

# LINDENWOOD

LINDENWOOD UNIVERSITY    BELLEVILLE, ILLINOIS

## ECONOMIC IMPACT STUDY 2014



2600 West Main Street • Belleville, Illinois 62226 • (618) 239-6000

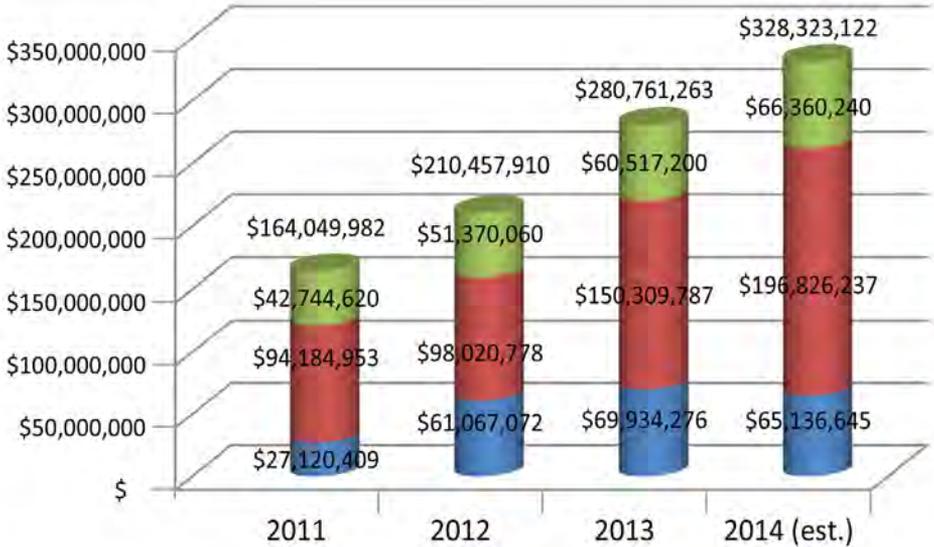
**[belleville.lindenwood.edu](http://belleville.lindenwood.edu)**

One Student\* = **\$156,623**

One Job\* = **\$521,313**

One Dollar = **\$8.70**

## ANNUAL ECONOMIC IMPACT



Total Economic Impact



Student Spending



Variable Outlays



Capital Outlays

**Four Year Economic Impact \$993,592,277**

The value of a college degree

**ONE LIFE CHANGED FOREVER.**

The value of one job created

**ONE FAMILY CHANGED FOREVER.**

The value of a renewed neighborhood

**ONE COMMUNITY CHANGED FOREVER.**

\* Based on 2013 data



## INTRODUCTION

The City of Belleville, Illinois, and Lindenwood University entered into a remarkable relationship in 2003. Lindenwood University agreed to open an extension center on the site of the old Belleville West High School (now a full-service campus), and Belleville agreed to support the University in its efforts to grow and improve the community. This partnership allowed Lindenwood University to expand its educational footprint and afforded the western edge of Belleville a transformational opportunity. More importantly for the neighborhood, the partnership offered hope, jobs, and a renewed sense of direction.

This study will briefly detail the economic and social impact that Lindenwood University has had on Belleville, and articulate the continued and growing value of Lindenwood University on the economy, the community, and the lives of people in the Belleville area (and beyond).

Some of the more obvious benefits of Lindenwood University's arrival in Belleville are new and better jobs, direct and indirect business growth, new and increased tax revenues, and reduced crime. These are only a handful of the positive externalities that arise with the creation or expansion of an educational institution. Although this study seeks to quantify these dollar value impacts, it's important to remember the primary purpose and mission of the University: to educate and prepare its students to be productive members of society and to develop a high-quality and competitive workforce.

This study is intended to be conducted on a continued basis with more depth added for each new study. Lindenwood University is proud of the Belleville partnership and especially proud of what has been accomplished in the last 10 years on the Lindenwood University campus and in the surrounding neighborhoods. This study will articulate that impact.



## ECONOMIC IMPACT

An economic multiplier is an adjustment for the expected number of times a dollar will circulate through an economy within a calendar year.

The “Multiplier Effect” is a common method used by economists as they articulate the normal spending patterns of consumers. In essence, the “Multiplier Effect” posits that dollars infused in the economy are used again and again by subsequent consumers (including government entities). By placing (spending) one dollar in the economy, the effect is multiplied by others as they receive and, in turn, spend the dollars. The specific multiplying number is calculated by the Federal Reserve on a yearly basis. This study has incorporated the Federal Reserve’s calculated “Multiplier Effect” for the final impact numbers.

The economic impact of Lindenwood University consists of three categories of spending:

1. Capital Outlays
2. Variable Outlays
3. Student Spending



Capital Outlays represent spending on long term assets, such as buildings (new and renovated), infrastructure, furnishings, etc. The total economic impact of Lindenwood University-Belleville’s capital outlays for the four-year period 2011- 2014 totals \$223,258,402.

Variable outlays represent spending on items such as personnel, utilities, insurance, rent, plant operation, etc. The total economic impact of Lindenwood University-Belleville’s variable outlays for the same four-year period totals \$539,341,755.



Students spend money in the community for transportation, entertainment, food, clothing, and other miscellaneous personal items. These expenditures create jobs and income for local businesses. The economic impact of Lindenwood student spending for the same four-year period totals \$220,992,120.

**The addition of these three categories of spending results in the total economic impact of Lindenwood University. For the four-year period 2011-2014, Lindenwood University-Belleuille's total economic impact was \$993,592,277.**

## THE SOCIETAL/COMMUNITY IMPACT

The value of one individual graduating with a degree is almost incalculable. An educated life is a changed life forever. Numerous research studies demonstrate that an educated individual lives a more constructive overall life, eats healthier, travels more, volunteers more, creates more jobs, is deterred from criminal activity, pays more taxes, and invests more in the community. An educated life opens doors to opportunities, adventures, people, and thoughts that are closed to many others.

This is true for the educated individual as well as for each succeeding generation of the graduate. Educated individuals improve the lives of their family and those around them. An educated individual is more tolerant and more creative and seeks to improve the lives of others.



An educated life is interested in others. Lindenwood-University Belleville is proud to report that 40 percent of the current freshman class are “first generation” college students, or the first in their family to attend college. Lindenwood University is changing lives on a daily basis, and the effect will be seen for generations to come.



Lindenwood University is also developing a globally educated workforce. Although Lindenwood Belleville is relatively new, approximately 850 students have graduated in the last three years. An estimated 150 more graduated in May 2014. These graduates are well prepared to influence the world, and their impact will be felt for years to come.

The value of one job created can be demonstrated in dollars, but the value of a job created is far more wide-reaching than that. Various studies have concluded that a job is the single most powerful factor for providing self-worth and creating a purpose in life and as a means of contributing to society. For many people, a job creates their image. No other factor is as important, or will have as great an impact on a person, as a job. Lindenwood University-Belleville has created over 75 jobs in the past four years.

A blighted community creates a nest of problems. Some of the obvious problems include increased crime, increased drug usage, lower tax values, increased fires and safety concerns, businesses moving to other locations, citizen flight, and many people not being served by society. The West End of Belleville was facing such a situation 10 years ago. With the city of Belleville as a partner, Lindenwood University has transformed a neighborhood that was in trouble. The transformation continues with expanding growth. Now a community exists that includes more culture (theatre, lectures, etc.), more activities (sports, a radio station, etc.), lower crime, increased tax values for properties, new businesses, increased diversity, new jobs, and a renewed sense of pride in the community.



The partnership of Lindenwood University and Belleville is clearly working, and the future is even brighter.

Lindenwood University has brought innovative programs to Belleville. One such program is Cops for Credit. This is a novel approach to offering individuals an opportunity to obtain college degrees by patrolling the university campus. This program has reduced campus crime to almost nil, while at the same time strengthening relationships with several law enforcement departments throughout the area (and graduating deserving individuals). There are several other unique programs offered by Lindenwood, as well as the hundreds and thousands of hours donated to the community in volunteer projects and work.

## CONCLUSION

Lindenwood University has had a very real and dramatic impact on Belleville. This is demonstrated by the economic (dollar) and societal (intangible) impact on the area, the students, the businesses, and the overall community. **The economic impact of Lindenwood University is over \$328 million in the last year alone, and the estimated impact of Lindenwood University is nearly \$1 billion in the last four years.**

In addition to the economic impact, Lindenwood University has transformed lives, increased and championed diversity, volunteered thousands of hours in the community, increased culture, provided numerous community activities, added jobs, increased property taxes, allowed new businesses to form and grow, increased safety and security, reduced criminal activities, and transformed a neighborhood and a community.

And this is only the beginning...

## == CALCULATIONS AND ASSUMPTIONS ==

**One Student** This number is based on the 2013 data as follows:

Tuition, Room, and Board .....	\$13,715
Fees.....	\$298
Books .....	\$1,500
Misc.....	\$2,500
(Everything else a student buys in the community)	
Total .....	\$18,013
times multiplier of 8.695 .....	\$156,623

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**One Job** This number is based on the 2013 data as follows:

Average full-time faculty salary.....	\$67,547
Average full-time staff salary.....	\$52,364
Average Job at Lindenwood.....	\$59,956
Times multiplier of 8.695 .....	\$521,313

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**One Dollar** To calculate a “Multiplier Effect,” a number called the velocity of money must be determined. This number is calculated and reported by the Federal Reserve Bank of the United States. The number used, 8.695, is the midpoint of the velocity values reported during the time period of the study (2011-2013; 8.816, 8.695, 8.012)

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**Annual Economic Impact** These numbers are based on the 2011 – 2014 (2014 numbers are estimated) data for the Belleville campus as follows:

Capital Outlays.....	From the 2011– 2014 budget reports
Variable Outlays.....	From the 2011– 2014 budget reports
	(Total Expenditures – Capital Expenditures)
Student Spending.....	\$4,000 This is the amount each student spends on books and miscellaneous items (an estimate of all the money an average student spends in the community for items such as food, gas, clothing, personal care, etc.)