



COLORADO MESA UNIVERSITY



REGIONAL ECONOMIC IMPACT 2013

COLORADO MESA UNIVERSITY AT A GLANCE

▶ **Total Student Enrollment (Fall 2012 preliminary): 9,491**

In-state students: 87.7%
Full-time students: 74.1%
Students from underrepresented groups: 20.8%
Undergraduate students: 99.1%
Students from Western Colorado's 14 counties: 64.4%
Students living on campus: 20.5%
Students enrolled in one or more courses via distance format: 21.0%

▶ **Student-Faculty Ratio: 22:1**

▶ **Total Majors Offered by Level: 88**

Doctoral: 1
Master's: 3
Baccalaureate: 33
Professional Certificate: 4
Associate: 21
Technical Certificate: 26

▶ **Number of Degrees and Certificates Awarded (FY 2011 - 12): 1,151**

Master's: 35 (3.0%)
Baccalaureate: 694 (60.3%)
Associate - transfer: 74 (6.4%)
Associate - career/technical: 135 (12.%)
Technical Certificate: 260 (18.3%)

▶ **Colorado Mesa University Faculty (Fall 2012):**

Full-time academic and technical faculty: 260

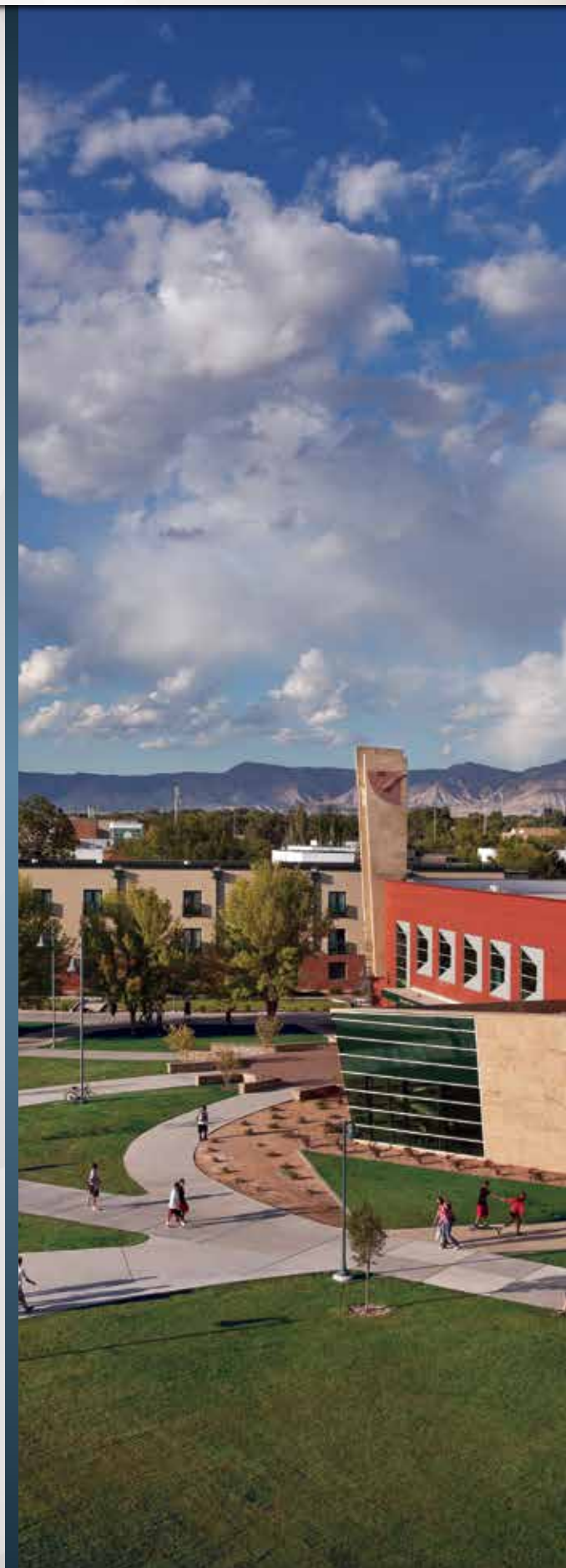
▶ **Number of Fulbright Scholar Awards: 10**

▶ **NCAA, Division II, Varsity Sports:**

Baseball (M), Basketball (M, W), Cross-country (M, W), Football (M),
Golf (M,W), Indoor and Outdoor Track and Field (M, W),
Lacrosse, (M, W), Soccer (M, W), Softball (W), Swimming and
Diving (M,W), Tennis (M,W), Volleyball (W) and Wrestling (M)

▶ **Financial Aid Awarded (AY 2011 - 12): \$72.3 million**

▶ **Accreditation: Higher Learning Commission
of the North Central Association**





REGIONAL ECONOMIC IMPACT 2013

by

Carol Futhey

Vice President for Academic Affairs
Colorado Mesa University

This publication is an update of the study *Achieving a Higher Degree of Leadership in Western Colorado* by Carol Futhey, Colorado Mesa University (then Mesa State College), Grand Junction, Colorado (2004). The original publication, and the updates focusing on the institution's regional economic impact, are available online at coloradomesa.edu/president/impactstudy.

Acknowledgments

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Introduction

Reinvention. The act of changing something to give it new form or purpose; to change the way things are done so the entity is thought of differently.

Western Colorado began reinventing itself in the early 1980s after the oil shale bust. Over the three decades since then, the region — centered on Grand Junction — has seen its leadership restructure the economy to make it more diverse and service-oriented. Like the region, Colorado Mesa University (CMU) has reinvented itself, during the first decade of the 21st century, by transforming from a relatively sedate college of about 6,200 students in Fall 2004 to a dynamic university delivering programs to a headcount of approximately 9,500 students in Fall 2012.

As part of its reinvention, CMU has become a significant economic stimulus for advancing the region as well as a major contributor to an improved quality of life for its residents. In 2012, the University employed more than 1,800 full- and part-time individuals and generated nearly \$920,000 in state revenues, a yield of approximately \$19 for each dollar invested by the State of Colorado. Further, as this study documents, Colorado Mesa had an estimated regional economic impact of \$351 million in 2012 when taking into account both direct and indirect expenditures.

Without CMU, Western Colorado would be a very different region. As CMU continues to reinvent itself as a university, it must keep expanding its program inventory in a thoughtful way and make the necessary investments in faculty members, technologies, and learning environments — be they site-based or via distance — to be a first-rate institution. Further, it must sustain an institutional culture of demanding coursework and the thoughtful exchange of ideas in order to attract the best and brightest students, preparing them with the knowledge and skills reflective of a well-educated university student. In so doing, CMU's reinvention serves as a catalyst to advance Western Colorado educationally, socially, and economically.

Colorado Mesa University in 2012

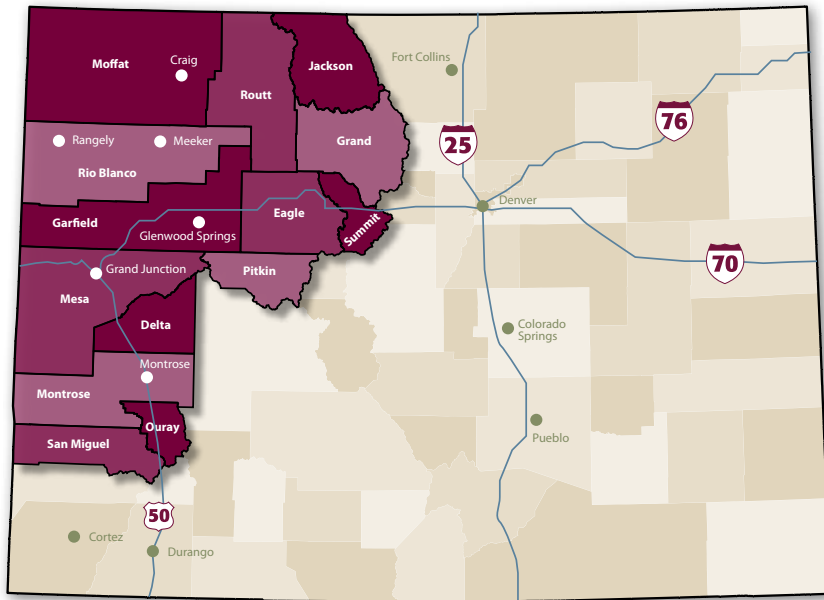
Among Colorado's 12 public four-year higher education institutions, Colorado Mesa is distinctive in its role and mission, enabling it to meet a wide range of student interests and levels of academic preparation. Committed to meeting the needs of the region, CMU provides an exceptional university experience with high academic standards that co-exist with strong support for students having varied goals and abilities. Through the consistently efficient use of resources, Colorado Mesa delivers excellent programming that spans an array of undergraduate programs and limited graduate degrees in the professional fields of business, education, and nursing. Career and technical training is available through CMU's two-year division — Western Colorado Community College — and selected programs are also available at the Montrose Campus of Colorado Mesa. These programs are having a major impact on Western Colorado's economic development, largely through the University's diverse mix of 88 programs.

Enrolling nearly 9,500 students in Fall 2012, CMU continues to build on its 88 year tradition of being the primary provider of education to residents of Colorado's Western Slope. Two out of every three undergraduates come from one of the 14 statutorily-assigned counties that span nearly 30,000 square miles, approximately 30% of the State of Colorado (Figure 1).¹ The University has prepared students to become leaders in their communities and increasingly is the first choice of

¹ Colorado Mesa's service region includes the following counties: Delta, Eagle, Garfield, Grand, Jackson, Mesa, Moffat, Montrose, Ouray, Pitkin, Rio Blanco, Routt, San Miguel and Summit. The service region for Western Colorado Community College is a subset of that group: Delta, Mesa, Montrose, Ouray and San Miguel counties.

Through the consistently efficient use of resources, Colorado Mesa delivers excellent programming that spans an array of undergraduate programs and limited graduate degrees in the professional fields of business, education, and nursing. Between Fall 2004 and Fall 2012, the University's headcount grew 52.2%, ranking it among the fastest-growing Colorado public four-year institutions during this period.

Figure 1: Colorado Mesa University's Service Region



Colorado

students pursuing a college education. As a result, the percentage of Western Colorado residents who have four-year or higher degrees has increased dramatically in recent decades — from 20.8 % of those age 25 and older in 1980 to 29.1 % in 2000 — and Colorado Mesa has been an important contributor to that increase. Between Fall 2004 and Fall 2012, the University's headcount grew 52.2%, ranking it among the fastest-growing Colorado public four-year institutions during this period. In Academic Year (AY) 2011 - 12, the University awarded 1,151 degrees and certificates.

Colorado Mesa is the third largest employer in the region, with 1,824 full- and part-time employees in 2012,² and has a total yearly payroll of more than \$33 million. Its expenditures for goods and services in the 14-county region totaled \$25 million for Fiscal Year (FY) 2011 - 12, and over the past five years, CMU completed a \$188 million construction and technology infrastructure improvement plan, so that the University's buildings and land are valued at \$239 million. With an economic impact of nearly \$351 million in FY 2011 - 12, this level of activity reflects a 143.4% increase over that for FY 2003 - 04 (Table 1).

Table 1: Changes in Estimated Economic Impact of Colorado Mesa University, FY 2003 - 04 through 2011 - 12

Fiscal Year	Estimated Economic Impact
2003 - 04	\$144,209,049
2005 - 06	\$190,962,113
2007 - 08	\$225,587,773
2009 - 10	\$317,010,199
2011 - 12	\$351,064,354

² When limited to full-time employment, Colorado Mesa ranked as the 9th largest leading employer in 2012 by the Grand Junction Economic Partnership.



CMU is an active participant in a wide-range of activities and programs that have a significant impact on the surrounding region's educational, social, and cultural environment.

Contributing to the Development of Human Capital for Western Colorado

Colorado Mesa University's impact on the region is not limited to employment or expenditures, and thinking about the University strictly in economic terms ignores the University's core mission and the myriad educational contributions it makes to the region. CMU is an active participant in a wide-range of activities and programs that have significant impact on the surrounding region's educational, social, and cultural environment. A campus brings together people to share, expand, and apply knowledge. Though often subtle, it is clear that there are a great many contributions made by Colorado Mesa to the quality of life in Western Colorado that furthers the development of its human capital. As the following illustrates, the University's faculty, staff, and administration have implemented various strategies to connect with the diverse needs and interests of the region's residents:

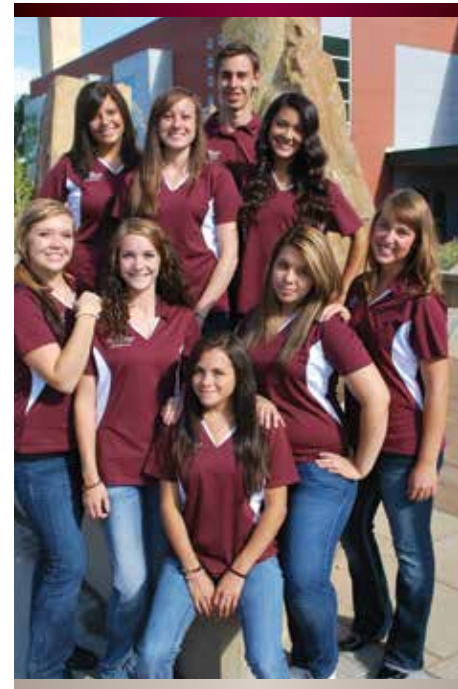
- ▶ The University's commitment to a wide range of academic offerings, many of which are built using a career ladder model, makes it a regional leader in offering students seamless transitions across degree levels. CMU faculty members have structured nine curricular sequences into career ladders,³ whereby students can complete a credential at a specific level and then either continue to the next higher degree or move into the workforce and complete another degree at a later date. Regardless of the sequence of enrollment and employment, credit hours articulate up to the next level of degree.
- ▶ CMU delivers programs in high demand within the region. Western Colorado is a region of small businesses in rural communities spread across a vast area. To meet residents' needs, however, each community has agencies and organizations in the health, education, law enforcement, and business sectors. Not surprisingly, some of the most popular academic majors at Colorado Mesa align with these communities' needs as shown in Table 2. The data summarize the number of degrees and certificates awarded by CMU over the past five years that support regional economic development, and at least half of the graduates in the following fields are employed in Western Colorado:
 - 816 nursing degrees were awarded at the certificate, associate, and baccalaureate levels since AY 2007 - 08.
 - 584 teachers were recommended for initial licensure in elementary, secondary, or K-12 education licensure, and another 189 teachers have earned either an M.A. or completed an additional endorsement over the past five years.
 - 361 graduates were prepared at various degree levels of employment in law enforcement, based on completers of the Peace Officer Standards and Training (POST) certificate program as well as those graduating from associate and baccalaureate degree programs in criminal justice.
 - 621 degrees were conferred in business at the graduate and undergraduates levels, many of them earned by graduates specializing in entrepreneurship. Other business concentrations have been developed in direct response to regional needs, such as insurance and energy management/landman.

Faculty members in technology-based programs at the community college also have responded to local companies requests for employees with skills in computer-aided design, process systems, telecommunications, and welding, while students have worked with baccalaureate faculty members to research numerous environmental issues facing Western Colorado.

³ Career ladders have been developed in Business, Computer Information Systems, Construction Technology/Management, Criminal Justice, Graphic Design, Mechanical Engineering Technology, Nursing, Public Administration/Public Safety, and Radiologic Technology. The first step of a tenth career ladder - in Medical Laboratory Technology — is in the process of being implemented through the A.A.S. degree in Medical Laboratory Technician.

Table 2: CMU Degrees Awarded in Selected Programs Supporting the Regional Economy, AY 2007 - 08 through AY 2011 - 12

Program Category	Program	Five-year Total
Manufacturing & Technology	Electric Lineworker (Certificate)	125
	Manufacturing Technology Certificate	83
	Associate of Applied Science	77
	Technology Integration Cluster (Assoc of Appl Sci)	29
	Process Systems Technology (Assoc of Appl Sci)	16
Health Sciences	Nursing	
	Nurse Aid (Certificate)	187
	Practical Nurse (Certificate)	121
	Assoc of Applied Science/Registered Nurse	169
	Bachelor of Science in Nursing	339
	Emergency Medical Services	
	Basic	89
Associate of Applied Science/Paramedic	7	
	Radiologic Technology (Assoc of Applied Science)	86
Education	Initial Licensure	395
	Master of Arts/graduate additional endorsement	189
Business	Business	
	Bach of Business Admin/Bach of Appl Science	569
	Master of Business Administration	52
Law Enforcement	Criminal Justice	
	Peace Officer Standards & Training (Certificate)	191
	Criminal Justice (Associate of Applied Science)	67
	Criminal Justice (Bachelor of Arts)	103
Science, Technology, Engineering & Mathematics (STEM)	Environmental Science & Technology (Bach of Sci)	64
	Computer Science (Bachelor of Science)	49
	Mathematics (Bachelor of Science)	50
	Physical Sciences (Bachelor of Science)	68



For 2010-11, Colorado Mesa was named to the 2012 President's Higher Education Community Service Honor Roll, reporting 3,028 students who engaged in community services and provided 255,188 hours of service valued at \$7.8 million.

- ▶ CMU is uniquely positioned within Colorado public higher education to offer the Bachelor of Applied Science degree in five fields,⁴ enabling students to complete a baccalaureate degree by building on the technical core of an Associate of Applied Science degree. This degree works well for adults who have a technical education degree but need one at the baccalaureate level for career advancement.
- ▶ Graduate programs are expanding for practicing professionals — the Master of Arts in Education, the Master of Business Administration, the Master of Science in Nursing, and the Doctor of Nursing Practice. In addition to delivering graduate preparation within the region, these programs bring research opportunities that focus on needs specific to Western Colorado.

⁴ The Bachelor of Applied Science is awarded in the fields of Business, Computer Information Systems, Hospitality Management, Public Administration/Public Safety, and Radiologic Technology.



The University now has seven programs that are fully available via distance delivery formats, making it more convenient and/or flexible for students to enroll

- ▶ The University now has seven programs that are fully available via distance delivery formats, making it more convenient and/or flexible for students to enroll. Additionally, faculty members offer approximately 140 class sections each semester, eliminating the need for a student in one of the seven certificate or degree programs to come to any of Colorado Mesa's campuses.
- ▶ The quality of CMU's programs contributes to an educated labor force that will enjoy a higher standard of living and collectively earn significantly higher incomes. According to the College Board, the lifetime earning potential of each of the University's 693 bachelor's degree graduates in AY 2011 - 12 is estimated to be 66% more during a 40-year working life than the typical high school graduate earns over the same period.⁵ These earnings circulate throughout the State's economy providing revenue for Colorado. Further, a high quality labor pool is critical for a region's economic development, often serving as a catalyst for attracting new businesses. An educated citizenry lowers social costs. University graduates report better overall health, make fewer claims on public social services, and have greater civic participation than those with a high school diploma or less. It also is well-documented that college graduates experience lower rates of unemployment, incarceration, and poverty. Finally, a 2012 study by the Georgetown Public Policy Institute found that:

The recession hit those with less schooling disproportionately hard — nearly four out of five jobs lost were held by those with no formal education beyond high school. At the other end of the spectrum, workers who had completed a four-year college degree or higher were largely protected against job losses during the recession and some high-education fields even had job gains.⁶

Partnerships

Colorado Mesa, quite simply, has demonstrated a strong commitment to advancing the region, added educational value to its graduates, and delivered significant economic returns to the region and the State of Colorado. Program development is challenging in the current economic climate, especially when coupled with the University's vast, complex geography and changing demography. Colorado Mesa, nonetheless, continues to design academic, professional, and technical programs to support Colorado's businesses and services and extend its partnerships with other offices and agencies to best leverage public and private resources. Some of these accomplishments have come about through Colorado Mesa collaborating with numerous partners to support economic development in the region. For example:

- ▶ CMU's Water Center, in collaboration with the Colorado Basin Roundtable Education Program and the Gunnison River Basin Roundtable Education Project, has organized various water-related activities (e.g., seminars, presentations, traveling exhibits, and classes). The Center also has originated stories for various media outlets to increase public understanding of and participation in policy debates on the trade-offs involved in different approaches to meeting the State's water supply needs. Feedback from both communities' residents will be solicited and summarized for the roundtable twice each year. Both projects were funded by the Colorado Water Conservation Board.
- ▶ Faculty members in the Department of Business consulted with the Horizon Drive District's Board of Directors to evaluate the impact of the district on the area's economic health. Surveys were conducted to assess the district's overall economic success and then combined with economic data (e.g., employment and wages, building usage and

⁵ Sandy Baum, Jennifer Ma, and Kathleen Payea, *Education Pays 2010: The Benefits of Higher Education for Individuals and Society*, Washington, D.C., p. 12.

⁶ Anthony Carnevale, Tamara Jayasundera, and Ban Cheah, *The College Advantage: Weathering the Economic Storm*, Washington: Georgetown Public Policy Institute, p. 3

vacancies, traffic flows, and public safety) to draw conclusions that could be used for future plans for the district.

- ▶ Faculty members from CMU and WCCC implemented a technical certificate in Medical Office Assisting, and two-year degree programs for students seeking to be a medical office assistant or medical laboratory technician. The programs were developed by working with staff from the workforce centers in Mesa County and the Southwest Colorado Rural Workforce Consortium.

Alumni

Of Colorado Mesa's approximately 28,000 alumni, 41% live in the 14-county Western Colorado region. Not surprisingly, the largest share of that total (10,400) are found in Mesa County, with an additional 8,148 individuals residing elsewhere in Colorado. The fact that many CMU graduates remain in the region improves the quality of life and raises the educational level of the workforce, attracting new and vital businesses that can lead to expansion of the local economy.

Volunteerism

For 2010 - 11, Colorado Mesa was named to the 2012 President's Higher Education Community Service Honor Roll, reporting 3,028 students who engaged in 355,188 hours of community service valued at \$7.8 million. Additionally, CMU's faculty and staff members served as volunteers in community-based organizations, and in many instances, they played a major leadership role within these institutions. The economic value of these hours is not reflected in any calculations in this study.

This is the sixth year that Colorado Mesa has been named to the Honor Roll, the highest federal recognition a college or university can receive for its commitment to volunteering, service learning, and civic engagement. The award is sponsored by the Corporation for National and Community Service, in collaboration with the U.S. Department of Education, Department of Housing and Urban Development, Campus Compact, and the American Council on Education. The criteria for honoree selection include scope and innovation of service projects, percentage of student participation in service activities, incentives for service, and the extent to which the school offers academic service-learning courses. CMU is one of three Colorado institutions to be named to the Honor Roll for all six years that the program has existed.

Contributing to the Regional Economy of Western Colorado

Model Overview and Methodology

This section describes the economic impact of Colorado Mesa University on Western Colorado using a short-term approach that examines the impact on local economic activity from the presence of an institution. Beck and Elliot define economic impact as, ". . . the difference between existing economic activity in a region given the presence of the institution and the level that would have been present if the institution did not exist."⁷ This study considers the economic impact of Colorado Mesa University during FY 2011 - 12, and relies heavily on the American Council on Education model developed by Caffrey and Isaacs.⁸ The model examines CMU's direct spending in five expenditure categories — the University, employees, students, visitors, and capital — and encompasses University non-payroll spending on everything from furniture to utilities to computers to food service to research lab equipment. CMU's employee

You might know these companies who employ some of our graduates

- Chairman and Chief Executive Officer, Home Loan & Investment Company
- Vice President of Investor Relations, Rogers Communication
- Environmental Technician, Los Alamos National Laboratory
- Rehabilitation Coordinator for Sports Medicine, Arizona State University
- Account Executive, Kroenke Sports Enterprises
- Legislative Director, U.S. Green Building Council
- Founder, Home Care of the Grand Valley, Inc.
- Deputy Director, Santa Monica Pier Restoration
- IT and Technology Project Manager, ESPN
- Vice President of Finance and Administration, Mays Concrete, Inc.
- Resident Artist, ROOT Sports (Rocky Mountain)
- Field Engineer, Kiewit Corporation
- News Anchor, KOLD-TV, (Tucson, AZ)
- Staff Auditor, Chadwick, Steinkirchner, Davis and Company
- Founder and President, Natural Resources Group
- Nurse, Homeland Security on the Border
- Environmental Scientist, U. S. Environmental Protection Agency
- Attorney, Hoskin, Farina & Kampf, P.C.
- Vice President, IMG Tennis
- Videographer, Grand Junction Rockies
- Assistant Director, Residential Youth Services, Hilltop Community Resources
- Head Coach, Synergy ProTraining
- IT Program Manager, Colorado Division of Wildlife
- Faculty member in Molecular Genetics and Microbiology, University of New Mexico School of Medicine
- Photographer, KUTV (Salt Lake City, UT)
- Founder and owner, Decadence Gourmet Cheesecakes and Catering
- Technical Director, Cirque du Soleil (Las Vegas)
- Co-owner, Tee and Jam Entertainment Production Company

⁷ Roger Beck and Donald Elliott, "Economic Impact Study of Regional Public Colleges and Universities," *Growth and Change*, Spring 1995, Volume 26, Issue 2, p. 245.

⁸ John Caffrey and Herbert Isaacs, *Estimating the Impact of a College or University on the Local Economy*, Washington: American Council on Education, 1971.



Colorado Mesa students add significant dollars to the economy, and most of their spending stays in the local economy. Students infused approximately \$108.7 million into the local economy.

contribution is analyzed in terms of its payroll, while the student component accounts for that sector's spending on a full-time equivalent basis. Visitor spending relies most heavily on campus visits related to events in the University Center and athletic competitions, while capital expenditures reflect major campus construction and renovation projects.

The model then applies a multiplier to calculate indirect spending, thereby producing an estimated total economic impact of the University. In the case of Colorado Mesa University, its estimated impact on the regional economy for FY 2011 - 12 was \$195 million. When both direct and indirect, or re-spending, is taken into account by the application of the economic multiplier, the estimate expands to \$351 million worth of economic activity associated with Colorado Mesa. Thus the University clearly creates a significant economic benefit to the businesses, households, and local governments in Western Colorado.

Last, a few comments about the limitations of the calculations should be noted. The estimated impact does not measure the economic contributions of organizations associated with Colorado Mesa, such as the Alumni Association and the CMU Foundation; the economic impact of faculty and staff earnings from private consulting and intellectual property; the economic impact of faculty and staff expertise used by businesses and organizations; and other collateral economic activities. Colorado Mesa also offers health care benefits and insurance for faculty and staff, and these insurance plans help bolster the local health care community by providing financial support for services. This spending is not included in any calculations.

This study also excludes the economic contributions by alumni to Western Colorado as well as the impact of Colorado Mesa graduates residing elsewhere in the state. CMU graduates enter the job market earning salaries well above those of high school graduates. Even higher returns accrue to those with master's, doctoral, and professional degrees. Thus the most important long-term economic benefit not reflected in this report is the increased human capital provided by the higher education institutions. With these exclusions in mind, the economic impact of Colorado Mesa reported in this study understates its overall financial effect.

Direct Expenditure Categories

College Expenditures

The myriad products and services that Colorado Mesa purchases from the surrounding region ranges from furniture to office supplies to utilities. In order to determine the University's spending in the surrounding region, budgets for all departments and auxiliary accounts were analyzed and then adjusted to exclude out-of-state companies without a regional presence. Total in-state expenditures for FY 2011 - 12 exceeded \$33 million (Table 3). Further analysis documented that more than \$25.4 million, or 75.9%, of the purchased goods and services stayed in Western Colorado, while an additional \$8 million of the total was spent elsewhere in the state.

Table 3: Colorado Mesa University Expenditures in Colorado, FY 2011 - 12

Goods and Services Purchases	Amount	Percent
In Western Colorado	\$25,450,475	75.9%
Elsewhere in Colorado	\$8,080,182	24.1%
Total	\$33,530,658	

Employee Salary/Wage Expenditures

This category of expenditures includes items purchased by CMU employees from food to housing payments to entertainment to education and transportation. To determine employee salary/wage expenditure dollar amounts, all monies budgeted for salaries and wages — \$33 million — for all

University departments and auxiliary accounts were reviewed (Table 4). Federal and state taxes represented 11.8% of the total, and benefits — including retirement, medical insurance, and life insurance — amounted to another 19.1% of the total. Once taxes and benefits were deducted, net wages amounted to approximately \$22.8 million.

Table 4: Estimated Colorado Mesa Employee Salaries, Taxes and Benefits, FY 2011 - 12

Gross Wages	\$33,044,563
Less Federal and State Taxes	\$3,910,362
Less Benefits	\$6,324,659
Net Wages	\$22,809,542
Less 10% non-local spending	\$2,280,954
Estimated Total Employee Local Spending	\$20,528,588

In light of the University’s location in Western Colorado, it is an appropriate assumption that employees of Colorado Mesa contribute most of their income after taxes into the area economy. The Bureau of Labor Statistics’ Consumer Expenditure Survey reports that housing and transportation are the two largest areas of consumer expenditures, and it was assumed that there was little dollar leakage out of the region. Some activities, such as vacations and entertainment, however, are examples of dollars that may leave the local economy. Given Colorado Mesa’s location, it is assumed that ten percent adequately accounts for leakage out of the region, resulting in an estimate of \$20.5 million in employee disposable income that was added to the Western Colorado economy. Most of that income was spent in local private businesses, and these direct expenditures multiply through the economy as described in a later section of this report.

Student Expenditures

Colorado Mesa students add significant dollars to the economy, and most of their spending stays in the local economy. To calculate student spending, a mean monthly expenditure was determined by the CMU Financial Aid Office for purchases such as room, board, personal expenses, transportation, and entertainment. This produced an average expenditure of \$1,484 per month while enrolled during FY 2011 - 12. Note that student headcount was adjusted to a full-time equivalent to allow for part-time enrollments, and no distinction was made between on-campus and off-campus students. Like that for employee spending, the study assumed that 90% of these dollars remained in the local economy, as shown in Table 5. At that rate, students infused approximately \$108.7 million into the local economy.

Table 5: Estimated Colorado Mesa University Student Spending, FY 2011 - 12

Term	Term Full-time Equivalent Enrollment	Term Length (in months)	Average Student Monthly Expense	Total
Fall 2011 Enrollment	9,005	4	\$1,484	\$53,453,680
Spring 2012 Enrollment (including January Term)	8,680	5	\$1,484	\$64,405,600
Summer 2012 Enrollment	1,995	1	\$1,484	\$2,960,580
Estimated Annual Student Spending				\$120,819,860
Less 10% non-local spending				\$12,081,986
Estimated Total Student Local Spending				\$108,737,874



Colorado Mesa University attracts a significant number of individuals to Grand Junction each year to attend or participate in a wide range of events. An estimated 62,350 fans attended athletic events.

Last of all, it should be noted that the above estimate of student spending excludes other ways that Colorado Mesa students affect the local economy. Approximately 10% of Colorado Mesa students come to the University from outside the region, thereby bringing money into Western Colorado. Additionally, students leave the University with increased knowledge and skills that enhance their subsequent employability and spending levels. While many of these students have chosen to forego earnings during their college years, the payback on their educational investment is financially worthwhile.

Visitor Expenditures

Colorado Mesa University attracts a significant number of individuals to Grand Junction each year to attend or participate in a wide range of events. In so doing, these visitors — frequently from communities outside Grand Junction — purchase food, entertainment, lodging, and fuel. Because these dollars are out-of-area dollars, they are “new” dollars to the community and increase overall economic activity.

Based on estimates from academic, student, and athletic departments for the past year, an estimated 16,000 individuals attended the University’s music and theatre programs and 62,350 fans attended athletic events. Table 6 offers an expanded listing of CMU activities and their estimated attendance, but excludes informal campus visits such as prospective students and their families.

Table 6: Colorado Mesa University Estimated Visitors by Activity, FY 2011 - 12

Activity	Estimated Visitors
Tomlinson Library	14,640
Moss Performing Arts Center	16,006
College Center	257,264
Athletics	62,350
Graduation	9,000
Total	359,260

An estimated standard destination per diem within the continental U.S. of \$137 (\$84 for lodging and \$51 for meals and incidental expenses) was obtained from the U.S. General Services Administration.⁹ Assuming that 25% of the visitors identified in Table 5 — or approximately 36,000 individuals — came to the campus from outside the region, and spent at least the daily average of \$137 for at least one day while the remaining 75% spent the estimated amount for meals (thereby excluding lodging for that segment), the estimated value to the regional economy is \$21.3 million.

Capital Expenditures

Because capital expenditures vary annually due to their dependency on the availability of funding for construction, they are typically separated from all other University expenditures. During FY 2011 - 12, CMU initiated, continued, and/or completed an extensive series of projects that resulted in this expenditure category exceeding \$23.7 million (Table 7). The funds were spent on construction projects, technology upgrades for classrooms and labs, parking, and controlled maintenance. Of that amount, the proportion spent locally averaged 79.9% though the specific proportion differed from project to project. Total dollars spent in the regional economy on capital projects for the last year approximated \$19 million.

⁹ http://www.independentsector.org/programs/research/volunteer_time.html

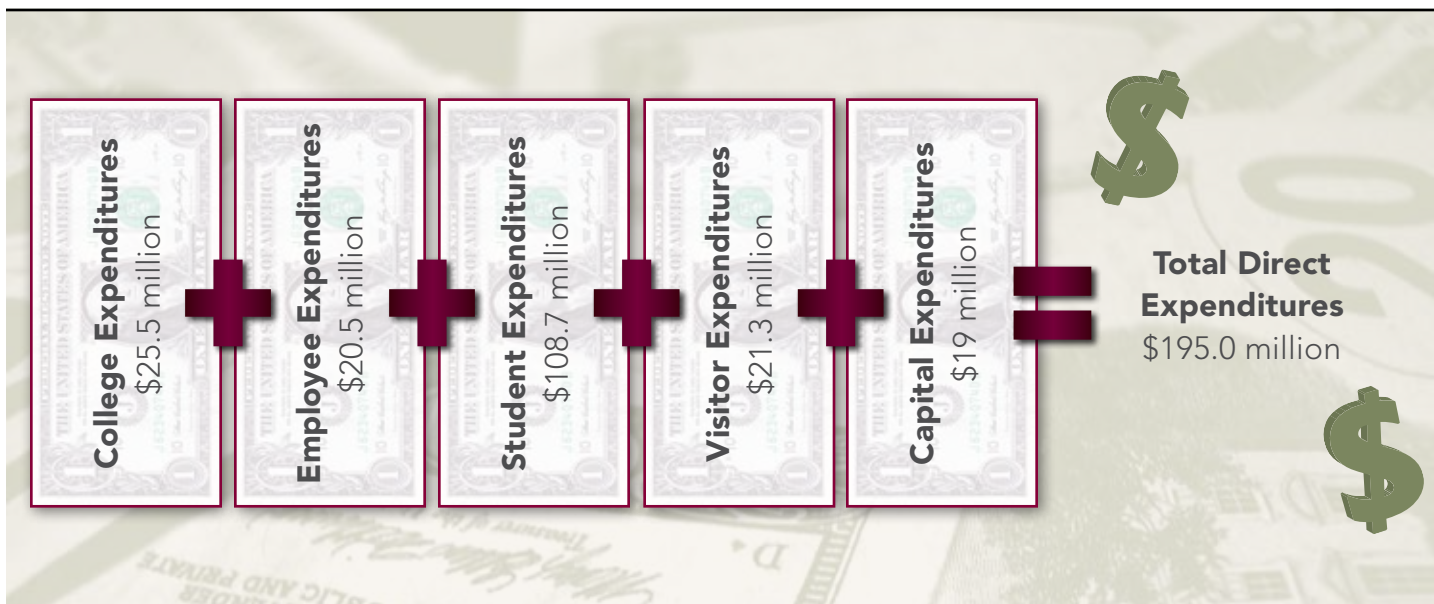
Table 7: Colorado Mesa University Capital Expenditures, FY 2011 - 12

Project	Expenditure	Percent Spent Locally
Expenditures in Western Colorado	\$18,978,771	79.9%
Expenditures Elsewhere in Colorado	\$4,781,895	20.1%
Total	\$23,760,666	

Direct Expenditures Summary

By combining the five expenditure categories, Colorado Mesa University infused over \$195.0 million directly to the regional economy in FY 2011 - 12 (Figure 2). More than half of that year's spending is associated with students attending Colorado Mesa (55.8%), with the balance spread relatively evenly across the remaining four expenditure categories. To more accurately reflect the total economic contribution of Colorado Mesa on Western Colorado, however, indirect expenditures also must be considered and are discussed in the next section.

Figure 2: Summary of Colorado Mesa University Direct Expenditures, FY 2011 - 12



Output Multiplier Effect

A multiplier captures the relationship between the dollar spent by one individual that then becomes the income of another person to be spent. The initial dollar, since it is being "re-spent," has a greater impact on the economy than just the original dollar, and hence, dollars "grow" as they circulate through the economy. For example, the ripple effect of the wages paid to Colorado Mesa University faculty and staff members is the employees' "re-spending" on housing, food, clothing, entertainment, etc. The remainder of the earnings is withheld from the local economy in the form of savings, taxes and spending on goods and services outside the region, adjusted for here by their exclusion.



During FY 2011-12, CMU initiated, continued, and/or completed an extensive series of projects that resulted in this expenditure category exceeding \$23.7 million. The funds were spent on construction projects, technology upgrades for classrooms and labs, parking, and controlled maintenance.

The multiplier effect magnifies the economic impact of the initial Colorado Mesa expenditures, with a large multiplier indicating a greater regional economic impact than a smaller one. Similarly, the revenues generated by area businesses from supplying goods and services to Colorado Mesa are paid out in wages and material purchases, which in turn are spent on living costs. In theory, this process continues through several rounds of activity with diminishing increments at each stage. This study, however, was limited to the secondary effects of spending.

Generally speaking, higher education studies that include multipliers reflect that the respending factor varies rather widely as shown in Table 8. For this study, a multiplier of 1.8 was chosen, one which is conservative compared to many other studies. Applying this multiplier to the University's direct expenditures, the total addition to the 2012 economy was estimated to be \$351 million due to the presence of Colorado Mesa University (Table 9). Put differently, without the spending by CMU — including its faculty, staff, students, visitors, and all others affected by what the University does — the income flow to Western Colorado would be \$351 million less each year.

Table 8: Output Multipliers Used in Selected Higher Education Economic Impact Studies

Institution	Multiplier
University of Iowa	2.30
University of Massachusetts	2.30
Southern Illinois University - Edwardsville	1.96
Sam Houston State University	1.70
West Virginia University - Parkersburg	1.65
University System of Georgia	1.38

Labor Multiplier Effect

The money spent by Colorado Mesa on goods and services generates jobs in Western Colorado in several ways. First is the direct employment of faculty, staff, and students in positions at the University and their accompanying spending. Last year, there were 1,824 people who owed their jobs to the existence of CMU. Second, non-payroll regional expenditures create other jobs for workers who supply the goods and services to Colorado Mesa.



Table 9: Economic Impact of Colorado Mesa University by Expenditure Category, FY 2011 - 12

Expenditure Category	Direct Impact	Multiplier (indirect impact)	Total Impact	Percent of Total
College	\$25,450,475	1.8	\$45,810,856	13.0%
Employees	\$20,528,588	1.8	\$36,951,458	10.5%
Students	\$108,737,874	1.8	\$195,728,173	55.8%
Visitors	\$21,340,044	1.8	\$38,412,079	10.9%
Capital	\$18,978,771	1.8	\$34,161,788	9.7%
Total	\$195,035,752	1.8	\$351,064,354	100.0%

A labor multiplier estimates the number of jobs created by the influx of Colorado Mesa’s spending into the surrounding community. Again, when other impact studies were reviewed, differing labor multipliers were found (Table 10). Using a conservative labor multiplier of 1.4 to estimate the additional number of jobs due to Colorado Mesa expenditures, an estimated 2,554 full- and part-time jobs are estimated.

Table 10: Employment Multipliers Used in Selected Higher Education Economic Impact Studies

Institution	Multiplier
University of Iowa	2.50
University of Minnesota	1.80
Montana State University	1.67
Tarleton State University	1.53
University of New Mexico	1.40

Concluding Comments

The reinvention of Colorado Mesa University has increased the impact of the institution — both economic and otherwise — on Western Colorado and its residents. This study estimates that in FY 2011 - 12, CMU was responsible for adding more than \$195 million directly to the regional economy; when indirect spending is considered, the total exceeds \$351 million. Additionally, there were approximately 730 jobs beyond those at Colorado Mesa resulting from the \$195 million in direct spending by the University. One of the major criticisms of economic impact studies that are created in-house is the temptation to inflate numbers, use larger multipliers and thus overstate the impact of the institution on the surrounding community.¹⁰ This study has used a very conservative approach in its calculations and multipliers to estimate the total economic impact of CMU, ignoring contributions such as the value of volunteerism to the region. Consequently, it is highly likely that the economic impact of Colorado Mesa University is actually somewhat greater than the estimated \$351 million.

¹⁰ Roger Beck and Donald Elliott, “Economic Impact Study of Regional Public Colleges and Universities,” *Growth and Change*, Spring 1995, Volume 26, Issue 2, page 245.

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