

The Economic Value of Southeastern Louisiana University



Southeastern Louisiana University (Southeastern) creates a significant positive impact on the business community and generates a return on investment to its major stakeholder groups—students, taxpayers, and society. 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, Southeastern added **\$1 billion** in income to the Southeastern Primary Impact Area¹ economy, a value approximately equal to **1.1%** of the region's total gross regional product (GRP). Expressed in terms of jobs, Southeastern's impact supported **15,564 jobs**. For perspective, the activities of Southeastern and its students support **one out of every 61** jobs in the Southeastern Primary Impact Area.

Operations spending impact

- Southeastern employed 1,429 full-time and part-time faculty and staff (excluding research employees). Payroll amounted to \$113 million (excluding payroll from research employees), much of which was spent in the region for groceries,

¹ For the purposes of this analysis, the Southeastern Primary Impact Area consists of Ascension, East Baton Rouge, Jefferson, Livingston, St. Tammany, Tangipahoa, and Washington Parishes.

mortgage and rent payments, dining out, and other household expenses. The university spent another \$49.3 million on day-to-day expenses related to facilities, supplies, and professional services (excluding research expenditures).

- The net impact of the university's operations spending added **\$144.2 million** in income to the regional economy in FY 2021-22.

Research spending impact

- Research activities at Southeastern impact the regional economy by employing people and making purchases for equipment, supplies, and services. They also facilitate new knowledge creation in the Southeastern Primary Impact Area through inventions, patent applications, and licenses. In FY 2021-22, Southeastern spent \$1.1 million on payroll and \$1.3 million on other expenses to support research activities.

- Southeastern's research spending generated **\$2.2 million** in added income for the Southeastern Primary Impact Area economy in FY 2021-22.

Construction spending impact

- Southeastern invests in construction each year to maintain its facilities, create additional capacities, and meet its growing educational demands, generating a short-term infusion of spending and jobs in the regional economy.

- The net impact of Southeastern's construction spending in FY 2021-22 was **\$2.3 million** in added income for the Southeastern Primary Impact Area.

Spin-off company impact

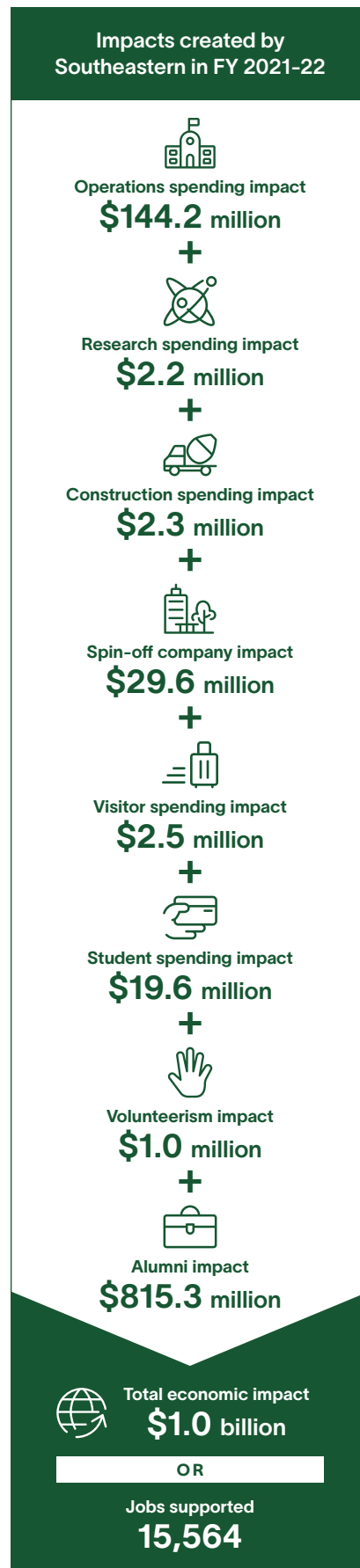
- Southeastern creates an exceptional environment through its Southeastern Louisiana Business Center that fosters innovation and entrepreneurship as evidenced by the number of spin-off companies created because of the university.

- In FY 2021-22, Southeastern's spin-off companies generated **\$29.6 million** in added income for the Southeastern Primary Impact Area economy.

Visitor spending impact

- Out-of-region visitors attracted to the Southeastern Primary Impact Area for activities at Southeastern brought new dollars to the economy through their spending at hotels, restaurants, gas stations, and other regional businesses. Typically, Southeastern hosts tens of thousands of out-of-region visitors for on-campus events each year. Southeastern, its partners, and affiliations bring well known speakers and entertainers to the region. In addition, Southeastern attracts visitors for commencement, cultural, and sporting events. It is important to remind the reader of the restrictions imposed by the COVID-19 pandemic and its strong influence on the number of visitors during FY 2021-22, reducing the visitor spending impact.

- Visitor spending added approximately **\$2.5 million** in income to the Southeastern Primary Impact Area economy.



Student spending impact

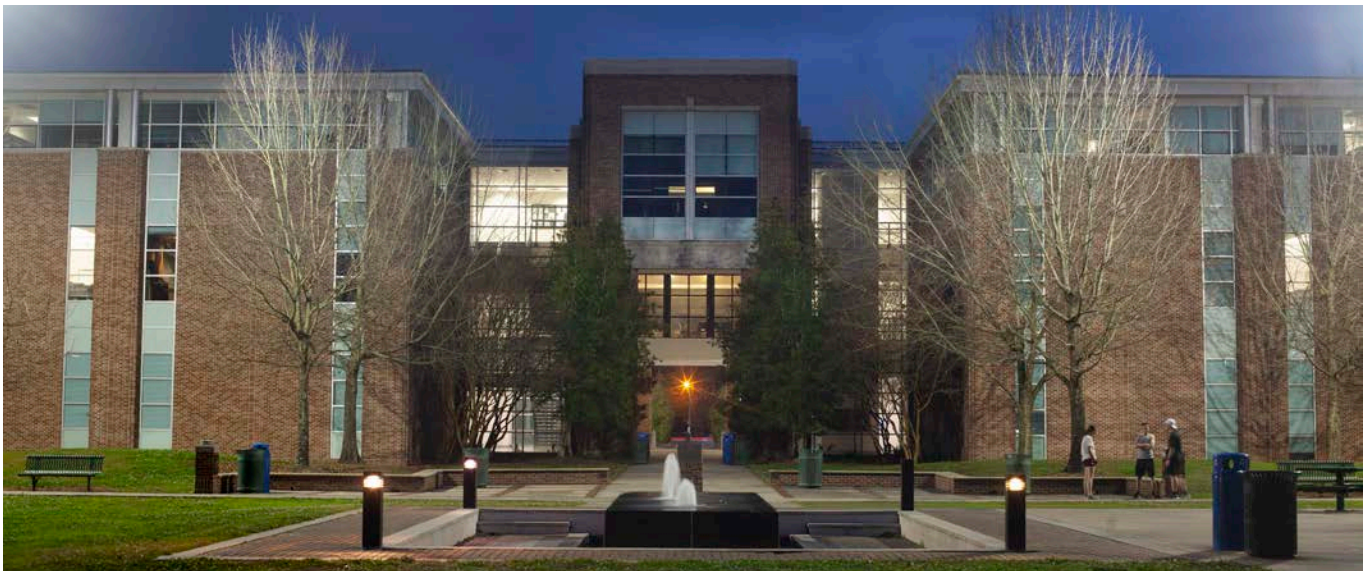
- Around 20% of students attending Southeastern originated from outside the region. Some of these students relocated to the Southeastern Primary Impact Area. In addition, some in-region students, referred to as retained students, would have left the Southeastern Primary Impact Area for other educational opportunities if not for Southeastern. 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 **\$19.6 million** in income to the Southeastern Primary Impact Area economy.

Volunteerism impact

- The work of Southeastern's student and employee volunteers allow businesses and organizations to grow, increasing their output and impacting the economy at large. Using the value per volunteer hour for Louisiana,² the work of Southeastern student and employee volunteers is equivalent to \$460.4 thousand in earnings.
- In terms of actual impact to the regional economy, Southeastern student and employee volunteers generated an impact of **\$984.6 thousand** in added income in FY 2021-22.

Alumni impact

- Over the years, students have studied at Southeastern and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in the Southeastern Primary Impact Area.
- The net impact of Southeastern's former students currently employed in the regional workforce amounted to **\$815.3 million** in added income in FY 2021-22.



² By state value per volunteer hour was provided by Independent Sector (see https://independentsector.org/resource/vovt_details/).

Investment analysis

Student perspective

- Southeastern's FY 2021-22 students paid a present value of **\$74.9 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$69.7 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 **\$760.4 million** in increased earnings over their working lives. This translates to a return of **\$5.30** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **15.6%**.

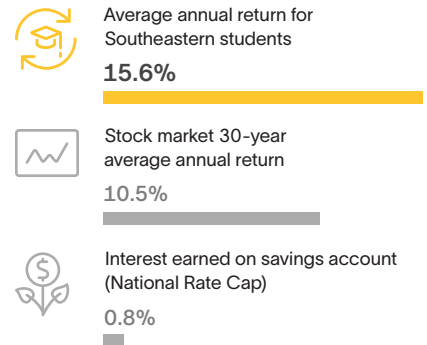
Taxpayer perspective

- Louisiana taxpayers provided Southeastern with **\$29.5 million** of funding in FY 2021-22. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$73.4 million**. A reduced demand for government-funded services in Louisiana will add another **\$15.2 million** in benefits to taxpayers.
- For every dollar of public money invested in Southeastern, Louisiana taxpayers will receive **\$3.00** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **7.6%**.

Social perspective

- In FY 2021-22, Louisiana invested **\$260.4 million** to support Southeastern. In turn, the Louisiana economy will grow by **\$2.7 billion**, over the course of students' working lives. Society will also benefit from **\$169.8 million** of public and private sector savings.
- For every dollar invested in Southeastern in FY 2021-22, people in Louisiana will receive **\$10.90** in return, for as long as Southeastern's FY 2021-22 students remain active in the state workforce.

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



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

