $10 on lunch at a local restaurant is a stemming-from effect of the university. This contribution analysis then follows the direct economic activity and associated stemming-from effects through the economy, with the output of each sector broken down and attributed to expenditures on intermediate inputs or to value-added components such as labor, taxes, and returns to capital. Output multipliers, which are sector- and region-specific, are derived from the appropriate model and relate an industry's economic activity (or changes in the industry's economic activity) to gross sales in the other sectors of the regional economy.

The contribution analysis does not account for the fact that if a student attending class were a local resident, then the $10 they spent on lunch potentially represents $10 they are not spending at another restaurant elsewhere in town. The direct effect in a contribution analysis includes purchases by students from in and out of state and is neither a measure of changes to the state’s economic base nor a measure of the value added to the region above what was paid to input suppliers.

WHAT SHOULD YOU REMEMBER ABOUT THE STUDY WHEN YOU READ IT?

- It is a point-in-time calculation of impact for FY 19.
- It quantifies the amount of impact that the universities produce each year.
- The economic numbers can fluctuate from year to year based on operational spending, capital spending, pay and benefits, number of employees, number of students, and state appropriation.
- This is an economic-contribution analysis that casts a broader net to calculate impact than an economic-impact study.
- These are conservative numbers and adhere to industry-respected protocols.
WHAT METHODOLOGY WAS USED TO COMPLETE THIS STUDY?

IMPLAN data and software were used to conduct this economic-contribution analysis. The IMPLAN database is built using county, state, ZIP code, and federal economic statistics that are specialized by region, not estimated from national averages, to measure the contribution or impact of an organization’s economic activity.

WHAT WERE THE MULTIPLIERS FOR THIS STUDY?

The multipliers used in this study range from 1.8 to 2.1. The multipliers are derived through the input-output models created using the IMPLAN software based upon industries selected during the modeling process.

WHAT DATA DOES THIS STUDY USE TO CALCULATE THE ECONOMIC IMPACT?

Primary data used in this analysis is for FY 19 and was obtained from the South Dakota Board of Regents and the university.

Data addresses the following subjects:
- Operating expenditures.
- Capital expenditures.
- Pay and benefits by employee type.
- Number and types of students (all in-state and out-of-state students included).
- Athletics.
- Volunteerism.
- Charitable giving.
- Alumni data.

Secondary data was used to estimate the following:
- Student spending habits based on the universities’ budgets for spending (full- and part-time undergraduate and graduate students, excluding tuition and fees).
- Visitor numbers and visitor spending habits (day and overnight visitors).

WHAT ARE THE COMMUNITY-BENEFIT IMPACTS BASED UPON?

Charitable-giving impacts are based upon assumptions found in the U.S. Census donor data. These models do not assume a 100% participation rate for staff, faculty, and students and are not based on averages. Some colleges and universities had primary data available on volunteerism, and in those cases actual hours were used in the calculation. For the purposes of this study, it is assumed that 24.9% of staff and faculty donate an average of $2,064 annually and 14.9% of students donate an average of $250 each year.

Volunteer impacts are based upon assumptions found in the U.S. Census, and the value of a volunteer hour was obtained from the Points of Light Foundation and is estimated at $23.56 per hour.
WHY DID THE SDBOR COMMISSION A STUDY?

The SDBOR commissioned the analysis to quantify the impact of all six public higher education institutions in its system. SDBOR and the university have a number of helpful tools to explain the value proposition for supporting higher education; this independent study is one way to help explain its worth. In trying to explain the value of South Dakota public higher education to internal and external constituents, it is important to quantify the workforce and economic gains realized throughout the state. There are many ways to view the impact and value of a university and university system — economic impact is one.

WHY DOES THIS STUDY LOOK DIFFERENT FROM OTHERS WE HAVE SEEN PUBLISHED?

The veracity of the data and methodology are consistent with industry-standard protocols for conducting an effective economic-impact study that is conservative. The data is an independent assessment of the university’s contribution to the overall economy — the numbers drive the message, not the other way around. The report is designed to make the data analysis accessible to all readers.