

The Economic Impact of UWF Emerald Coast on the Regional Economy

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This economic impact brief was prepared by Haas Center Researchers for delivery to the University of West Florida, Emerald Coast Campus administration. The brief contains 5 sections. The initial section discusses the survey from which the data in the student spending section and visitor spending section are derived. The spending synopsis section contains a listing of the direct spending inputs of UWF Emerald Coast on the regional economy and the final section details the three key components of the economic impact assessment. The study reveals that the presence of UWF Emerald Coast creates a demand for over \$40 million in goods and services across the region and increases the region's gross domestic product by over \$27 million.

Survey Description

To determine the levels of visitor spending as well as students spending directly attributable to the presence of the University of West Florida Emerald Coast locations, we surveyed students both online and in the classroom. A total of 84 students participated in the survey out of a total Emerald Coast population of 1614. Approximately 62% of these students were enrolled full time, and 32% enrolled part time. Further, 38% of the students were married and 52% were single. The average age of the respondents was 30 and the range was 20-64. Fully 42% of respondents were under the age of 24.

Approximately 51% of respondents were male and 49% were female. The racial composition of the group of respondents is contained in Table 1.

Table 1 – Racial Composition of Respondents

| | Percentage of Respondents |
|---|---------------------------|
| American Indian or other Native American | 2.50 |
| Asian, Asian American or Pacific Islander | 6.25 |
| Black or African American, not Hispanic | 11.25 |
| White, not Hispanic | 70.00 |
| Hispanic, Latino, Spanish | 8.75 |
| Biracial/Multiracial/Other | 1.25 |

We asked respondents to give us the primary reason for moving to the Emerald Coast area. Those responses are contained in Table 2.

Table 2 – Reasons for Moving to the Emerald Coast Area

| | Percentage of Respondents |
|---|---------------------------|
| Moved to the area to attend the University of West Florida Emerald Coast. | 2.35 |
| Moved here for other reasons. | 56.47 |
| Native of the area | 41.18 |

Respondents were asked to describe the type of degree they were seeking at UWF Emerald Coast. Those responses are contained in Table 3.

Table 3 – Types of Degrees Sought

| | Percentage of Respondents |
|-------------------------------|---------------------------|
| Bachelors Degree | 70.24 |
| Masters Degree | 20.24 |
| Doctorate/Professional Degree | 3.57 |
| Certificate Program | 3.57 |

Student Spending

We derive total student spending from student income based on a formula that assumes that students spend, in the service area, all income that is not either saved or paid to the government for taxes. For a full description of this formulation, see Appendix C of The Economic Impact of Gulf Coast Community College on the Regional Economy. Consistent with standard economic impact analyses, we include only the income of students who would leave the area if UWF Emerald Coast ceased to exist. To measure the propensity of students to leave the area, we asked students to tell us their mostly likely career path if the educational opportunities at UWF Emerald Coast did not exist. Those results, along with average student income in each category, are included in Table 4.

Table 4 –Student Income by Likely Educational Career Path

| | Percentage of Respondents | Average Income of Respondents in Category |
|---|---------------------------|---|
| I would have moved out of the area to attend college somewhere else. | 28.92 | \$18,369.67 |
| I would have traveled to Pensacola to attend the University of West Florida, main campus. | 48.19 | 31,973.68 |
| I would have stayed in the area and worked but not attended college. | 20.48 | 61,176.47 |
| I would have sought employment opportunities outside the area. | 2.41 | 7,071.07 |

Those who would have moved from the area if the educational opportunities at UWF Emerald Coast comprise approximately 31% of the total student population of 1614 (506 total students). **Using previously established formulas, we calculate that the closure of UWF Emerald coast would remove \$6,951,051.00 in student spending from the local economy.**

Visitor Spending

Visitors are also an important part of the economic impact of a University on the local economy. Students often have visitors – family, friends, and others – who come to see them during their tenure at college or university. While there, those visitors spend money and add value to the local economy. If the University itself were not present, then we assume that these visitors would not otherwise come to the area.

To calculate the number of visitors who would not have come to the area without the University being present, we asked students to give us the approximate number of visitors from out of the area who visit them each year. We then categorized these students into those students who would have left the area if the university did not exist, and those who would have stayed in the area regardless of whether the university existed. We attribute all visitor spending for those who would have left the area if the university did not exist directly to the university. We assume that all other visitor spending would have occurred whether the university existed or not, and therefore that spending is not attributable to the university.

Table 4 – Annual Visitors by Likely Career Path

| | Percentage of Respondents | Average Income of Respondents in Category |
|---|---------------------------|---|
| I would have moved out of the area to attend college somewhere else. | 28.92 | 5.0 |
| I would have traveled to Pensacola to attend the University of West Florida, main campus. | 48.19 | 4.8 |
| I would have stayed in the area and worked but not attended college. | 20.48 | 7.3 |
| I would have sought employment opportunities outside the area. | 2.41 | 3.0 |

Using these data we calculate that 7,122 visitors would not visit the area annually if UWF Emerald Coast did not exist. Using Visit Florida estimates of visitor spending and length of stay, we further calculate that these lost visitors would cost the local economy a total of \$3,561,000.00

Spending Synopsis

In addition to generating the spending figures that we describe above, UWF Emerald Coast also contributes directly to the regional economy. The University spent \$11.77 million in the previous budgetary year on operations, salaries, and benefits that are directly related to UWF Emerald Coast and the 6 county service area. We combine those inputs with the inputs generated above in Table 5.

Table 5 – Total EC University Related Spending

| | Spending (in current dollars) |
|--------------------------------|--------------------------------------|
| Operations and Salaries | \$11,770,000 |
| Student Spending | 6,951,051 |
| Visitor Spending | 3,561,000 |
| Total Spending | \$22,282,051 |

Economic Impact

We modeled the economic impact of the University of West Florida, Emerald Coast on the 6 county service area (Okaloosa, Walton, Jackson, Bay, Holmes and Washington) using the REMI model. The REMI model is a dynamic general equilibrium model that produces three key estimates of the economic impact of a proposed scenario (in this case, the removal of UWF Emerald Coast from the regional economy). These three key estimates include: total employment that results from direct, indirect and induced spending (fte); the share of the GRP (gross regional product) that can be associated with the presence of UWF Emerald Coast; and the demand for goods and services that result from the presence of UWF Emerald Coast. These three key outputs are contained in Table 6.

Table 6 – Multiple Measures of the Economic Impact of UWF Emerald Coast on the Regional Economy

| Impact Measure | Output |
|-----------------------------|--------------|
| Total Employment (fte jobs) | 245.1 |
| Gross Regional Product | \$27,220,000 |
| Total Demand | \$40,110,300 |
| Imports | \$18,671,400 |
| Self Supply | \$21,438,900 |

As Table 6 shows, UWF Emerald coast is responsible for 245.1 full time equivalent jobs in the 6 county region. Additionally, the impact on the gross regional product exceeds \$27 million. ***As a true measure of value added, this indicates that UWF Emerald Coast adds over \$27 million to the local economy in terms of goods and services that are produced locally. From another perspective, the university creates a demand for an additional \$40 million in goods and services in the local economy.*** Of this \$40 million, approximately \$21 million is filled locally, and the remaining \$19 million is imported from outside the region. This demand for goods and services is driven by a roughly \$12 million dollar investment of state funds.