

# Investment in Boise State = high yield for economy

**M**oneymaker is not a role generally associated with Boise State University, particularly as the recipient of state funding.

People typically think of more common roles such as “educator,” as the state’s largest institution with more than 18,000 students; “employer,” with nearly 5,000 full- and part-time workers; and “entertainer,” with more than 800,000 patrons annually attending on-campus cultural and athletic events.

Think again. Boise State is a significant economic force. For every five Boise State jobs, three others are created in the state. For every dollar Boise State spends on salaries and benefits, an additional 88 cents is generated in Idaho. For every dollar Boise State spends, the benefit is more than double statewide.

Those findings were reported by BSU’s Office of Institutional Assessment in “The Economic Effects of Boise State University: Results of a 2003 Input-Output Model,” coordinated by Marcia Belcheir, the office’s director.

“While private businesses are valued for the jobs and revenue they bring to the community, the public sector is often overlooked as a significant economic asset to the community,” Belcheir says. “Higher education is a notable example.”

Boise State President Bob Kustra talked about the university’s economic role in his State of the University address in August. “As a public institution, we stand committed to playing a major role in the economic development of this state and region, joining with the governor, the Legislature, state agencies and local governments in building a strong Idaho economy and assisting it in its transition to a knowledge-based economy,” he said.

Boise State certainly operates like a business. While its purpose is to provide opportunities to pursue a degree, the institution provides jobs, purchases goods and services and attracts visitors and new students who subsequently spend money on local goods and services. Belcheir calls this the ripple or

by Boise State, an additional \$58.3 million in earnings are expected in the Ada/Canyon region, \$5.6 million beyond that for the five-county region, and \$13.7 million more in additional earnings throughout the state. For every dollar that Boise State spent on earnings, an additional 66 cents is generated in the Ada/Canyon area, 73 cents in the five-county area and 88 cents statewide.

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BUSINESS NEWS

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## Boise State’s economic impact seen near \$330 million

By Steven Anderson  
IDaho BUSINESS REVIEW

Boise State University has released a study, primarily for internal use, of BSU’s annual economic impact that points to a total of almost \$330 million for the state.

benefits paid to Boise State’s 4,850 employees, of whom 3,225 are full-time.

Another \$77.6 million paid to people holding an estimated 3,125 jobs generated indirectly by BSU operations — about 2,500 of them in Ada and Canyon counties, with a

lion in additional sales throughout the state,” the study says.

This indirect effect translates into a sales multiplier of 1.84 for Ada and Canyon counties, 1.92 for the five-county area, and 2.11 for the state as a whole,” says

she writes, “is a vital member of the local, regional, and state economy,” and some of its annual state support “returns to the state in the form of taxes... offsetting some of the costs of funding a public institution.”

However, Belcheir notes that in terms of job generation, the impact is com-

multiplier effect. For example, faculty and staff salaries are spent at local businesses, which then make purchases and hire personnel based on increased volume.

The multiplier effect was calculated in an input-output economic model by Gneiting & Associates of Rigby, Idaho, using the amount of money expended, the types of expenditures made, and the location of the businesses that received the money. Here are the findings in the areas of jobs, earnings and sales.

### JOBS

Boise State directly employs 4,852 people in both full-time (1,629) and part-time (3,223) capacities. Indirectly, it is estimated that an additional 2,494 jobs are generated within Ada and Canyon counties, 254 throughout the remainder of the five-county metropolitan region and 377 throughout the rest of the state for a total of 3,125 additional jobs as the result of the presence of Boise State. Thus for every two Boise State jobs, another job is created in the Ada/Canyon counties area. For every five Boise State jobs, three others are created in the state.

### EARNINGS

Boise State directly distributes \$88.3 million in salaries and benefits to its employees annually. Through the additional jobs that were indirectly created

### SALES

In addition to spending money on salaries and benefits, Boise State also purchases goods and services, which again help the community to grow and prosper as other businesses buy the goods and services needed to meet the purchasing demands. Last year, Boise State directly spent \$163.5 million statewide and \$161.2 million within the region on goods and services. With the ripple effect of these expenditures, university spending indirectly supports an additional \$135 million in sales in Ada and Canyon counties, \$13.4 million in sales throughout the remainder of the five-county region, and \$33 million in additional sales throughout the state.

“This study indicates that Boise State University does more than simply receive state funding. It is a vital member of the local, regional and state economy,” Belcheir says.

“The greatest ‘bang for the buck’ that Boise State provides is in the sales generated across the state. Every dollar expended generates another \$1.11. Some of this money returns to the state in the form of taxes, again offsetting some of the costs of funding a public institution.”

That’s an excellent return on an investment.

— Frank Zang