

# Economic Impact of RSU on Oklahoma

**Rogers State University has a significant economic impact upon the State of Oklahoma as demonstrated by the following factors:**

- An operating budget of \$26.9 million
- State appropriated funds for operating budget of \$12.1 million
- Federal operating grants and contracts of \$5.2 million
- Capital appropriations and grants of \$2.0 million
- Annual visitor expenditures of \$345,000
- 337 full-time equivalent employees
- Over 4,200 students served

**As a consequence of the university's operations, total economic impact in Oklahoma is projected to be \$40.5 million in 2004.**



RogersStateUniversity

# Impact on Gross State Product



Gross State Product (GSP) conveys the monetary value of all finished goods and services produced within the state in a given year. Expenditures on finished goods and services from different segments of the economy are added to net export values to determine the value of GSP. The GSP is determined by adding expenditures from households, businesses, and government to the net value of exports minus imports.

Rogers State University's economic impact upon Oklahoma's GSP is projected to equal \$40.5 million in 2004. The net present value (NPV) of Rogers State University's economic impact from 2004 to 2020 is \$427.3 million using a 5% discount rate.

	<b>2004 Economic Impact</b>	<b>2004-2020 NPV</b>
Household Expenditures	\$24,350,000	\$278,359,000
Business Investments	\$12,594,000	\$95,699,000
Governmental Expenditures	\$24,640,000	\$292,696,000
Net Export of Goods & Services	\$23,074,000	\$262,139,000
Gross State Product	\$40,530,000	\$427,292,000

## Income Impact

Personal income is the sum of wages and salaries, rental income, dividend and interest income, and transfer payments to individuals (welfare, pension, unemployment insurance, etc). Disposable personal income is the portion of personal income that is left after personal taxes are subtracted, and thus is the amount of personal income available to people for spending and saving. Since disposable personal income essentially determines household consumption, an increase in disposable personal income is a good indicator of the impact of Rogers State University on the State of Oklahoma.

The following table indicates that the impact of RSU on the personal income in the state is projected to be \$23.700 million in 2004. Of that, \$2.762 million will be paid in taxes resulting in a disposable personal income impact of \$20.938 million in 2004. The university's impact on Oklahoma's real disposable personal income has a net present value (NPV) of \$215 million during the 2004-2020 timeframe after adjusting for inflation.

	<b>2004 Economic Impact</b>	<b>2004-2020 NPV</b>
Personal Income Impact	\$23,700,000	\$324,852,000
Income Taxes Impact	\$(2,762,000)	\$(37,683,000)
Disposable Personal Income	\$20,938,000	\$287,169,000
Real Disposable Personal Income	\$18,360,000	\$215,399,000

# Employment Impact

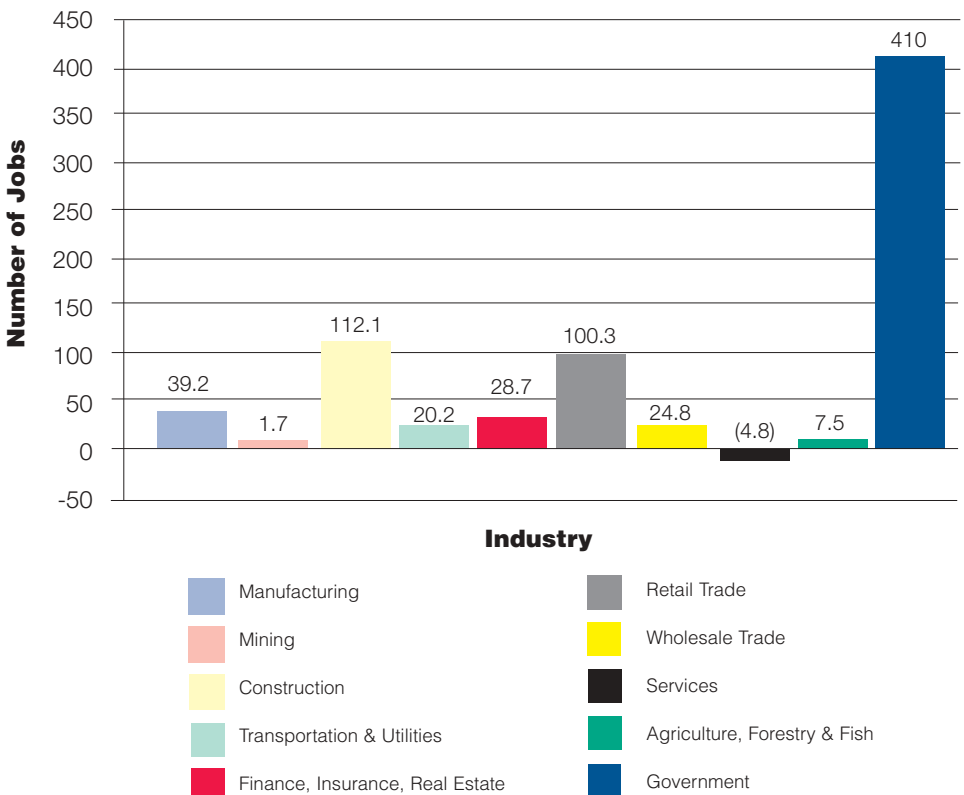
Rogers State University employs approximately 337 full-time equivalent faculty, staff, and support personnel. These employees earn salaries and wages from their employment, which they use to buy goods and services for the operation of their households or for future needs. In addition to the goods and services purchased by the university employees, the university itself purchases goods and services for its normal operation.



The goods and services purchased by the university and its employees create additional employment opportunities in the state's economy. This additional employment illustrates the university's impact upon Oklahoma's employment.

Rogers State University's economic impact will create an estimated 740 additional jobs for Oklahoma's economy in 2004. Thus Rogers State University's total employment impact is 1,077 jobs including 337 university employees plus 740 additional jobs created by the university's economic impact on the State of Oklahoma. These jobs are distributed across the various sectors of the state's economy as shown below.

## Economic Impact on Employment



# Consumption Impact

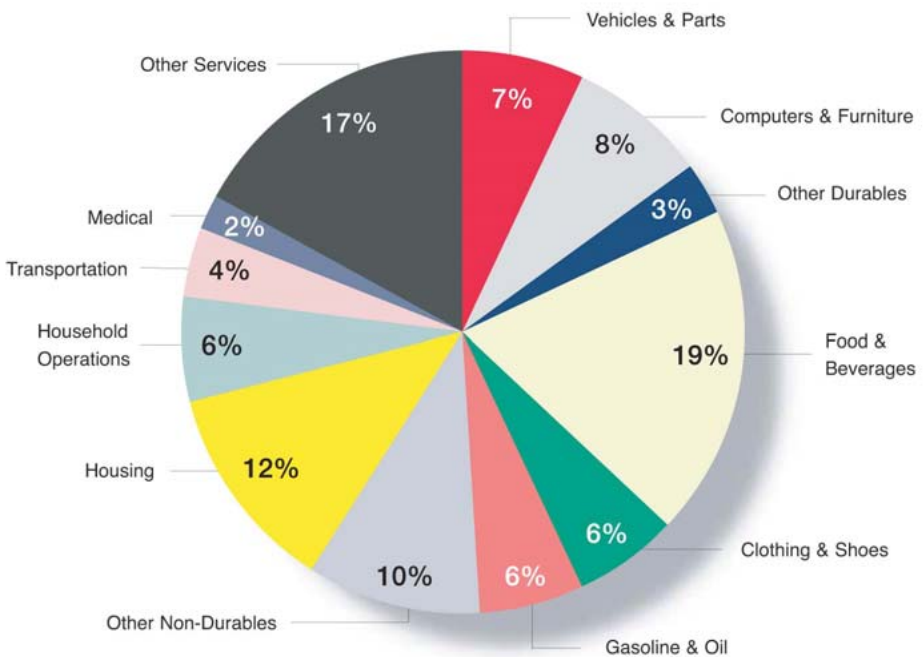


Further details of the university's impact on the state economy are available for household expenditures by category of expenditure. The total household expenditure impact of RSU during 2004 is projected at \$24.350 million. The following table shows that the greatest impact of the university is in the "Food and Beverages" category where \$4.945 million is projected for 2004. The "Food and Beverages" category is the total of household expenditures primarily at restaurants, grocery stores, and beverage stores.

Additional categories with relatively large impacts are "Housing," "Computers & Furniture," and "Vehicles and Parts." The net present value (NPV) of the impact of consumption expenditures over the 2004-2020 period is \$278.4 million.

	<b>2004 Economic Impact</b>	<b>2004-2020 NPV</b>
Vehicles & Parts	\$1,593,000	\$15,903,315
Computers & Furniture	\$2,054,000	\$28,176,836
Other Durables	\$760,300	\$7,816,554
Food & Beverages	\$4,945,000	\$47,991,738
Clothing & Shoes	\$1,399,000	\$15,744,880
Gasoline & Oil	\$1,453,000	\$14,294,634
Fuel Oil & Coal	\$45,700	\$371,882
Other Non-Durables	\$2,326,000	\$34,541,233
Housing	\$2,996,000	\$43,813,889
Household Operations	\$1,352,000	\$14,033,864
Transportation	\$870,000	\$8,620,006
Medical Care	\$471,000	\$6,616,158
Other Services	\$4,085,000	\$40,430,683
<b>Consumption Expenditures</b>	<b>\$24,350,000</b>	<b>\$278,355,672</b>

**Household Consumption Impact**



# Investment in RSU

Over 90 percent of the Rogers State University graduates are employed in Oklahoma one year after graduation. This compares with 82 percent statewide for graduates of certificate, associate, and baccalaureate programs at all other Oklahoma universities. Thus, more of the graduates from RSU remain in Oklahoma and become employed in Oklahoma's labor force.

## Employed Graduates in Oklahoma

	Rogers State University	All Oklahoma Universities
Certificate	100%	92%
Associate of Applied Science	94%	89%
Associate of Arts/Science	88%	86%
Bachelor's	90%	79%
Total	90%	82%

The State of Oklahoma appropriated approximately \$12.1 million to RSU. Yet, the net impact on the GSP of the state is \$40.5 million.

Oklahoma's investment in Rogers State University yields a high return by producing more college-educated graduates who remain in the state for employment. By remaining within the state, these graduates enrich Oklahoma through their greater earning power when compared to workers without college educations. College graduates employed in the state pay Oklahoma income, sales, and property taxes that provide a substantial lifetime return on the initial state investment in their college education. Since RSU alumni have a very high rate of employment in Oklahoma after graduation, modest investment in higher education yields an excellent return in the form of higher wages and greater long-term tax revenue to the state.





# RSU

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The Center for Economic and Community Development provided the research and information contained in this report. RSU established the Center to foster economic development and address the educational needs of business and industry in northeastern Oklahoma.

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