XAVIER UNIVERSITY

Fact Sheet
DECEMBER 2023

The Economic Value of Xavier University to Southwest Ohio

Southwest Ohio

Xavier University (XU) creates a significant positive impact on the business community and generates a return on investment to its major stakeholder groups—students and society—along with significant benefits to taxpayers. Using a two-pronged approach that involves an economic impact analysis and an investment analysis, this study calculates the benefits received by each of these groups. Results of the analysis reflect fiscal year (FY) 2021-22.

Economic impact analysis

In FY 2021-22, XU added **$650.7 million** in income to the Southwest Ohio[1] economy. Expressed in terms of jobs, XU's impact supported **8,281 jobs**.

Operations spending impact

- XU employed 1,933 full-time and part-time faculty and staff. Payroll amounted to $101 million, much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. The university spent another $72.9 million on day-to-day expenses related to facilities, supplies, and professional services.[2]

1 For the purposes of this analysis, Southwest Ohio is comprised of Adams, Brown, Butler, Clermont, Clinton, Fayette, Greene, Hamilton, Highland, Montgomery, Pickaway, Pike, Preble, Ross, Scioto, and Warren Counties.

2 Research employees as well as payroll and non-pay expenses for research are excluded from this impact.

- The net impact of the university's operations spending added **$116 million** in income to the regional economy in FY 2021-22.

Research spending impact

- Research activities at XU impact the regional economy by employing people and making purchases for supplies and services. In FY 2021-22, XU spent $388 thousand on payroll and $46.1 thousand on other expenses[3] to support research activities.
- XU's research spending generated **$388.2 thousand** in added income for the Southwest Ohio economy in FY 2021-22.

Visitor spending impact

- Out-of-region visitors attracted to Southwest Ohio for activities at XU brought new dollars to the economy through their spending at hotels, restaurants, gas stations, and other regional businesses.
- Visitor spending added approximately **$3.3 million** in income to the Southwest Ohio economy.

Student spending impact

- Around 68% of students attending XU originated from outside the region. Many of these students relocated to Southwest Ohio. In addition, some in-region students, referred to as retained students, would have left Southwest Ohio for other educational opportunities if not for XU. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.
- The expenditures of relocated and retained students in FY 2021-22 added **$17.3 million** in income to the Southwest Ohio economy.

Volunteerism impact

- The work of XU's student volunteers allows businesses and organizations to grow, increasing their output and impacting the economy at large. Using the value per volunteer hour for Ohio, the work of XU student volunteers is equivalent to $1.3 million in earnings.
- In terms of actual impact to the regional economy, XU student volunteers generated an impact of **$1.3 million** in added income in FY 2021-22.

Alumni impact

- Over the years, students have studied at XU and entered or re-entered the workforce with newly acquired knowledge and skills. Today, thousands of these former students are employed in Southwest Ohio.
- The net impact of XU's former students currently employed in the regional workforce amounted to **$512.3 million** in added income in FY 2021-22.

Impacts created by XU in FY 2021-22

Operations spending impact
$116.0 million

+

Research spending impact
$0.4 million

+

Visitor spending impact
$3.3 million

+

Student spending impact
$17.3 million

+

Volunteerism impact
$1.3 million

+

Alumni impact
$512.3 million

Total economic impact
$650.7 million

OR

Jobs supported
8,281

3 Excludes indirect costs because indirect costs are not necessarily spent during the analysis year.

Investment analysis

Student perspective

- XU's FY 2021-22 students paid a present value of **$131.5 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **$105.2 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of **$670.1 million** in increased earnings over their working lives. This translates to a return of **$2.80** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **11.7%**.

Taxpayer perspective

- XU is a private university and receives very little government funding, yet Ohio taxpayers will receive a substantial amount of benefits from XU. They will benefit from added tax revenue stemming from students' higher lifetime earnings and increased business output, amounting to **$121.5 million**. A reduced demand for government-funded services in Ohio will add another **$30.8 million** in benefits to taxpayers. In total, Ohio taxpayers will receive **$152.2 million** in present value benefits over the course of XU students' careers.

Social perspective

- In FY 2021-22, Ohio invested **$296.7 million** to support XU. In turn, the Ohio economy will grow by **$1.7 billion** over the course of students' working lives. Society will also benefit from **$97.7 million** of public and private sector savings.
- For every dollar invested in XU in FY 2021-22, people in Ohio will receive **$6.20** in return, for as long as XU's FY 2021-22 students remain active in the state workforce.

Students see a high rate of return for their investment in XU

Average annual return for XU students
11.7%

Stock market 30-year average annual return
9.6%

Interest earned on savings account (national deposit rate)
0.4%

Source: Forbes' S&P 500, 1992-2021. FDIC.gov, 2-2022.

For every $1...

Students gain in lifetime earnings
$2.80

Society gains in added income and social savings
$6.20

In total...

Taxpayers gain in added tax revenue and public sector savings
$152.2 million