



An Economic Impact Analysis of the Independent Colleges and Universities of Florida

Updated December 2023

A Project for the Independent Colleges and Universities of Florida

Prepared by the Regional Economic Consulting Group

Clyde Diao, PhD
Jared Parker, MS

Executive Summary

The Independent Colleges and Universities of Florida (ICUF) institutions play a significant role in the state's education and economic development. Thirty institutions, spread across the state, enroll more than 175,000 students. To determine their economic contributions and importance to the Florida economy, ICUF has sought the help of the Regional Economics Consulting (REC) Group to undertake an in-depth study. Below are the results.

Executive Summary

Economic Impact of ICUF Institutions and the EASE Program (\$Millions)

		2020-21
ICUF INSTITUTIONS		
	TOTAL EXPENDITURES	\$28,248.5
	JOBS (COUNT)	232,307
	LABOR INCOME	\$14,384.5
	VALUE-ADD (GDP)	\$25,211.5
	ECONOMIC OUTPUT	\$35,491.1
	STATE & LOCAL TAX	\$1,896.8
EASE PROGRAM		
	TOTAL EASE EXPENDITURES	\$5,071.0
	JOBS (COUNT)	41,748
	LABOR INCOME	\$2,608.0
	VALUE-ADD (GDP)	\$4,560.0
	ECONOMIC OUTPUT	\$7,715.4
	STATE & LOCAL TAX	\$336.7
	STATE & LOCAL RETURN ON INVESTMENT	\$2.00

The economic study consists of two phases: static or direct and dynamic. In the static phase, the study determines the direct operating and capital expenses of the ICUF institutions, the total cost of attendance incurred by students, broken down into different expense categories, and the differential earnings of graduates. These total direct expenses incurred by the institutions and students were then used as inputs in the IMPLAN modeling to determine the dynamic phase.

The REC Group found that the economic impact of the ICUF Institutions, from both their direct spending and their students' spending, account for 232,307 jobs created, a \$35.5 billion economic impact, and more than \$1.9 billion in state and local taxes.

The EASE program's economic, state, and local government returns are substantial. Each EASE student creates \$2.00 in tax collections for every state dollar spent. Additional cuts to the EASE program run the risk of negative implications for the number of students who can barely afford to go to college and spend their lifetime earnings. If the state cuts the funding of the EASE program, some students will try to find their way into the state university system because of the lower cost of attendance.

The state university system has reached its maximum capacity with an overall acceptance rate of 46.5% in the Fall semester.¹ To provide additional capacity to accommodate displaced students, the state universities must add more facilities and hire more professors.

The member institutions of ICUF play a vital role in driving the Florida economy. These institutions provide employment opportunities for a significant number of people in the state and contribute billions of dollars to the economy through their daily operations. The education imparted by these institutions helps to produce skilled and knowledgeable workers for Florida's growing and thriving economy. EASE, a supportive program, has a significant economic impact by providing tens of thousands of jobs and billions of dollars in economic activity. It also makes education more affordable and accessible to all. The Independent Colleges and Universities of Florida are a crucial pillar that makes Florida unique in every way.

¹ <https://www.acceptancerate.com/schools/>

Contents

- Executive Summary1
- Introduction4
- Regional Economic Consulting Group Background4
- Background.....5
 - Independent Colleges and Universities of Florida5
 - Effective Access to Student Education (EASE) Program7
- Objectives7
- Assumptions and Methodology8
 - Assumptions8
 - Methodology8
 - Static Impact8
 - Dynamic Impact.....12
- Sources of Data14
- Results, Findings, and Analysis.....14
 - Static Impacts- Direct Expenditures.....14
 - Independent Colleges and Universities of Florida14
 - Student Spending.....16
 - Alumni Earnings17
 - Summary18
 - Dynamic Impacts20
 - Tax Impacts21
 - Summary22
 - Effective Access to Student Education (EASE) Program23
- Conclusion25
- Appendix – Biographies27
 - Dr. Clyde L. Diao27
 - Jared Parker28

Introduction

The Independent Colleges and Universities of Florida (ICUF) is a diverse association of private educational institutions.² Florida's thirty not-for-profit independent institutions play a distinct role in the state's progress, productivity, and prosperity through high graduation rates and excellent job placements. ICUF institutions educate and equip students with the knowledge to make a positive difference and create a robust workforce to develop tomorrow's economy. The Universities and Colleges have been educating students by instilling values, attitudes, skills, and behaviors that align with those necessary for a vibrant economy.

The ICUF institutions themselves are a powerful economic engine in Florida. The sheer magnitude of their operations lends excellent weight to job creation, income, the Florida gross domestic product, and overall economic productivity. The institutions affect the economy in three facets: first, through their large budgets; second, through their more than 175,000 students' expenditures in the economy; and finally, through the educated workforce creation for the world of tomorrow.

The ICUF Association tasks the Regional Economic Consulting Group (REC Group) with measuring the economic impact of their member institutions. Notably, the Group looks at how the system influences employment, income, Gross Domestic Product, and output and their effects on local and state tax revenues.

To assess the economic significance of the ICUF institutions on the economy, the Group employs three methods: evaluating the impact of universities' spending, examining the expenditures by students on their accommodation, food, and other miscellaneous expenses, and analyzing the economic influence of the earnings of their graduates.

The three combined approaches measure ripple effects across direct, indirect, and induced levels on jobs, labor income, GDP, economic output, and local and state tax revenues. These factors illustrate the private, not-for-profit university system's benefit to the Florida economy.

Regional Economic Consulting Group Background

The Regional Economic Consulting Group is a research group measuring the economic impacts of public and private sector projects. They build impact studies and provide statistical validation to public policy, economic development strategies, and investment. The Group covers a wide range of fields spanning economic outlooks to demographic and labor market studies and uses the latest econometric modeling and methodologies techniques.

The Group uses various analytical tools: REMI modeling, IMPLAN, cost-benefit analysis, general input-output analysis, and econometric modeling. Impacts can come from jobs created or lost

² About ICUF, <https://icuf.org/about-icuf/>

and fiscal impacts examining dollars gained or lost for projects and initiatives. The Group has experience producing studies and presenting them publicly.

The Group's economists bring a unique perspective from the Florida Government's economic units and have firsthand knowledge of the Florida Economy. That competitive advantage affords them an intimate familiarity with Florida-specific economic mechanisms. The Group brings that ability to the private sector to better position impacts and promote initiatives for the future.

Background

Independent Colleges and Universities of Florida

Composed of 30 colleges and universities, ICUF was established in 1965 to provide a collective voice for Florida's private non-profit colleges and universities. Each ICUF institution is a non-profit school, Florida-based, and accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC). The schools offer a wide range of undergraduate, graduate, professional, and continuing education programs and diverse students, campuses, and missions.³

In 2021, the REC Group surveyed the institutions to collect primary data. Additionally, Information from the Integrated Postsecondary Education Data System (IPEDS) is used to build the profile of Florida's not-for-profit university collegiate system. Based on the more recent IPEDS data, the total operating budget of all schools was \$7 billion in the Fiscal Year 2020-21 and employed 38,805 Floridians statewide. The Group also found that the schools have a total enrollment of 175,278 students. Of this, 125,909 students are undergraduates, while 49,369 students account for the graduate level. Enrollments range from 400 to 21,000 students per ICUF member institution spread out across more than 200 sites in Florida.⁴ Each year for the past three years, the system has graduated nearly forty thousand students annually.

³ About ICUF, <https://icuf.org/about-icuf/>

⁴ IBID

Below is the list of ICUF members:

- AdventHealth University - Orlando
- Ave Maria University - Ave Maria
- Barry University - Miami Shores
- Beacon College - Leesburg
- Bethune - Cookman University - Daytona Beach
- Eckerd College - St. Petersburg
- Edward Waters University - Jacksonville
- Embry -Riddle Aeronautical University - Daytona Beach
- Everglades University - Boca Raton
- Flagler College - St. Augustine
- Florida College - Temple Terrace
- Florida Institute of Technology - Melbourne
- Florida Memorial University - Miami Gardens
- Florida Southern College - Lakeland
- Hodges University – Naples (ceases operations April 2024)
- Jacksonville University - Jacksonville
- Keiser University - Ft. Lauderdale
- Lynn University - Boca Raton
- Nova Southeastern University - Ft. Lauderdale
- Palm Beach Atlantic University-West Palm Beach
- Ringling College of Art and Design - Sarasota
- Rollins College - Winter Park
- Saint Leo University - Saint Leo
- St. Thomas University - Miami Gardens
- Stetson University - DeLand
- Southeastern University - Lakeland
- The University of Tampa - Tampa
- University of Miami - Coral Gables
- Warner University - Lake Wales
- Webber International University - Babson Park

The ICUF Institutions provide a variety of degrees for their students to pursue. In FY 2019-20, the institutions saw 39,396 student graduates. The top five degrees include Business Administration, Nursing, Psychology, Criminal Justice, and Communications. Based on the Group's FY 2019-20 survey research, roughly 66% of the graduating students choose to stay in Florida, but the

average jumps to 74% for the top five degrees. Nursing is the second most common degree graduating after Business Administration. Nurses also have the highest state retention rates at an impressive 85%. Overall graduations went up slightly for FY 2020-21 to 40,058 completions.

Effective Access to Student Education (EASE) Program

Florida's independent colleges and universities are engines of opportunity for Floridians. Florida's Effective Access to Student Education (EASE) is a grant available to Florida resident undergraduate students attending at least 12 hours per term. EASE Funding helps alleviate some of the costs for many students and achieve high-quality education at private, not-for-profit institutions that would have otherwise been unattainable. Notably, these institutions accept more minority students, low-income students, and more students over 25 than the State University System.⁵ With EASE, access to higher education is more affordable for many students in these demographics. Students can effectively break barriers to higher incomes and make themselves valuable to the future of Florida.

As of FY 2020-21, approximately 39,543 full-time equivalent undergraduate in-state students at Florida's not-for-profit private institutions receive EASE grants. The EASE program provides \$2,841 per year of subsidy to a student who attends an eligible not-for-profit private college or university. After slashing the budget per student to \$2,000 in 2022-23, the Florida Legislature has increased the funding to \$3,500 in Fiscal Year 2023-24.

Objectives

This study aims to analyze the economic impact of ICUF member institutions on Florida's economy in three parts.

The first part will examine the economic impacts and contributions of the ICUF institutions' expenditures through operating and capital spending. The second part will analyze student expenditures on tuition, fees, food, lodging, and miscellaneous items. The third and final part will estimate the earnings of graduates who remain in the state.

All three components will be measured and translated into the total number of jobs created, labor income, effects on the Gross Domestic Product, impact on economic output, and state and local taxes. These impacts will occur at direct, indirect, and induced levels.

Additionally, the study will provide a brief profile and economic impact analysis of the EASE program to evaluate its importance to students and the economy.

⁵ Financial Aid, <https://icuf.org/financial-aid/>

Assumptions and Methodology

Assumptions

Significant assumptions used by the study:

- Remote students do not impact the economy other than through tuition, fees, and books, which are already accounted for in university spending.
- 13.1% of students stay with family.
- 100% of students living on campus have a meal plan; 100% of students living off campus do not.
- Floridians do not add new spending to off-campus meals or general miscellaneous expenditures.
- Graduate students are assumed to stay off-campus.
- Lifetime earnings use a 30-year earnings period.
- 66% of ICUF graduates remain in Florida.

Methodology

The study follows a two-phase strategy for analysis: the static or direct phase and the dynamic phase. First, the static phase considers the direct expenses institutions incur, including operating costs, construction expenditures, student spending, and alumni spending. These expenses are used to estimate the total direct, indirect, and induced effects.

The dynamic phase examines the economic ripple effects of these expenditures on the broader economy. This phase investigates how direct costs impact other sub-industries or related industries in the economy. A dynamic analysis is performed by injecting simulated direct spending into the economy, which produces a series of direct, indirect, and induced effects. These effects measure the economic ripples spreading across all industries to calculate the total number of jobs created, labor income produced, GDP, and economic output. The study utilizes the widely accepted software IMPLAN to measure the economic impacts of the ICUF Institutions.

Static Impact

During the static phase of the study, the main objective is to identify the expenses that affect Florida's economy. The impact on the Florida economy is defined as the spending that would not have occurred if the university system was not present. The universities' spending is divided into two categories: the operational costs and construction expenditures (relating to capital expansion) of the universities and the students' spending. Collectively, these expenditures represent the economic impact of the institutions. However, the universities also contribute to

the economy in another vital way – through the earnings and spending of their alumni. Graduate and alumni spending is a separate but related economic impact of the ICUF Member Institutions. If these institutions did not exist, the alumni would have gone to other institutions or crowded out existing students in the State University System. Lastly, the study also analyzes the direct spending of the EASE program as a subset of the total University system expenditure.

Direct spending by the schools is composed of operating and capital expenditures. Operating costs are the ongoing expenses of day-to-day operations. They are divided into eleven categories for the study's purposes to better illustrate the costs. Ultimately, the costs are summed up for the dynamic phase. The second area of direct spending is construction costs related to capital expansion. These are the costs associated with building construction, renovation, and improvements.

Student spending pertains to expenses a typical student would incur over a year. There are five categories in which students generally spend their money: tuition, fees, lodging expenses, food expenses, and miscellaneous spending. Institutional operating expenses capture the impacts of tuition and fees, dorm lodging, and any meal or board plans. Therefore, student expenditure independently impacts the economy through apartment rentals, off-campus meals, and miscellaneous spending.

Student counts are filtered by Fall enrollment, corresponding with undergraduate and graduate students. They are further broken down into students by residency or in-state versus out-of-state. Spending is divided by groupings into off-campus apartment expenditures, spending on meals, and finally, spending on miscellaneous items.

The first assumption separates traditional students from remote students. Remote students do not have an economic impact in the State of Florida. Out-of-state remote students would have no effect through meals, lodging, or miscellaneous spending on the Florida economy as they do not reside in Florida. For in-state remote students, meals, housing, and various expenditures would take place regardless of the existence of the university system and their choice to attend classes. Therefore, remote online students are not considered in the student expenditure analysis.

Undergraduate Florida resident students are divided into several groups: undergraduate students living on-campus, undergraduate students living off-campus with their families, and undergraduate Florida students without their families. Florida students living on-campus spend money on tuition, dorm lodging, and meal plans, all considered on-campus spending and captured by the Institutional Comprehensive University System of Florida (ICUF) institutions' operating expenses. If they live off-campus with their families, there is no spending on meals and

lodging. Miscellaneous expenditures usually have no economic effect as these are Floridians' spending regardless of the institution.

Undergraduate Florida resident meal expenditures also have no economic impact, as Floridians must eat with or without the schools' existence. However, students living off-campus and not with their families are assumed to be renting an apartment due to relocating within the state to attend classes at their respective schools. Apartment rental expenses are the only economic impact of a Florida resident student's expenditure.

Undergraduate non-Florida residents have the most significant impact. These are out-of-state students who have relocated to Florida to attend not-for-profit universities. All associated spending is based on the ICUF Institutions and is considered new to the state. Students are grouped into non-Florida students living on-campus and non-Florida students living off-campus. Dorm lodging and meal plans count in institutional spending. In contrast, their miscellaneous spending directly impacts Florida as new spending and is not captured by the schools. Non-resident Florida students who live off-campus generate economic impacts through apartment expenditures, meals, and miscellaneous spending.

Graduate students account for the final grouping. The first assumption for all graduate students is that they live off-campus. They are in three base groups: Florida residents living with their families, Florida residents living without their families, and non-Florida residents. Graduate students who are Florida residents living with their families have no quantifiable impact. They have no new costs for meals and lodging. Institutional spending captures their spending directly on school; their miscellaneous spending would happen regardless. Florida residents not living with their families impact the economy through apartment expenditures. Like the undergraduates, the study assumes that graduate Floridian students have moved and acquired an apartment to take classes, which would impact the economy. The last grouping, non-Florida resident graduate students, has the same impact as the undergraduate non-Florida students. Their relocation to Florida to attend classes impacts purchasing lines related to apartments, meals, and miscellaneous expenditures.

In conclusion, the impact of student spending on Florida resident undergraduates and graduates comes from their spending on apartments. On the other hand, non-resident undergraduates and graduates impact the economy through their spending on apartments, off-campus meals, and miscellaneous expenditures.

A third area of impact is caused by the earnings and spending of alumni from the institutions that are part of the ICUF. With each degree earned, graduates enjoy better opportunities and higher earning potential throughout their careers. This impact is measured by the direct value of the earnings of thirty different cohorts of graduates in a specific year. The number of cohorts is based

on the career life of an ICUF graduate, which is usually around thirty years. As a result, if ICUF is older than thirty years, there would be thirty unique cohorts of graduates earning and spending income in a single year. Essentially, the present value of income of one graduating cohort over the next thirty years is equal to the earnings of all existing alumni in a single year, and this can be attributed to an economic impact on the state.

Degree Earnings Differentials

Additional Value of Educational Attainment by Degree

	EARNINGS	DIFFERENTIAL
HIGHSCHOOL	\$30,680	\$0
BACHELORS	\$55,660	\$24,980
MASTERS	\$78,296	\$22,636
DOCTORATE	\$89,592	\$33,932

The table above displays the difference in earnings per level of education. If a student earns a master’s degree, the earnings differential is the difference between the average earnings of a master’s degree and those of a bachelor’s degree. If the student earns a doctorate, the differential shows the difference between bachelor’s and doctorate degrees. Only the change in education is considered impactful in Florida. Hence, the aggregate alumni earnings are calculated by multiplying the number of alumni by their degrees and respective earnings differential. The REC Group calculated the average earnings per educational level from the Florida Department of Education’s Florida Education and Training Placement Information Program.

In this analysis, the Group assesses the impact of the Effective Access to Student Education (EASE) program. The EASE program provides an opportunity for students to study in ICUF institutions. Without assistance from EASE, one student takes up a spot in the public university system, while another loses their chance to be educated in public schools. This is because public universities in Florida operate at maximum capacity, with an overall acceptance rate of 46.5% in the Fall semester. Therefore, without EASE, a student's spot in the education system could crowd out another due to the limited capacity of both public and private universities.

The EASE analysis is a part of the larger ICUF Member Institution's impact study, which uses the same methodology. The EASE analysis aims to understand better the significance of EASE funding and its economic benefits. The EASE program is treated as a smaller unit, focusing on the general impact of university and student spending but specifically on students who benefit from the EASE program. This program is limited to undergraduate students who are Florida residents and take

at least 12 hours of coursework per term. The impacts related to EASE are separated into direct expenditures on tuition and fees, room and board, and apartment expenditures.

Florida undergraduates are divided into three groups: Florida resident students receiving EASE and living on campus, off-campus with family, and without family. Florida residents living on-campus generate economic impacts through expenditures in tuition, fees, dorm lodging, and meal plans, living off-campus with family impacts only tuition and fees. EASE students living off-campus without their families affect the economy through their education, fees, and apartment expenses.

Ultimately, the goal of the direct, or static, phase is to isolate specifically which areas the ICUF schools directly impact the state's economy. ICUF Member Institutions influence the economy through their direct expenditures, their student body's spending, and the alumni earnings of their graduates. University spending is divided between the operating budget and the capital budget. Student expenditures are filtered to isolate which direct spending affects the Florida economy through lodging, food, and miscellaneous expenditures. Alumni earnings affect the economy by individuals achieving higher levels of education and quantifying the additional 30 years' worth of value a worker would receive through their newly awarded degree. The three areas of static impact are isolated and summed up to measure direct expenditures as inputs for the study's second phase, the dynamic analysis.

Dynamic Impact

Dynamic impacts are the change in one variable leading to the change in others. The economic input-output model shows the interdependencies between different sectors of a national economy or different regional economies. The model depicts inter-industry relationships within an economy, leading to how the output from one industrial sector may become an input to another industrial sector. A change in one industry could affect other industries either directly, indirectly, or as an induced effect. Direct, indirect, and induced effects are the cornerstones of dynamic economic impact estimation.

An example of direct impact is individuals buying a good; the direct cost is \$5. The immediate effect would be \$5. The indirect stage encompasses the supply chain. In the \$5 item example, the indirect costs would be costs associated with acquiring intermediate products to produce the item and making it available for sale. The third and final stage of a dynamic impact is the induced impact. The tertiary effects are that after our \$5 item sells, the proceeds, salaries, and wages become additional spending in the economy as a part of consumption. Together, these three areas tie a multistage impact that pushes beyond a direct static analysis to give a better-rounded view of how expenditures impact the economy.

The IMPLAN model uses three general stages. The first is the economic impact that the universities and their students have. Secondly, the result of the graduates and their lifetime earnings, and lastly, the EASE program. The first stage includes five separate model runs:

1. Operating Expenditures
2. Construction Expenditures
3. Total Apartment Expenditures
4. Total Meals Expenditures
5. Total Miscellaneous Expenditures

IMPLAN maintains 546 unique industry sectors that can help focus specific spending and accurately capture their economic effects. IMPLAN treats operating expenditures as general expenditures by educational institutions, while capital expenditures are spent on constructing educational structures. Apartment expenditures are on tenant-occupied housing expenditures, meals apply to general grocery purchases, and miscellaneous spending is on available retail.

Alumni earnings and economic impacts are structured differently than the ICUF Member Institution impacts. There are four general classifications of degrees:

1. Doctoral Degrees
2. Master's Degrees
3. Bachelor's Degrees
4. Highschool Degrees

Unlike the general 546 categories, IMPLAN uses direct expenditures, earnings, and available incomes associated with each degree and their changing consumption behavior. For example, someone earning \$75,000 will behave differently than an individual earning \$45,000 yearly. Therefore, the degree earnings differential pertains to the new income bracket for someone going from a bachelor's degree to a master's degree or from a high school diploma to a bachelor's degree.

The third stage is the EASE impact analysis. As a subset of the larger not-for-profit institutions, EASE uses the same economic sectors to measure a tighter impact on students receiving EASE. Tuition, fees, dorm lodging, and meal plans influence student spending differently from general university spending. The EASE impact builds on a total result of the students themselves instead of the available university system in conjunction with their students' spending.

The static and dynamic phases come to paint a picture that displays the direct actions the schools are taking in the economy and, on the other side, reveal what those actions mean to the larger view. The dynamic impacts will summarize four general statistics that represent the ripple effects across the economy in total: the impact on jobs created, the impact on labor income, the impact

on GDP, and the new economic output produced. The dynamic phase also provides the taxes generated at the state and local levels.

The methodology offers a comprehensive understanding of the significance of ICUF Member Institutions in Florida. The statistics provide a concise overview of the role of not-for-profit schools and valuable insights into the impact of the system on people across the state of Florida.

Sources of Data

Sources of data used in the study:

- Survey Data of the 30 ICUF member institutions
- Integrated Postsecondary Education Data System (IPEDS), US Department of Education
- Budget Appropriations of EASE
- Integrated Public Use Microdata Series (IPUMS)
- Data Points, American Association of Community Colleges, Vol 7/Issue 21, Dec 2019.

Results, Findings, and Analysis

Static Impacts- Direct Expenditures

Independent Colleges and Universities of Florida

Table 1 displays the direct expenditures by the ICUF Institutions. Most of the spending is on instruction costs, followed by hospital services, institutional support, and other expenses. In FY 2020-21, \$1.8 billion came from instruction, \$1.2 billion from hospital services, \$897 million from institutional support, and \$813.4 million from other expenses.

Table 1: Institutional Expenditures

Direct Impacts (\$Millions)

		2020-21
OPERATIONAL SPENDING		
	ACADEMIC SUPPORT	\$489.9
	AUXILIARY ENTERPRISES	\$575.8
	HOSPITAL SERVICES	\$1,178.9
	INDEPENDENT OPERATIONS	\$11.1
	INSTITUTIONAL SUPPORT	\$897.0
	INSTRUCTION	\$1,812.1
	NET GRANT AID TO STUDENTS	\$19.3
	PUBLIC SERVICE	\$173.0
	RESEARCH	\$388.0
	STUDENT SERVICE	\$664.3
	OTHER EXPENSES	\$813.4
	TOTAL OPERATIONAL EXPENDITURES	\$7,022.8
CAPITAL SPENDING		
	CONSTRUCTION EXPENDITURES	\$355.7
TOTAL SPENDING		
	TOTAL OPERATIONAL AND CONSTRUCTION EXPENDITURES	\$7,378.6

The different areas of spending are direct cash injections into the economy. The schools' day-to-day operations account for more than \$7.0 billion, and their construction expenditures account for another \$356 million in FY 2020-21, for a total of \$7.4 billion.

Table 2 filters students by resident and educational status and breaks down three typical expenses (lodging, food, and miscellaneous) to better position and drill down the impact and prevent double counting. Grouping the general expenses allows for removing the costs already accounted for by university expenditures and separating expenses that would not impact the economy.

Student Spending

Table 2: Student Expenditures

Direct Impacts

	UNDERGRADUATES		GRADUATES		TOTAL
	UNDERGRADUATE RESIDENT	UNDERGRADUATE NON-RESIDENT	GRADUATE RESIDENT	GRADUATE NON-RESIDENT	
STUDENTS					
TOTAL STUDENTS	63,645	62,264	24,955	24,414	175,278
TRADITIONAL STUDENTS	47,976	46,935	14,009	13,705	122,625
ON-CAMPUS	21,653	21,184	0	0	42,837
OFF-CAMPUS WITH FAMILY	8,337	0	3,269	0	11,607
OFF-CAMPUS WITHOUT FAMILY	17,985	25,752	10,740	13,705	68,181
STUDENT EXPENDITURES (\$MILLIONS)					
APARTMENT EXPENDITURES	\$143.0	\$204.8	\$85.4	\$109.0	\$542.1
MEALS EXPENDITURES	\$0.0	\$128.4	\$0.0	\$68.4	\$196.8
MISCELLANEOUS EXPENDITURES	\$0.0	\$195.7	\$0.0	\$57.1	\$252.8
TOTAL STUDENT EXPENDITURES	\$143.0	\$528.9	\$85.4	\$234.5	\$991.7

Table 2 describes general groups of student types and their respective spending—the table groups by Florida resident students and non-Florida resident students. Table 2 shows 175,278 students in the Fall enrollment of 2020. Using a combination of IPEDS data and survey responses, 122,625 students participated in traditional on-campus classes. The remaining 52,653 students are considered remote. Graduate students are 28.2 % of the total fall enrollment and 22.6% of the traditional students in the fall enrollment.

According to IPEDS data, 51.5% of first time in college students are Florida residents and have a Florida home address as an origination address. Meaning students do not count as residents if they moved here from out of state and later gained a permanent Florida address. Of the 122,625 Traditional Students, 61,985 are Florida Residents.

The 61,985 traditional Florida students act as the starting point. They are divided into three categories: Florida students living on campus, Florida students living off-campus with their families, and Florida students without their families. Florida students living on campus are from the survey data. Students living off-campus use a researched distribution value of 13.1% of

students living at home with their families. The remainder are considered students neither living on campus nor with their families. Graduate students are a separate population; none are assumed to live on campus.

The largest of the three housing status groups are the Florida resident students living off-campus without their families (68,181), followed by students living on campus (42,837), and finally, students living off-campus with their families (11,607).

Undergraduate Florida students living on-campus distribute spending by dorm rooms, board, tuition, fees, and miscellaneous expenditures. All spending data is acquired through IPEDS from their cost-of-attendance variables. Undergraduate Florida resident students living off-campus with their families have lodging and food expenses not considered. Respective households cover those costs and have no bearing on the analysis. Students living off-campus without families pay for accommodation and food from spending on apartments and off-campus meals.

Non-Florida students living on campus face expenditures similar to those of their Florida resident counterparts. They pay for dorm rooms, board, tuition, fees, and miscellaneous. Off-campus non-Florida students face a matching set of expenditures with apartments and off-campus meals. They differ from their Florida resident counterparts in that miscellaneous spending and meals away from campus impact the Florida economy as new spending.

Altogether, nearly \$1 billion in spending occurs annually because of the student body of ICUF schools.

Alumni Earnings

Table 3: Lifetime Earnings

Direct Impacts (\$Millions)

	DIFFERENTIAL	COMPLETIONS	REMAIN IN FLORIDA	LIFETIME EARNINGS
BACHELORS	\$24,980.0	22,974	15,163	\$11,363.0
MASTERS	\$22,636.0	13,247	8,743	\$5,937.2
DOCTORATE	\$33,932.0	3,837	2,532	\$2,577.9
TOTAL	\$27,182.7	40,058	26,438	\$19,878.1

The Alumni earnings impact quantifies the annual degrees awarded by the ICUF member institutions and the corresponding impact value of their potential wealth for the next thirty years.

It is assumed that, given the annual lifetime of a career is thirty years, there are thirty individual cohorts within a single year of spending. Table 9 provides the number of degrees awarded each year, how many stay in the state, and the aggregated differential of their lifetime earnings.

The total number of degrees awarded in FY 2020-21 was 40,058. Based on survey results, 66% of the students remained in Florida, with 26,438 degrees awarded. Doctoral lifetime earnings differential aggregated to a new wealth of \$2.7 billion. Master's degrees added \$5.9 billion, and the bachelor's degree differential added \$11.4 billion.

Bachelor's degrees added the most value due to the sheer number of degrees. Bachelor's degrees awarded in FY 2020-21 accounted for 15,163 degrees. The aggregate earnings of awarded masters were the second-highest due to their significant earnings differential. Going from a bachelor's to a master's adds \$22,636 in annual income compared to a master's to a doctoral degree (\$11,296) or a high school degree to a bachelor's degree (\$24,980). The cumulative impact of this increase in earnings is a significant component of the overall economy, and the full scope of this change in earnings potential is fully demonstrated in the dynamic section below.

Summary

Table 4 summarizes the critical values aggregated by each main category that will be used as inputs for the dynamic model. The Institutional spending is broken down into construction and operational sections as the construction expenditures flow through the construction sector in place of the educational spending sectors for dynamic modeling. The students' spending combines all the relevant student spending types and categories. The alumni spending shows the combined expected lifetime earnings differential for all degree types.

Table 4: Direct Spending Summary

Direct Impacts (\$Millions)

		2020-21
TOTAL DIRECT EXPENDITURES		
	TOTAL OPERATIONAL EXPENDITURES	\$7,022.8
	CONSTRUCTION EXPENDITURES	\$355.7
	TOTAL STUDENT EXPENDITURES	\$991.7
	TOTAL DIRECT EXPENDITURES	\$8,370.3
ALUMNI EARNINGS		
	TOTAL LIFETIME EARNINGS	\$19,878.1
TOTAL EXPENDITURES		
	TOTAL EXPENDITURES	\$28,248.5

Dynamic Impacts

Table 5: Dynamic Impacts

\$Millions

	CONSTRUCTION SPENDING	OPERATIONAL SPENDING	STUDENT SPENDING	TOTAL DIRECT SPENDING	ALUMNI SPENDING	TOTAL SPENDING
JOBS (COUNT)						
DIRECT	2,579	40,030	0	42,609	0	42,609
INDIRECT & INDUCED	1,939	36,345	8,093	46,376	143,321	189,698
TOTAL	4,518	76,375	8,093	88,985	143,321	232,307
LABOR INCOME						
DIRECT	\$150.0	\$3,860.3	\$0.0	\$4,010.4	\$0.0	\$4,010.4
INDIRECT & INDUCED	\$117.1	\$1,835.5	\$440.5	\$2,393.1	\$7,981.1	\$10,374.2
TOTAL	\$267.1	\$5,695.8	\$440.5	\$6,403.4	\$7,981.1	\$14,384.5
VALUE-ADD (GDP)						
DIRECT	\$157.0	\$5,028.1	\$0.0	\$5,185.1	\$0.0	\$5,185.1
INDIRECT & INDUCED	\$215.9	\$3,626.3	\$849.7	\$4,691.9	\$15,334.5	\$20,026.4
TOTAL	\$372.9	\$8,654.4	\$849.7	\$9,877.0	\$15,334.5	\$25,211.5
ECONOMIC OUTPUT						
DIRECT	\$355.7	\$7,022.8	\$0.0	\$7,378.6	\$0.0	\$7,378.6
INDIRECT & INDUCED	\$400.8	\$6,874.8	\$1,479.2	\$8,754.7	\$26,736.4	\$35,491.1
TOTAL	\$756.5	\$13,897.6	\$1,479.2	\$16,133.3	\$26,736.4	\$42,869.7

In Table 5, the institutions under the ICUF umbrella have created 42,609 jobs in the economy during the fiscal year 2020-21. These jobs are the result of both operating and construction expenditures. Spending by students and alumni affects the economy through purchases of good and services from business establishments. It is those establishments that conduct hiring activities. In this manner, student and alumni spending generates job impacts through the indirect and induced portions of the dynamic model. The indirect and induced effects have resulted in the creation of 189,698 jobs. Of these jobs, 143,321 have been produced by the alumni spending category, while 8,093 jobs have resulted from spending on apartments and off-campus meals.

The total direct labor income generated by these jobs amounts to \$4 billion, most of it (\$3.9 billion) coming from operating and capital budgets. The indirect and induced labor income amounts to \$10.4 billion, with \$2 billion coming from operating and capital spending. Student and alumni spending have contributed \$440 million and \$8.0 billion, respectively. The total Labor Income generated amounts to \$14.4 billion.

The dynamic model has shown a direct impact on GDP of \$5.2 billion and a total economic output of \$7.4 billion for FY 2020-21. The indirect and induced effects have added \$20 billion in GDP and \$35.5 billion in output. Out of this, operating and capital construction spending account for \$3.8 billion in GDP and \$7.3 billion in output. In comparison, student and alumni spending has contributed \$16.2 billion in GDP and \$28.2 billion in total output during the fiscal year 2020-21. The total value-added to GDP amounts to \$25.2 billion and \$42.9 billion for the total economic output.

Tax Impacts

Table 6: Tax Impacts

\$Millions

	CONSTRUCTION SPENDING	OPERATIONAL SPENDING	STUDENT SPENDING	TOTAL DIRECT SPENDING	ALUMNI SPENDING	TOTAL SPENDING
LOCAL GOVERNMENT TAX						
DIRECT	\$1.3	\$0.0	\$0.0	\$1.3	\$0.0	\$1.3
INDIRECT & INDUCED	\$10.5	\$150.4	\$38.7	\$199.6	\$706.5	\$906.1
TOTAL	\$11.8	\$150.4	\$38.7	\$200.9	\$706.5	\$907.4
STATE GOVERNMENT TAX						
DIRECT	\$1.5	\$0.0	\$0.0	\$1.5	\$0.0	\$1.5
INDIRECT & INDUCED	\$11.4	\$165.3	\$42.2	\$218.9	\$769.0	\$987.9
TOTAL	\$12.8	\$165.3	\$42.2	\$220.3	\$769.0	\$989.3
TOTAL STATE & LOCAL TAX						
TOTAL	\$24.6	\$315.7	\$80.9	\$421.2	\$1,475.5	\$1,896.8

The institutions that make up this group are mostly exempt from taxes. However, taxes are still generated by the supply chain and by spending related to the schools. Additionally, taxes are created by construction projects and student spending. In the fiscal year of 2020-21, state taxes

amounted to \$906.1 million. These taxes resulted from the institutions' spending, building, student spending, and alumni spending activity.

The main types of state taxes include sales, corporate income, and communications services taxes. Furthermore, the indirect and induced spending from the schools, students, and alumni has created an additional \$987.9 million of tax revenue spread across all state tax sources.

Summary

Economic Impact of the Independent Colleges and Universities of Florida

Direct & Dynamic Impacts (\$Millions)

		2020-21
DIRECT IMPACT		
	TOTAL OPERATIONAL EXPENDITURES	\$7,022.8
	CONSTRUCTION EXPENDITURES	\$355.7
	TOTAL STUDENT EXPENDITURES	\$991.7
	TOTAL DIRECT EXPENDITURES	\$8,370.3
	TOTAL LIFETIME EARNINGS	\$19,878.1
	TOTAL EXPENDITURES	\$28,248.5
DYNAMIC IMPACT		
	JOBS (COUNT)	232,307
	LABOR INCOME	\$14,384.5
	VALUE-ADD (GDP)	\$25,211.5
	ECONOMIC OUTPUT	\$35,491.1
TAX IMPACT		
	STATE & LOCAL TAX	\$1,896.8

The economic impact summary showcases the total economic contribution of the ICF Member Institutions to Florida. Based on the latest fiscal year (FY 2020-21), the ICF Member Institutions and their students spent \$7 billion on operating costs, \$355.7 million on construction and improvements, and nearly \$1 billion on student purchases. The alumni accounted for an impressive \$19.9 billion in spending throughout the state. This massive investment resulted in a total cash infusion of \$28.25 billion into the Florida economy, creating 232,307 jobs for Floridians and generating \$14.4 billion in labor income and paychecks.

The impact of the ICUF institutions on the Florida economy is also evident in the Gross Domestic Product (GDP), which is \$25.2 billion larger than it would be without the institutions. To put this value in perspective, the Florida economy at its peak in FY 2020-21 was \$1,143.3 billion, according to the Legislative Office of Economic and Demographic Research, or 2.2% of the Florida economy.

To summarize the impact study, three specific statistics stand out: the jobs created, the economic output, and the taxes generated. The ICUF Institutions created 232,307 jobs, an economic output of \$35.5 billion, and \$1.9 billion in taxes for state and local governments.

Effective Access to Student Education (EASE) Program

In FY 2020-21, the EASE program funded 39,543 full-time equivalent students in Florida, who received \$112.3 million. Each student received \$2,841 to help pay for their tuition costs. EASE students are undergraduate Florida residents who take at least 12 semester hours per term. They have a unique set of impactful expenditures, including tuition and fees, room and board, and apartment expenditures. However, off-campus meals or other expenses do not impact Florida's economy.

The number of students receiving EASE funding and their tuition and fees, room and board, and apartment spending contribute to impactful spending. This spending leads to dynamic effects, including job creation, labor income, GDP and economic output, and taxes generated.

Economic Impact of EASE

Static & Dynamic Impacts (\$Millions)

		2020-21
EASE RECIPIENTS		
	STUDENTS RECEIVING EASE	39,543
DIRECT IMPACTS		
	OPERATIONAL EXPENDITURES	\$1,384.4
	STUDENT EXPENDITURES	\$117.9
	EASE EXPENDITURES	\$1,502.3
	ALUMNI EARNINGS	\$3,568.7
	TOTAL EASE EXPENDITURES	\$5,071.0
DYNAMIC IMPACTS		
	JOBS (COUNT)	41,748
	LABOR INCOME	\$2,608.0
	VALUE-ADD (GDP)	\$4,560.0
	ECONOMIC OUTPUT	\$7,715.4
TAX IMPACT		
	STATE & LOCAL TAX	\$336.7
RETURN ON INVESTMENT		
	STATE & LOCAL RETURN ON INVESTMENT	\$2.00

The 39,543 students receiving EASE spent \$1.5 billion on tuition, fees, and student expenditures. The EASE subsidy funded by the state creates a leveraging component where the \$112.3 million spent by the State Government allows the institution and students to pay a total of \$1.5 billion. A portion of all graduates of the ICUF institutions are EASE recipients, and their share of the total alumni earnings should also be considered a benefit of the EASE program. The alumni earnings in this table represent only a portion of direct spending attributable to the ease recipients. This was done as a proportionate adjustment, assuming the EASE recipients have a similar degree distribution relative to overall ICUF institution graduates.

There are 41,748 jobs created due to the EASE program, \$2.6 billion in total labor income, \$4.6 billion in GDP, and \$7.7 billion in economic output. Thanks to EASE, tax revenues have increased by \$367.3 million. The State & Local Taxes' Net Return on Investment (ROI) of EASE is \$2.00. For every dollar the State of Florida spends on the EASE program, there is a net return of \$2.00 in new taxes.

Additional cuts to the EASE program could negatively affect the number of students who can barely afford college. It would have negative implications on their future lifetime earnings. If the state further cuts the budget of the EASE program, some of these students will try to find their way to the state university system because of the lower cost of attendance. The problem is that most state universities have reached their maximum capacity. The state universities must add more facilities and hire professors to accommodate these displaced students. The alternative to EASE is expensive and will take time to implement to become operational as a reasonable replacement.

With the reduction of the EASE subsidy from \$3,500 to \$2,841 per student in FY 2018-19, any further cuts could adversely impact the number of students supported and the economy.

Conclusion

The study's primary objective is to analyze the significance of the ICUF member institutions on Florida's economy. The study findings indicate that the contributions of ICUF member institutions to Florida's economy are substantial. With 30 member institutions and a total student population of 175,278 spread across the state, the economic impact of their activities on employment, labor income, Gross Domestic Product, economic output, and tax revenues highlights their role in the state's economic development.

To put things into perspective, the ICUF institutions create 232,307 jobs, adding \$14.4 billion in labor income in FY 2020-21. They contribute \$20 billion to the State's GDP and produce a total output of \$35.5 billion. They also generate tax revenues of \$979.4 million for local governments and \$1,072.2 million for the state, amounting to \$1.9 billion.

The study also estimated the graduates' lifetime earnings value for 30 years. Out of 40,058 degrees awarded in FY 2020-21, the analysis assumes that 26,438, or 66% of the graduates, will stay in Florida. These Florida residents' aggregate total lifetime earnings amount to \$19.9 billion. Their total expenditures created 143,321 jobs and \$8 billion in labor income. They will add \$15.3 billion to GDP, producing a total economic output of \$26.7 billion. Local and state taxes generated will reach up to \$1.9 billion. All impacts will fully materialize over 30 years; these numbers represent current-year recurring impacts.

The study examined the effects of the EASE program on Florida resident undergraduate students attending private institutions. This program subsidizes eligible students, and the state allocated \$112.3 million to support 39,543 students during FY 2020-21. Through this program, students spent money on tuition, fees, room and board, and apartments, which created 41,748 jobs. It also contributed \$2.6 billion to labor income and \$4.6 billion to the GDP, generating \$7.7 billion

in economic output. Additionally, the program generated \$367.3 million in local and state tax revenues.

So, how significant is their contribution to the economy? The net ROI of the state's investment in terms of taxes is \$2.00. Every tax dollar invested by the state brings back a net return of \$2.00 in tax revenues.

The Independent Colleges and Universities of Florida play a significant role in the state's economy, both now and in the future. Their spending, along with that of their students, graduates, and EASE recipients, creates an impact spanning hundreds of thousands of jobs, tens of billions of dollars, and billions in new taxes. These institutions benefit the economy through their size and magnitude and by imparting valuable skills to current and future Floridians in various fields such as administration, nursing, communications, science, and leadership. These skills help spur innovation and creation, which further contribute to the growth of Florida's economy. Additionally, EASE subsidies provide opportunities for people from all backgrounds to reduce poverty and increase social mobility. The Independent Colleges and Universities of Florida are an essential cornerstone of Florida and contribute to making it an exceptional place to live.

Appendix – Biographies

Dr. Clyde L. Diao

Managing Partner & Economist

Dr. Clyde Diao is an economist with 34 years of experience. His expertise includes forecasting and analyzing tax issues; managing, developing, and conducting economic research projects on development and environmental issues; econometric and regional economic analysis; developing large econometric models for the State of Florida.

Dr. Diao served as the Deputy Policy Coordinator with the Florida Executive Office of the Governor. His primary responsibility included analyzing the US Economy and forecasting Florida's economy and demographics as the bases for Florida's state revenues. He developed the State of Florida's econometric models that forecast and analyze Florida's employment, income, housing, construction, tourism, and transportation.

As the Deputy Policy Coordinator, he also worked on various tax policy issues relating to corporate income tax, documentary stamps tax, intangibles tax, communication services, gross receipts taxes, highway safety taxes, tobacco taxes, and estate tax, among others. Using sophisticated regional modeling techniques, Dr. Diao conducted analyses to determine the economic impacts of various state policies — some of which are highly controversial issues that would require Dr. Diao's expert advice for the Executive Office of the Governor.

In 2010, Dr. Diao was appointed by Gov. Charlie Crist to be the Census Liaison for the State. He was instrumental in developing the strategy for the 2010 Census, which saw a sharp increase in participation from 65% to 74% and added two more congressional seats for Florida. Florida became a model to the nation in the 2010 Census.

He is also the former Chief Economist at the Florida Department of Environmental Protection, where he was involved in various aspects of environmental regulation policy. He has appeared in court as an expert witness for the State of Florida.

Dr. Diao has been a vocal proponent of Asian American issues outside the office. He is the founder of the Asian Coalition of Tallahassee and served as Chairman for ten years. ACT is the umbrella organization that aims to unite Asian Americans in the region. He was also the leader of the Big Bend Filipino American Association for ten years, the BBFAA's longest-serving president. Dr. Diao has fought for issues that impact the Asian American community, such as eliminating the Alien Land Law in Florida's constitution and the State's declaration of the Asian American Heritage Month.

Dr. Diao is from Cagayan de Oro City, Philippines. He graduated from Xavier University/Ateneo de Cagayan, a Jesuit institution with honors, and received his MS and PhD in Economics at Florida State University as a World Bank scholar.

Jared Parker

Managing Partner & Economist

Jared Parker is a founding partner and economic consultant at the Regional Economic Consulting Group. He comes from an economics career within the State of Florida's Government and maintains a wide range of experience in state policy impacts.

Before founding the Regional Economic Consulting Group, Jared Parker worked in the Florida Legislative Office of Economic and Demographic Research (EDR) and the Tax Research Unit of the Florida Department of Revenue. He was responsible for projecting revenues and determining the fiscal impacts of pending bills to the Legislatures' Revenue Estimating Panel. His policy experience includes sales tax exemptions, corporate income, insurance premium taxes and credits, Communication Services, Documentary Stamps, Intangibles taxes, and electric and gas utilities.

Jared Parker was involved with many long-term impact projects for general state policy while at EDR. He participated in the State's analysis and committee hearings featuring the Patient Protection and Affordable Care Act and the later attempt to expand Medicaid under Florida's Health Insurance Exchange. He was involved with the BP Oil Spill impacts of 2010, hurricane disaster impacts, and numerous Constitutional Amendments.

Jared Parker received his MS in Applied Economics from Florida State and has a broad range of experience on various topics about local, State, and regional economies. With many years of hands-on experience in measuring the state economy for the Legislature, he has been a part of the revenue estimating process that both the Governor and the Legislature depend on to create their budgets for the past decade.

He brings to the REC Group invaluable experience in producing in-depth outlooks and impacts and can deliver results clearly and concisely.