



The Economic Value of the Southeast Missouri State University River Campus to the state of Missouri



SOUTHEAST MISSOURI STATE UNIVERSITY RIVER CAMPUS

(River Campus) creates value in many ways. The campus plays a key role in helping students increase their employability and achieve their individual potential. The campus draws visitors and students to the state, generating new dollars and opportunities for Missouri. The River Campus provides students with the education, training, and skills they need to have fulfilling and prosperous careers. Furthermore, the River Campus is a place for students to meet new people, increase their self-confidence, and promote their overall health and well-being.

The River Campus influences both the lives of its students and the state economy. The campus supports a variety of industries in Missouri, serves state businesses, and benefits society as a whole in Missouri from an expanded economy and improved quality of life. Additionally, the benefits created by River Campus extend to the state and local government through increased tax revenues and public sector savings.

This study measures the economic impacts created by River Campus on the business community and the benefits the campus generates in return for the investments made by its key stakeholder groups—students, taxpayers, and society. The following two analyses are presented:



Economic impact analysis



Investment analysis

Impacts on the Missouri economy are reported under the economic impact analysis and are measured in terms of added income. The returns on investment to students, taxpayers, and society in Missouri are reported under the investment analysis. All results reflect employee, student, and financial data, provided by the campus, for fiscal year (FY) 2019-20.



MISSOURI

The River Campus influences both the **lives of its students** and the **state economy**.



The River Campus promotes economic growth in Missouri through its direct expenditures and the resulting expenditures of visitors, students, and state businesses. The campus serves as an employer and buyer of goods and services for its day-to-day operations. The campus' reputation and activities attract visitors and students from outside Missouri, whose expenditures benefit state vendors. In addition, the River Campus is a primary source of higher education to Missouri residents and a supplier of trained workers to state industries, enhancing overall productivity in the state workforce.

Operations spending impact



The River Campus adds economic value to Missouri as an employer of state residents and a large-scale buyer of goods and services. In FY 2019-20, the campus employed 101 full-time and part-time faculty and staff, 95% of whom lived in Missouri. Total payroll at the River Campus was \$7 million, much of which was spent in the state for groceries, mortgage and rent payments, dining out, and other household expenses. In addition, the campus spent \$3.2 million on day-to-day expenses related to facilities, supplies, and professional services.

The River Campus' day-to-day operations spending added \$9 million in income to the state during the analysis year. This figure represents the campus' payroll, the multiplier effects generated by the in-state spending of the campus and its employees, and a downward adjustment to account for funding that the campus received from state sources. The \$9 million in added income is equivalent to supporting 121 jobs in the state.

Visitor spending impact



Thousands of visitors from outside the state were attracted to the River Campus during the analysis year to attend commencement, sports events, and other activities sponsored by the university. While in the state, visitors spent money for lodging, food, transportation, and other personal expenses. The off-campus expenditures of the campus' out-of-state visitors generated a net impact of \$428.5 thousand in added income for the state economy in FY 2019-20. This \$428.5 thousand in added income is equivalent to supporting 11 jobs.

IMPACTS CREATED BY THE RIVER CAMPUS IN FY 2019-20



Operations spending impact

\$9.0 million



Visitor spending impact

\$0.4 million



Student spending impact

\$2.4 million



Alumni impact

\$21.6 million



TOTAL ECONOMIC IMPACT

\$33.4 million

OR

Jobs supported

516

The River Campus serves the greater community

The students, faculty, and staff of the Holland College of Arts and Media serve the community and beyond in a variety of aspects. While attending the River Campus, all majors have opportunities to interact directly with the community through performances, art openings, filming, reporting, serving clients, festivals, and many other avenues. For example, the Summer Arts Festival in June attracts thousands of community members of all ages, economic backgrounds, and ethnicities. After graduation, they are ready to enter into the community and the workforce in a myriad of ways pertaining to their field of study. For example, media majors work at organizations responsible for distributing information via news networks or other media outlets. Media majors are the same individuals who report on national news topics and other pertinent issues, whether in front of a camera or behind the scenes production. Alumni have worked locally at KFVS, KBSI, River Radio, KGMO, and the Southeast Missourian, while others advanced to larger markets and wrote for newspapers such as the Washington Post. Many choose to work on movie, television productions, or other entertainment and information projects. River Campus alumni have worked for the Discovery

Channel, Hallmark, HLN, and major films and TV shows. Cedric the Entertainer is currently starring in *The Neighborhood*. Like mass media, theatre and dance alumni work in a variety of careers ranging from Norwegian Cruise Lines to Branson theatres. Graduates work around the world including New York City and Los Angeles. The same is true for art and design, and also music majors. Not only do alumni pursue careers in the arts, media, and education, but many continue their education in masters or doctoral degree programs. Holland College faculty and staff also work within local and regional communities in a number of ways. On the River Campus, the music academy teaches approximately 200 K-12 students each semester to play an instrument or do vocal performances. In addition to on campus, there are numerous community outreach activities each year. One example is percussion faculty and students offering drumming classes for an area lower income community action group. The River Campus is engaged with numerous local and regional schools and is partnering with a St. Louis charter school. These positive opportunities benefit both River Campus students and K-12 children and young adults.

Student spending impact



Around 26% degree-seeking students attending the River Campus originated from outside the state in FY 2019-20, and some of these students relocated to Missouri to attend the River Campus. These students may not have come to the state if the campus did not exist. In addition, some in-state students, referred to as retained students, would have left Missouri if not for the existence of the River Campus. While attending the campus, these relocated and retained students spent money on groceries, accommodation, transportation, and other household expenses. This spending generated \$2.4 million in added income for the state economy in FY 2019-20, which supported 56 jobs in Missouri.

Alumni impact



The education and training the River Campus provides for state residents has the greatest impact. Since its establishment, students have studied at the River Campus and entered the state workforce with greater knowledge and new skills. The River Campus is Missouri's only campus dedicated to art, dance, music, and theatre, producing gifted artists, musicians, actors, performers, and dancers. Using Emsi Burning Glass's Alumni Outcomes data, other occupations identified are marketing, sales, and personal service managers in industry sectors such as Professional and Technical Services, Retail



Trade, Manufacturing, Government, Education, Information, and Finance, and Insurance. As a result of their education from the River Campus, the students receive higher earnings and increase the productivity of the businesses that employ them. In FY 2019-20, the River Campus alumni generated \$21.6 million in added income for the state economy, which is equivalent to supporting 327 jobs.

Total impact

The River Campus added \$33.4 million in income to the Missouri economy during the analysis year, equal to the sum of the operations spending impact, the visitor and student spending impacts, and the alumni impact.

The River Campus' total impact can also be expressed in terms of jobs supported. The \$33.4 million impact supported 516 state jobs, using the jobs-to-sales ratios specific to each industry in the state. In addition, the \$33.4 million, or 516 supported jobs, stemmed from different industry sectors. The River Campus' spending and alumni in the Government, Education industry sector supported 131 jobs in FY 2019-20. If the campus did not exist, these impacts would not have been generated in Missouri.

RIVER CAMPUS IMPACTS BY INDUSTRY (JOBS SUPPORTED)



Cultural enrichment

Each year, the River Campus and Holland College offer over 100 events on their stages, in their galleries, and through lectures. A season brochure is prepared annually and sent out to the community to advertise these events. On the River Campus, the Crisp Museum holds weekly workshops to educate and provide hands on experiences from all areas of art history, art appreciation, and regional history. The Art and Design program participates in monthly art walks and installs numerous shows in multiple galleries throughout the academic year. The galleries feature current students, faculty, alumni, and guest artists. This department also collaborates with Catapult to offer art shows and lectures in that facility. The Department of Music performs large events such as the Symphony concerts and yearly holiday percussion concerts, to smaller chamber music and student recitals. All are open to the public. The opera, jazz festival, and

symphony coordinate with regional schools to offer complimentary student matinees and workshops. The Dobbins Conservatory of Theatre and Dance also offers numerous main stage and second stage productions. In the summer, the Lanford Wilson New American Play Festival offers nightly play readings and workshops for one week. In the area of mass media, students create films for the Fault Line Film Festival. There are high school categories for this festival. Throughout the academic year and summer, faculty, staff, and students perform in schools, at nursing homes, and at other local festivals and events. Community engagement is a cornerstone of the River Campus.



Investment analysis is the process of evaluating total costs and measuring these against total benefits to determine whether or not a proposed venture will be profitable. If benefits outweigh costs, then the investment is worthwhile. If costs outweigh benefits, then the investment will lose money and is thus considered infeasible. The analysis presented here considers the River Campus as an investment from the perspectives of students, taxpayers, and society in Missouri.

Student perspective



In FY 2019-20, the River Campus served 954 students. In order to attend the campus, the students paid for tuition, fees, books, and supplies. They also took out loans and will incur interest on those loans. Additionally, students gave up money they would have otherwise earned had they been working instead of attending college. The total investment made by the River Campus' students in FY 2019-20 amounted to a present value of \$9.2 million, equal to \$5.2 million in out-of-pocket expenses (including future principal and interest on student loans) and \$3.9 million in forgone time and money.

In return for their investment, the River Campus' students will receive a stream of higher future earnings that will continue to grow throughout their working lives. For example, the average River Campus bachelor's degree graduate from FY 2019-20 will see annual earnings that are \$28,900 higher than a person with a high school diploma or equivalent working in Missouri. Over a working lifetime, the benefits of the bachelor's degree over a high school diploma will amount to an undiscounted value of \$1.3 million in higher earnings per graduate. The

STUDENTS SEE A HIGH RATE OF RETURN FOR THEIR INVESTMENT IN THE RIVER CAMPUS



Average annual return for River Campus students

27.8%



Stock market 30-year average annual return

10.6%

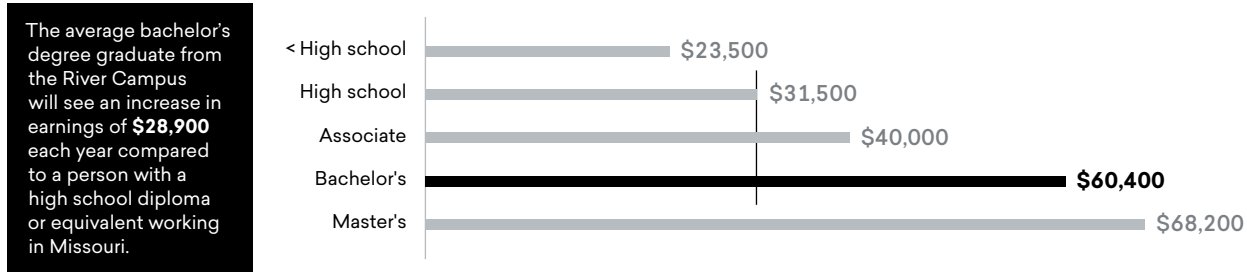


Interest earned on savings account (National Rate Cap)

0.8%

Source: Forbes' S&P 500, 1991-2020. FDIC.gov, 6-2021.

present value of the cumulative higher future earnings that the River Campus' FY 2019-20 students will receive over their working careers is \$80.2 million.



Source: Data provided by SEMO River Campus and Emsi Burning Glass Alumni Outcomes.

The students' benefit-cost ratio is 8.7. In other words, for every dollar students invest in the River Campus in the form of out-of-pocket expenses and forgone time and money, they will receive a cumulative value of \$8.70 in higher future earnings. Annually, the students' investment in the River Campus has an average annual internal rate of return of 27.8%, which is impressive compared to the U.S. stock market's 30-year average rate of return of 10.6%.

Taxpayer perspective



The River Campus generates more in tax revenue than it takes. These benefits to taxpayers consist primarily of taxes that the state and local government will collect from the added revenue created in the state.

As the River Campus students will earn more, they will make higher tax payments throughout their working lives. Students' employers will also make higher tax payments as they increase their output and purchases of goods and services. By the end of the FY 2019-20 students' working lives, the state and local government will have collected a present value of \$3.7 million in added taxes.

Benefits to taxpayers will also consist of savings generated by the improved lifestyles of the River Campus students and the corresponding reduced government services. Education is statistically correlated with a variety of lifestyle changes.

The educations that the River Campus students receive will generate savings in three main categories: 1) healthcare, 2) justice system, and 3) income assistance. Improved health will lower students' demand for national health care services. In addition, costs related to the justice system will decrease. The River Campus students will be more employable, so their reduced demand for income assistance such as welfare and unemployment benefits will benefit taxpayers. For a list of study references, contact SEMO for a copy of the university-wide main report. Altogether, the present value of the benefits associated with a River Campus education will generate \$330.2 thousand in savings to state and local taxpayers.

For every dollar of public money invested in the River Campus, taxpayers will receive a cumulative value of **\$2.50** over the course of the students' working lives.

Total taxpayer benefits amount to \$4 million, the present value sum of the added taxes and public sector savings. Taxpayer costs are \$1.6 million, equal to the amount of state and local government funding the River Campus received in FY 2019-20. These benefits and costs yield a benefit-cost ratio of 2.5. This means that for every dollar of public money invested in the River Campus in FY 2019-20, taxpayers will receive a cumulative present value of \$2.50 over the course of the students' working lives. The average annual internal rate of return for taxpayers is 9.0%, which compares favorably to other long-term investments in the public and private sectors.

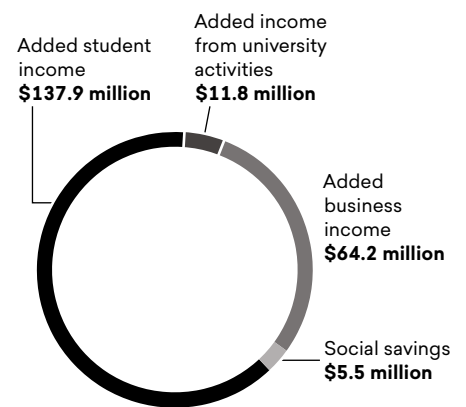
Social perspective



Society as a whole in Missouri benefits from the presence of the River Campus in two major ways. Primarily, society benefits from an increased economic base in the state. This is attributed to the added income from students' increased lifetime earnings (added student income) and increased business output (added business income), which raise economic prosperity in Missouri.

Benefits to society also consist of the savings generated by the improved lifestyles of the River Campus students. As discussed in the previous section, education is statistically correlated with a variety of lifestyle changes that generate social savings. Note that these costs are avoided by the consumers but are distinct from the costs avoided by the taxpayers outlined above. Healthcare savings include avoided medical costs associated with smoking, alcohol dependence, obesity, drug abuse, and depression. Justice system savings include avoided costs to the government and society due to less judicial activity. Income assistance savings include reduced welfare and unemployment claims. For a list of study references, contact SEMO for a copy of the university-wide main report.

SOCIAL BENEFITS IN MISSOURI FROM THE RIVER CAMPUS



Source: Emsi Burning Glass impact model.

The arts for all

Over 100 activities occur each year on the River Campus. The River Campus is a cultural hub for the entire region. People embrace the arts and look to the River Campus for enrichment. A one day festival includes hands on visual arts activities, demonstrations from faculty and student artists, music performances, dance performances and classes, aerial demonstrations, camp performances, and stage combat. The entire day is

free thanks to sponsors providing thousands of dollars. In FY 2019-20, the festival added a week of new play activities and workshops. During the academic year, schools come from all over the region to perform in district music events and the River Campus festivals for instruments and vocal areas. Area high schools tour the backstage theatre shops and stages, and attend musicals and plays. The department of art and design hosts a

one day event of art classes for students and their teachers. The majority of these events are free to area schools. The Crisp Museum is a major asset to local schools, including home school families. The staff offer lectures and activities on campus, and also go to other school campuses. The campus sees its mission as serving River Campus students and the community.

Altogether, the social benefits of the River Campus equal a present value of \$219.4 million. These benefits include \$137.9 million in added student income, \$64.2 million in added business income, \$11.8 million in added income from campus activities, as well as \$5.5 million in social savings related to health, crime, and income assistance in Missouri. People in Missouri invested a present value total of \$16.5 million in the River Campus in FY 2019-20. The cost includes all the campus and student costs.

The benefit-cost ratio for society is 13.3, equal to the \$219.4 million in benefits divided by the \$16.5 million in costs. In other words, for every dollar invested in the River Campus, people in Missouri will receive a cumulative value of \$13.30 in benefits. The benefits of this investment will occur for as long as the River Campus' FY 2019-20 students remain employed in the state workforce.

Making the arts accessible to the community

Accessibility is an important factor at the River Campus and in mass media. Through programming, arts camps, and the music academy we offer adult and continuing education opportunities. For example, the music academy not only offers a violin program for children, but also a piano program for senior citizens. All ages are welcome to sign up for lessons in the music academy for a variety of instruments and vocal. We know music is important for all ages, and we strive to make this opportunity available

every semester. Another example revolves around stage combat. Each year we work with a national organization to bring stage combat certification capabilities to our campus. These are open to both current students and community members. Through these workshops, performers are able to be certified in a number of weapons and hand-to-hand combat. As far as success stories with industry partnerships to meet workforce demands, there are numerous examples. The Dobbins Conservatory works with

theatre and entertainment companies to hold auditions for our students on campus. One example is the Black Hills Playhouse in South Dakota. Numerous River Campus students and alumni audition and interview for summer positions on campus. They've been cast in their shows such as Mamma Mia, and taken on higher production positions. Our music and art education majors are teaching in schools not only in the Bootheel region, but all over the state.

Summary of investment analysis results

The results of the analysis demonstrate that the River Campus is a strong investment for all three major stakeholder groups—students, taxpayers, and society. As shown, students receive a great return for their investments in a River Campus education. At the same time, taxpayers' investment in the River Campus returns more to government budgets than it costs and creates a wide range of social benefits throughout Missouri.



Present value benefits
\$80.2 million
 Present value costs
\$9.2 million
 Net present value
\$71.0 million

Present value benefits
\$4.0 million
 Present value costs
\$1.6 million
 Net present value
\$2.5 million

Present value benefits
\$219.4 million
 Present value costs
\$16.5 million
 Net present value
\$203.0 million

Benefit-cost ratio	Rate of return	Benefit-cost ratio	Rate of return	Benefit-cost ratio	Rate of return
8.7	27.8%	2.5	9.0%	13.3	n/a*

* The rate of return is not reported for the social perspective because the beneficiaries of the investment are not necessarily the same as the original investors.



International recognition

One of the River Campus' illustrious music alums is Hee Chiat Chew. He holds a degree in cello performance from the River Campus and is currently the resident conductor for the Hong Kong Chinese Orchestra, an important professional orchestra based in Hong Kong, China. It is comprised of an orchestra featuring about 100 musicians, giving over 100 concerts per year, both in China and by touring internationally. Each

department has alumni who have graduated and represented a variety of countries from Brazil, South Korea, Switzerland, Zimbabwe, and many more. Some have chosen to go back to their home countries, some have found work in the United States, and others are traveling around the world. Many River Campus alumni have found work on the various cruise lines such as Carnival, Disney, and Norwegian. A very recent graduate has taken

a position on the Norwegian cruise line to do wardrobe for the show Kinky Boots. In the U.S., the River Campus has alumni at Disney in Orlando performing for people all over the world. Although it is part of the U.S., the River Campus has established a relationship with Puerto Rico's numerous universities. The River Campus hosts collaborations with domestic and international institutions.

CONCLUSION

The results of this study demonstrate that the River Campus creates value from multiple perspectives. The campus benefits state businesses by increasing consumer spending in the state and supplying a steady flow of qualified, trained workers to the workforce. The River Campus enriches the lives of students by raising their lifetime earnings and helping them achieve their individual potential. The campus benefits state and local taxpayers through increased tax receipts and a reduced demand for government-supported social services. Finally, the River Campus benefits society as a whole in Missouri by creating a more prosperous economy and generating a variety of savings through the improved lifestyles of students.

About the study

Data and assumptions used in the study are based on several sources, including the FY 2019-20 academic and financial reports from the SEMO River Campus, the campus' alumni records matched to Emsi Burning Glass Alumni Outcomes database, industry and employment data from the U.S. Bureau of Labor Statistics and U.S. Census Bureau, outputs of Emsi Burning Glass's Multi-Regional Social Accounting Matrix model, and a variety of studies and surveys relating education to social behavior. The study applies a conservative methodology and follows standard practice using only the most recognized indicators of economic impact and investment effectiveness. For a full description of the data and approach used in the study, please contact the campus for a copy of the main report.

The results of this study demonstrate that the River Campus creates value from **multiple perspectives**.



Emsi Burning Glass provides colleges and universities with labor market data that help create better outcomes for students, businesses, and communities. Our data, which cover more than 99% of the U.S. workforce, are compiled from a wide variety of government sources, job postings, and online profiles and résumés. Hundreds of institutions use Emsi Burning Glass to align programs with regional needs, drive enrollment, connect students with in-demand careers, track their alumni's employment outcomes, and demonstrate their institution's economic impact on their region. Visit economicmodeling.com/higher-education to learn more or connect with us.

Southeast Missouri State University River Campus (River Campus) creates a significant positive impact on the business community and generates a return on investment to its major stakeholder groups—students, taxpayers, and society. Using a two-pronged approach that involves an economic impact analysis and an investment analysis, this study calculates the benefits received by each of these groups. Results of the analysis reflect fiscal year (FY) 2019-20.



ECONOMIC IMPACT ANALYSIS

In FY 2019-20, the River Campus added **\$33.4 million** in income to the Missouri economy. Expressed in terms of jobs, the River Campus' impact supported **516 jobs**.

OPERATIONS SPENDING IMPACT

- The River Campus employed 101 full-time and part-time faculty and staff. Payroll amounted to \$7 million, much of which was spent in the state for groceries, mortgage and rent payments, dining out, and other household expenses. The campus spent another \$3.2 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the campus' operations spending added **\$9.0 million** in income to the state economy in FY 2019-20.

VISITOR SPENDING IMPACT

- Out-of-state visitors attracted to Missouri for activities at the River Campus brought new dollars to the economy through their spending at hotels, restaurants, gas stations, and other state businesses.
- Visitor spending added approximately **\$428.5 thousand** in income to the Missouri economy.

STUDENT SPENDING IMPACT

- Around 26% of degree-seeking students attending the River Campus originated from outside the state. Some of these students relocated to Missouri. In addition, some in-state students, referred to as retained students, would have left Missouri for other educational opportunities if not for the River Campus. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at state businesses.

IMPACTS CREATED BY THE RIVER CAMPUS IN FY 2019-20



Operations spending impact

\$9.0 million



Visitor spending impact

\$0.4 million



Student spending impact

\$2.4 million



Alumni impact

\$21.6 million



TOTAL ECONOMIC IMPACT

\$33.4 million

OR

Jobs supported

516

- The expenditures of relocated and retained students in FY 2019-20 added **\$2.4 million** in income to the Missouri economy.

ALUMNI IMPACT

- Over the years, students have studied at the River Campus and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in Missouri. The River Campus is Missouri's only campus dedicated to art, dance, music, and theatre, producing gifted artists, musicians, actors, performers, and dancers. Using Emsi Burning Glass's Alumni Outcomes data, other occupations identified are marketing, sales, and personal service managers in industry sectors such as Professional and Technical Services, Retail Trade, Manufacturing, Government, Education, Information, and Finance, and Insurance.
- The net impact of the River Campus' former students currently employed in the state workforce amounted to **\$21.6 million** in added income in FY 2019-20.



INVESTMENT ANALYSIS

STUDENT PERSPECTIVE

- The River Campus' FY 2019-20 students paid a present value of **\$5.2 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$3.9 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of **\$80.2 million** in increased earnings over their working lives. This translates to a return of **\$8.70** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **27.8%**.

TAXPAYER PERSPECTIVE

- Taxpayers provided the River Campus with **\$1.6 million** of funding in FY 2019-20. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$3.7 million**. A reduced demand for government-funded services in Missouri will add another **\$330.2 thousand** in benefits to taxpayers.
- For every dollar of public money invested in the River Campus, taxpayers will receive **\$2.50** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **9.0%**.

SOCIAL PERSPECTIVE

- In FY 2019-20, Missouri invested **\$16.5 million** to support the River Campus. In turn, the Missouri economy will grow by **\$213.9 million**, over the course of students' working lives. Society will also benefit from **\$5.5 million** of public and private sector savings.
- For every dollar invested in the River Campus in FY 2019-20, people in Missouri will receive **\$13.30** in return, for as long as the River Campus' FY 2019-20 students remain active in the state workforce.

STUDENTS SEE A HIGH RATE OF RETURN FOR THEIR INVESTMENT IN THE RIVER CAMPUS



Average annual return for River Campus students
27.8%



Stock market 30-year average annual return
10.6%



Interest earned on savings account (National Rate Cap)
0.8%

Source: Forbes' S&P 500, 1991-2020. FDIC.gov, 6-2021.

For every \$1...



Students gain in lifetime earnings
\$8.70



Taxpayers gain in added tax revenue and public sector savings
\$2.50



Society gains in added income and social savings
\$13.30