

*Economic Impact of the
University of West Florida's Student Athletes
on the Pensacola MSA*

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Summary Report

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The purpose of this summary is to provide a brief analysis of the economic impact related to the value added to the local economy as a result of the presence of student athletes at the University of West Florida (UWF). This summary is confined to the Pensacola Metropolitan Statistical Area (MSA) and the 2007/2008 academic school year. IMPLAN Professional 2.0 was used in order create the economic impact estimates for this summary. This analysis is comprised of the following four spending components: tuition, campus housing, meal plans, and discretionary spending.

As previously stated, the study covers the Pensacola MSA which covers both Escambia and Santa Rosa County. Data for the UWF student athletes was provided by UWF's Athletic Department for each semester. There were 221 student athletes in fall 2007, 194 in spring 2008, and 119 in summer 2008. The discretionary spending figures were estimated by using *Harris Interactive's 360 Youth College Explorer Study* from 2004 which stated college students had \$211 per month of discretionary spending. For analysis purposes we presumed each semester is approximately 3 months in length. Each of the four spending components were aggregated, measured, and analyzed for the entire year. The economic inputs created from the four spending components by semester are presented below in Table 1.

Table 1 - Economic Inputs

Economic Input	Fall 2007	Spring 2008	Summer 2008
Tuition	\$564,264.8	\$509,832.5	\$71,964.45
Meal Plans	\$61,824.79	\$60,740.26	NA
Housing	\$127,527.9	\$135,913.5	NA
Discretionary Spending	\$139,893	\$122,802	\$75,327

In terms of value added economic impact, UWF's student athletes contributed an estimated \$1,069,574 to the Pensacola MSA's economy in the 2007/2008 academic school year. Presuming that UWF will maintain at least the same number of student athletes, the economic impact estimate can be considered to be an amount generated each year in the local economy. Value added can be thought of as the local equivalent of Gross Domestic Product (GDP). GDP is the total market value of all final goods and services produced in a year. Therefore, the UWF student athletes' spending generates an estimated \$1,069,574 worth of final goods and services in the Pensacola MSA's economy each year.

The total estimated economic impact consists of three impact components: direct, indirect, and induced. The initial spending from the athletic students goes right into the local economy and is called the direct impact. Businesses which receive that direct spending make purchases from other businesses in order to acquire raw materials so they can produce final goods and services. These types of economic transactions are called the indirect impact (business to business transactions). All of these affected businesses hire and pay employees. The employees use their wages to purchase final goods and services in the local economy. These transactions are called the induced impact. A breakdown of the estimated economic impact and impact components is illustrated on the following page in Table 2.

Table 2 - Estimated Annual Economic Impact of the 2007/2008 UWF Student Athletes on the Pensacola MSA

Estimated Annual Economic Impact of the 2007/2008 UWF Student Athletes on the Pensacola MSA				
Component	Direct	Indirect	Induced	Total
Employment (jobs)	18.6	3.0	4.0	25.6
Tuition	\$374,905	\$145,162	\$152,647	\$672,714
Meal Plans	\$40,094	\$15,524	\$16,325	\$71,943
Housing	\$86,178	\$33,368	\$35,089	\$154,635
Discretionary Spending	\$113,561	\$27,738	\$28,983	\$170,283
Total Value Added	\$614,738	\$221,792	\$233,044	\$1,069,574

As the spending from the UWF student athletes filters through the local economy, the spending affects many different industries. Table 3 below illustrates the estimated annual value added impact across different industries in the Pensacola MSA's economy.

Table 3 - Estimated Annual Economic Impact by Industry (2 Digit NAICS)

Estimated Annual Value Added Economic Impact by Industry (2 Digit NAICS)		
Industry	Total Value Added	Percent
Transportation & Warehousing	\$585,397	54.73%
Manufacturing	\$359,879	33.65%
Information	\$39,044	3.65%
Real estate & rental	\$21,844	2.04%
Finance & insurance	\$19,628	1.84%
Utilities	\$16,704	1.56%
Construction	\$13,254	1.24%
Retail trade	\$9,282	0.87%
Wholesale Trade	\$2,479	0.23%
Mining	\$1,134	0.11%
Ag, Forestry, Fish & Hunting	\$930	0.09%
Total	\$1,069,575	100.0%