

THE ECONOMIC IMPACT OF WILMINGTON COLLEGE IN CLINTON COUNTY

REPORT HIGHLIGHTS

- Wilmington College had a total economic impact of \$29.8 million within Clinton County in Fiscal Year 2010.
- Wilmington College accounted for 583 jobs within Clinton County and more than \$14 million in household earnings.

| Total Economic Impacts of Wilmington College | |
|---|--------------|
| Economic Activity | \$29,791,316 |
| Employment | 583 |
| Household Income | \$14,103,344 |

- A significant portion of Wilmington College's economic impact is due to bringing new money to the area as 84.6 percent of students are from outside Clinton County. This new money accounts for \$24.4 million of the total economic impact.
- Employment at Wilmington College has been relatively resilient during the recession, decreasing at one-third the rate of the County overall from 2006 to 2010.
- The importance of Wilmington College for the Clinton County economy has increased since the departure of DHL and during the economic recession, as the College's share of County employment has increased from 2006 to 2010.

About the Economics Center

The Economics Center enhances the economic knowledge base of our clients through our research and consulting. We impart critical knowledge and skills to individuals, organizations and communities. We provide data, analysis and tools to illustrate, describe and estimate the consequences of policy decisions and of changes to the economy. We help our clients better understand their communities, workforce and clientele. Together with our economic education experts and practitioners, who are equipping tomorrow's citizens with the skills to navigate a complex economic landscape, we are providing the knowledge building blocks for a stronger economy.

THE ECONOMIC IMPACT OF WILMINGTON COLLEGE IN CLINTON COUNTY

The total economic impact of Wilmington College on Clinton County, Ohio was \$29.8 million for the 2010 fiscal year. The College also accounted for 583 jobs with a total payroll of \$12.8 million.

Wilmington College impacts the local economy tangibly in two ways. One is with the impact from expenditures on operations, and the other is through its capital expenditures.

Table 1: Total Economic Impact of Wilmington College

| Operations | |
|---------------------------------------|---------------------|
| Economic Output | |
| Total Wilmington College Expenditures | \$22,796,427 |
| Indirect & Induced Impact | \$ 6,038,774 |
| Operations Impact | \$28,835,201 |
| Capital Expenditures | |
| Total Wilmington College Expenditures | \$760,132 |
| Indirect & Induced Impact | \$195,983 |
| Capital Expenditure Impact | \$956,115 |
| Total Economic Impact | \$29,791,316 |

OPERATIONS

The impact from operations has two components; the direct expenditures of Wilmington College and the indirect and induced impacts¹ of these expenditures on the local economy. Wilmington College's expenditures are paid for out of revenues that are obtained by the College principally through tuition revenue and academic fees. Total revenues for the College in fiscal year 2010 amounted to \$23.4 million.

During fiscal year 2010, Wilmington College spent \$22.8 million on its operations, almost all of which was spent within Clinton County. This spending by the College for staffing, maintenance, utilities and other administrative costs generated an additional \$6.1 million in economic activity within Clinton County, as shown in the table above. When these expenditures and impacts are combined, the total economic impact of operations comes to \$28.8 million.

CAPITAL EXPENDITURES

Additional spending by Wilmington College for construction and other capital equipment amounted to \$760,000 in fiscal year 2010. These expenditures generate additional indirect and induced impacts as

¹ Purchases of local resources (labor, goods and services) to produce educational services are *direct impacts*. *Indirect impacts* are the purchases made by local businesses that supply the College in order to produce the goods and services they supply. *Induced impacts* are the wage payments made by those local businesses that supply goods and services to the College.

the businesses engaged in these activities make expenditures of their own. This resulted in an indirect impact of capital expenditures of \$196,000. Therefore, the total economic impact from capital expenditures is calculated at \$956,000.

EMPLOYMENT AND WAGES

Wilmington College employed 540 individuals; an additional 43 jobs are accounted for by its capital expenditures and its indirect and induced employment impacts, resulting in a total employment figure of 583 jobs within Clinton County. This overall impact on employment is the sum of all jobs generated as a result of the economic activity produced by the College.

| | |
|---|-----|
| Employed by the College (direct impact) | 540 |
| Overall Impact on Employment | 583 |

Wilmington College spent \$12.8 million on payroll and benefits in the 2010 fiscal year. Together with the impact of other expenditures by the College, this resulted in an overall impact on household income of \$14.1 million within Clinton County.

| | |
|------------------------------------|--------------|
| Wages and Benefits (direct impact) | \$12,828,153 |
| Overall Impact on Household Income | \$14,103,344 |

ECONOMIC GROWTH

Wilmington College draws roughly 84.6 percent of its students from outside Clinton County. These students bring new money into the region through tuition revenue and academic fees. These non-local students provide an inflow of cash to the region, i.e. new money. This new money accounts for about 82 percent of the total economic impact, or about \$24.4 million. This new money is very important for its role in replenishing the local economy. The presence of non-local students at Wilmington College brings family and friends from outside the region, which generates additional economic activity within the region. There is also a local business district in close proximity to the campus providing opportunities for those students to spend locally while they are at college. Additionally, during the summer Wilmington College hosts various events, such as weddings, campus and conferences. The revenue from these events, on average about \$100,000, is also a source of new money. Wilmington College also contributes to the local tax base through real estate taxes, worth \$55,000 in FY2010.

IMPORTANCE OF WILMINGTON COLLEGE

Wilmington College is an important driver for the economy in Clinton County. Wilmington College directly provides employment to 540 people with more than \$12 million payroll and benefits. Especially after the departure of DHL from Clinton County, the significance of Wilmington College has increased.

In November 2008, DHL announced that it was restructuring its facilities in Clinton County and transferring domestic air shipping facilities to UPS. During 2010, employment in Clinton County was about 25,300 people. Through October of 2010, employment was about 14,500. The subsequent loss of almost 10,000 jobs was likely due to the combination of the economic recession and the departure of DHL. Wilmington College was not completely immune to the economic conditions, but employment at Wilmington College had a much lower rate of decline compared to Clinton County overall. From FY2006 to FY2010 employment at Wilmington College decreased from 607 to 540², a loss of 11 percent, while overall employment in the County decreased from 26,284 to 16,783, a 36.2 percent decline between FY2006 and FY2010.

The significance of Wilmington College in the local economy has increased since DHL moved its operations out of Clinton County. In FY2006, Wilmington College had a 2.3 percent share of the county's employment, and in FY2010 this number increased to 3.2 percent. Therefore the significance of Wilmington College as an employer in Clinton County has increased by 39.3 percent.

| Table 4: Change in Employment | | | |
|--|--------|--------|--------|
| | FY2006 | FY2010 | Change |
| Clinton County | 26,284 | 16,783 | 36.15% |
| Wilmington College Direct Employment | 607 | 540 | 11.04% |
| Share of Wilmington College Employment | 2.31% | 3.22% | 39.33% |

Project Team

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² During Fiscal Year 2006, 15 direct employees of Wilmington College were hired by an outside service provider thus becoming contract employees of the College and no longer counted among direct employees; however they remain employed at the College.