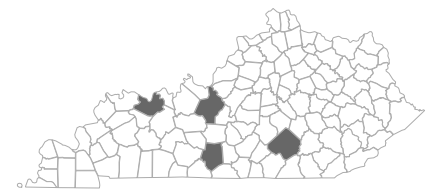


The Economic Value of Western Kentucky University to the Regional Campus Service Areas



The Regional Campus service areas in Kentucky

Western Kentucky University (WKU) creates a significant positive impact on the regional business community in which its regional campuses are located. These regional campuses are spread across the state and include Barren, Daviess, Hardin, and Pulaski^{*} Counties. WKU also 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) 2022-23.

Economic impact analysis

In FY 2022-23, WKU added **\$134.0 million** in income to the Regional Campus service areas economy. Expressed in terms of jobs, WKU's impact supported **2,167 jobs** in the region.

* WKU does not have a physical location in Pulaski County; however, WKU students take classes at another educational institution in Pulaski County that WKU has an agreement with. Thus, Pulaski County is included in this analysis.

Operations spending impact

- Overall, WKU employed 2,580 full-time and part-time faculty and staff. Total payroll amounted to \$139.7 million, part of which was spent in the Regional Campus service areas for groceries, mortgage and rent payments, dining out, and other household expenses. The university spent another \$476.3 thousand in the region on its operating expenses related to facilities, supplies, and professional services.
- The net impact of the university's operations spending added **\$15.6 million** in income to the regional economy in FY 2022-23.

Student spending impact

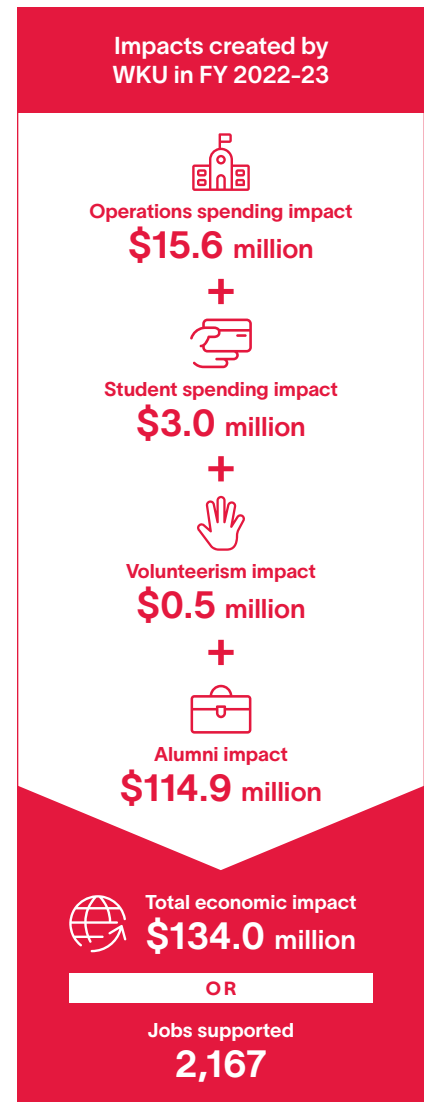
- Around 73% of students attending WKU in the Regional Campus service areas originated from outside the region. Some of these students relocated to the Regional Campus service areas. In addition, some in-region students, referred to as retained students, would have left the Regional Campus service areas for other educational opportunities if not for WKU. 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 2022-23 added **\$3.0 million** in income to the Regional Campus service areas economy.

Volunteerism impact

- The work of WKU's student and employee volunteers allows businesses and organizations to grow, increasing their output and impacting the economy at large. Using the value per volunteer hour for Kentucky, the work of WKU student and employee volunteers is equivalent to \$609.2 thousand in earnings.
- In terms of actual impact to the regional economy, WKU student and employee volunteers generated an impact of **\$493.7 thousand** in added income in FY 2022-23.

Alumni impact

- Over the years, students have studied at WKU and entered or re-entered the workforce with newly acquired knowledge and skills. Today, many of these former students are employed in the Regional Campus service areas.
- The net impact of WKU's former students currently employed in the regional workforce amounted to **\$114.9 million** in added income in FY 2022-23.



Investment analysis

Student perspective

- WKU's FY 2022-23 students paid a present value of **\$103.8 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent a value of **\$142.5 million** in time and money had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of **\$951.3 million** in increased earnings over their working lives. This translates to a return of **\$3.90** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **14.7%**.

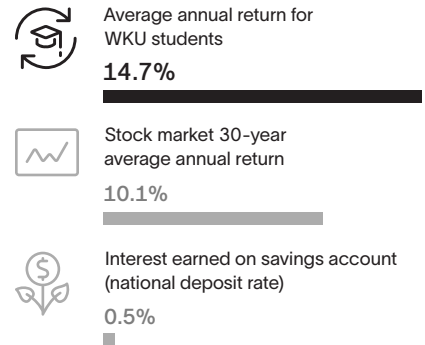
Taxpayer perspective

- Taxpayers provided WKU with **\$119.3 million** of funding in FY 2022-23. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$206.5 million**. A reduced demand for government-funded services in Kentucky will add another **\$51.5 million** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$258.0 million**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in WKU, taxpayers will receive **\$2.20** in return over the course of students' working lives. The average annual rate of return for taxpayers is **5.1%**.

Social perspective



- In FY 2022-23, Kentucky invested **\$452.5 million** to support WKU. In turn, the Kentucky economy will grow by **\$2.5 billion**, over the course of students' working lives. Society will also benefit from **\$210.3 million** of public and private sector savings.
- For every dollar invested in WKU in FY 2022-23, people in Kentucky will receive **\$5.90** in return, for as long as WKU's FY 2022-23 students remain active in the state workforce.

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



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

For every \$1...

	<p>Students gain in lifetime earnings</p> <p>\$3.90</p>
	<p>Taxpayers gain in added tax revenue and public sector savings</p> <p>\$2.20</p>
	<p>Society gains in added income and social savings</p> <p>\$5.90</p>