

The Economic Impact of Southeastern University On Lakeland and Central Florida



SOUTHEASTERN UNIVERSITY

**Kevin B. Stokes
EconImpact LLC
Louisville, KY
502-645-7767**

***EconImpact@Bellsouth.net*
www.Econimpactstudies.com
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TABLE OF CONTENTS

Executive Summary	3
Methods Used in the Study	4
Southeastern University Impact Numbers	7
Introduction	8
Source of the Data	9
Southeastern University Impact	9
Direct Spending – University	10
Direct Spending – Faculty and Staff	10
Direct Spending – Students	10
Direct Spending – Visitors	11
Multiplier Effect	11
Alumni Impact	12
Social Benefit Impact	13
Job Impact	13
Construction Impact	13
Impact on the Lakeland Economy	14
City of Lakeland Government	14
Impact on City Revenues	14
Impact on City Expenditures	17
Polk County Government	18
Impact on County Revenues	18
Impact on County Expenditures	20
Impact on the Polk County Economy	20
Community Service Impact	21
Conclusion	22
Cash Flow Model	24

SOUTHEASTERN UNIVERSITY ECONOMIC IMPACT

EXECUTIVE SUMMARY

This report examines the economic impact of Southeastern University on the City of Lakeland, Polk County, and Central Florida. The purpose of this report is to detail the ways in which Southeastern University contributes both directly and indirectly to the local economy.

Central Florida

In the 2006-2007 fiscal year, Southeastern University contributed \$136 million to the area. The University, its employees, students, and its visitors were responsible for \$68 million. Alumni contributed \$39 million in increased earnings and \$21 million in social benefits due to positive lifestyle choices. Southeastern made net contributions of \$7 million to the treasuries of the Lakeland and Polk County governments. Southeastern students contributed a value of \$929,000 in Community Service to Central Florida. Over 6,260 alumni reside in the Region.

Lakeland Economy

Last year, Southeastern University contributed \$22.6 million to the Lakeland economy. One of every \$125 spent in the City was a result of the University's presence. 1,565 alumni reside in Lakeland. Studies show that university educated residents enhance the quality of life for any community. SEU provides indirect benefits to the City of Lakeland.

Lakeland City Government

In 2006 the City of Lakeland Treasury gained a net benefit of \$942,000 from the presence of Southeastern. This report finds that Southeastern University produced 3.3% of the City's revenues, yet only accounted for 2.3% of the City's expenditures.

Polk County Economy

Southeastern University contributed \$46 million to the Polk County economy in 2006. 3,962 alumni reside in Polk County.

Polk County Government

Taking into account the cumulative contributions of Southeastern University to the Polk County Treasury, the County gained a net benefit of \$6.5 million from the presence of the University. SEU produced 1.8% of Polk County revenues, yet only accounted for 0.7% of the County's expenditures.

The benefits of the University can be seen in other ways:

Impact on Jobs

The University provided excellent employment opportunities for the area: it and its subcontractors employed 354 full-time people and was responsible for creating 295 other new jobs in Central Florida.

Community Service

Almost 62,000 hours of volunteer work were supplied by Southeastern University students for a total annual value of \$929,000 to organizations in Central Florida.

Construction Spending

Southeastern University has invested \$73 million on construction, remodeling, and landscaping since 1999.

Conclusion

Southeastern University provides numerous advantages for Lakeland and Central Florida. The University offers education for area residents whose lifestyles and earning capacities are measurably enhanced by its programs. The University's presence also generates many economic opportunities for local government and businesses. The University attracts students and visitors from elsewhere and therefore brings in substantial dollars from outside Central Florida. The City and the Region report net revenues from the University's presence. These economic advantages, coupled with the additional cultural benefits the University offers, attest to the significant contribution of Southeastern University to Lakeland and Central Florida.

METHODS USED IN THE STUDY

Central Florida Economy -- This portion of the report was based on the classic University impact method developed by Caffrey and Isaacs, Estimating the Impact of a College or University on the Local Economy. American Council on Education: Washington D.C., 1971.

Southeastern Area -- Hernando, Hillsborough, Lake, Orange, Osceola, Pasco, Pinellas, Polk and Seminole Counties

Southeastern University Community -- This group includes the University, its employees, students, alumni, visitors, and the local firms who do business with them.

Direct and Secondary Impacts -- The impacts of the Southeastern University community are divided into direct and secondary impacts. These and other associated terms are explained below:

- Direct Impact -- The initial impact on the local economy due to spending by SEU, its employees, students, visitors, and alumni.
- Secondary Impact -- Changes in other industries as they respond to the new demands made by SEU community spending.
- Total Impact -- the sum of the Direct and Secondary Impacts.

Multiplier -- The ratio of Total Impact to Direct Impact. (Multiplier = Total Impact/Direct Impact). A multiplier of 2.35 means that for every \$1.00 of direct spending an additional \$1.35 is generated in secondary spending.

Multipliers tend to be higher for industries located in large urban areas, because more of the spending by the industry stays within the area. Smaller, rural areas and individual

urban counties generally have lower multipliers, because industries must use firms outside the area for supplies and services.

Out of Region Students -- The Economic Impact of an organization on a region is derived from its ability to attract new money to Central Florida or to prevent funds from leaving it. The Economic Impact of a university comes from its ability to attract students from other parts of the country and from retaining local students who would otherwise have attended college elsewhere.

It is important to note that only revenue from SEU students originating from outside Central Florida was counted when determining the SEU Economic Impact.

Student Spending -- This was based on expected costs for student living expenses, calculated in accordance to accepted standards.

Visitor Spending -- This is based on interviews with Southeastern University and community authorities.

Alumni Earnings -- The principal economic value of a University degree lies in the difference between the average earnings of a University graduate versus that of a high school graduate. This was calculated in the following manner: the number of alumni by gender, graduation year, and degree was multiplied by the average annual earnings for each category. The average annual income for high school graduates for each category was then subtracted. This process showed the additional earnings gained from a University education. Alumni employed by SEU were not counted. Had they been included this figure would be even higher.

Southeastern University Alumni Impact -- Fifty percent of the increased earnings of SEU alumni in Central Florida were included in this report. This assigned some of the responsibility for alumni earnings to the University and left some credit to other factors; for example, that these individuals could have received their degree from any of a number of other institutions and this could have contributed to their earning potential.

Social Benefit Impacts -- This is the benefit of reduced alcoholism, incarceration, unemployment, and welfare because of the choices made by SEU alumni who live in the area. Lower social costs reduce expenditures of businesses and governments.

New Jobs -- Included are jobs at SEU and new jobs at other firms and organizations generated by the purchases of the University, its employees, students and visitors.

City of Lakeland -- This is based on a widely accepted method developed by EconImpact LLC using principles of revenue contribution and service use by community groups.

Polk County -- This is based on a widely accepted method developed by EconImpact LLC using principles of revenue contribution and service use by community groups.

Contribution and Usage Rates -- For each community group, federal, state, and local averages were used to calculate revenue contribution and service use. Rates for government functions were provided by the City of Lakeland.

CASH FLOW MODEL

The flow chart at the end of this report represents SEU's place in the flow of income and expenditures in the Central Florida economy. The circular flow of income, where households earn income and spend, businesses receive revenues from household spending and pay their operating costs, and local governments receive taxes and fees which are transformed into municipal services, is illustrated by the chart. The income-spending/income-re-spending cycle constitutes the multiplier process to which reference is made later in this report.

SOUTHEASTERN UNIVERSITY IMPACT NUMBERS

DIRECT SPENDING BY SEU IN CENTRAL FLORIDA	
University Spending	\$13,523,282
Faculty & Staff Spending	\$8,349,099
Student Spending	\$5,343,050
Visitor Spending	\$1,550,850
	\$28,766,281
SECONDARY SPENDING IN CENTRAL FLORIDA	
Secondary Spending by Southeastern University	\$18,209,099
Secondary Spending by Faculty, Students and Visitors	\$20,524,698
	\$38,733,797
Total SEU Direct and Secondary Impact	\$67,500,078
EARNINGS IMPACT IN CENTRAL FLORIDA	
Current Increased Earnings of Alumni	\$39,319,643
Total SEU Earnings Impact	\$39,319,643
SOCIAL BENEFIT IMPACT IN CENTRAL FLORIDA	
Reduced Absenteeism	\$2,180,510
Reduced Alcoholism	\$861,742
Reduced Crime Victim Cost	\$885,960
Reduced Incarceration	\$2,711,773
Reduced Smoking	\$1,332,543
Reduced Unemployment	\$7,566,880
Reduced Welfare Expenditures	\$5,604,100
Total SEU Social Benefit Impact	\$21,143,507
COMMUNITY SERVICE IMPACT ON CENTRAL FLORIDA	
Total Central Florida Community Service Impact	\$929,280
LAKELAND CITY GOVERNMENT IMPACT	
Total Benefit to Lakeland City Government	\$3,041,166
Total Cost to Lakeland City Government	\$2,099,381
Net Benefit to Lakeland City Government	\$941,785
POLK COUNTY GOVERNMENT IMPACT	
Total Benefit to Polk County Government	\$10,338,752
Total Cost to Polk County Government	\$3,880,366
Net Benefit to Polk County Government	\$6,458,385
TOTAL CENTRAL FLORIDA ECONOMIC IMPACT	\$136,292,677

INTRODUCTION

This report seeks to determine the importance of Southeastern University to Lakeland and Central Florida. It represents a careful examination of the evidence available from detailed research conducted according to the best practices in the industry. A summary of the University's impact numbers is presented below, followed by in-depth discussions of the University's impact on the City of Lakeland, Polk County, and Central Florida.

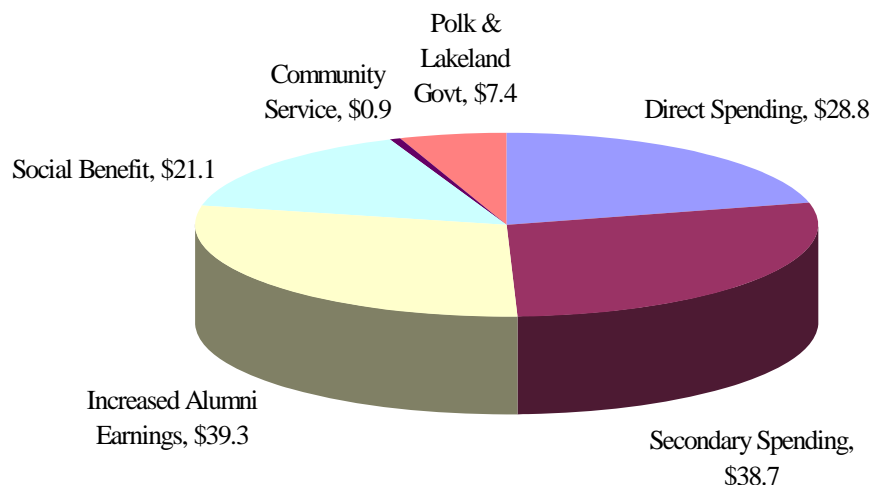
In 2006-2007 the University contributed \$136 million in additional spending to Lakeland, Polk County and Central Florida including:

- \$28.8 million in direct spending
- \$38.7 million in secondary business spending
- \$39.3 million in increased alumni earnings
- \$21.1 million in social benefits
- \$ 6.5 million in direct benefits to the Polk County government budget
- \$ 0.9 million in direct benefits to the City of Lakeland government budget
- \$ 0.9 million in community service

The University provided employment opportunities for 649 people:

- 354 Full Time Jobs at Southeastern University
- 295 other New Jobs in the wider region

Exhibit 1
TOTAL SOUTHEASTERN UNIVERSITY IMPACT
(in millions of dollars)



These statistics were determined by tracing the dollars spent, the people employed, the assets added, the taxes affected, and the sales generated in Central Florida.

Southeastern University is an export industry in Central Florida: 74% of University revenue comes from outside the region, thus generating new money to stimulate the

Central Florida economy. This report counts the impact of this new money as well as the impact of alumni who reside in Central Florida.

The following provides a context for these impact numbers:

- 3.3% of the Lakeland City revenues and 2.3% of expenditures resulted from the Southeastern University community -- a 1% net benefit to the City of Lakeland.
- \$1 of every \$125 spent in Lakeland last year came from the Southeastern community. SEU was responsible for \$22.6 million of the \$2.8 Billion in economic activity in Lakeland last year.
- 1.8% of the Polk County revenues and 0.7% of expenditures resulted from the Southeastern University community -- a 1.1% net benefit to the County.
- SEU was responsible for \$46 million of the \$16.5 Billion in economic activity in Polk County last year.

SOURCE OF THE DATA

The \$136 million added to the income flow in Central Florida by the University in 2006-2007 can be broken down further:

- \$67.5 million in Direct and Secondary spending. This came out of the pockets of students, faculty, staff, and employees, as well as others associated with the University.
- \$39.3 million earned and spent by the 6,360 SEU alumni in the area. This was income generated by the improved economic standing of the alumni and represents what their education is worth to them on a day to day basis.
- \$21.1 million in Social Benefits. This consisted of the benefit of reduced alcoholism, incarceration, unemployment and welfare because of the choices made by Southeastern University alumni who live in the community.
- \$6.5 million in benefits to Polk County government and to Polk citizens.
- \$0.9 million in benefits to the City of Lakeland government and to Lakeland citizens.
- \$0.9 million in Community Service activities performed by 2,268 Southeastern students in Central Florida.

SOUTHEASTERN UNIVERSITY IMPACT

Southeastern University made a considerable impact on the Central Florida business community in 2006-2007. \$28.8 million was directly spent by the University and its faculty, staff, students, and visitors. This money was spent and re-spent several times in the community. Some of it was paid to local merchants or was received as income by local residents. The amount of the turnover was \$38.7 million in 2006-2007. This is also known as the multiplier effect: That is how an infusion of revenue then echoes through an economy to stimulate additional revenue.

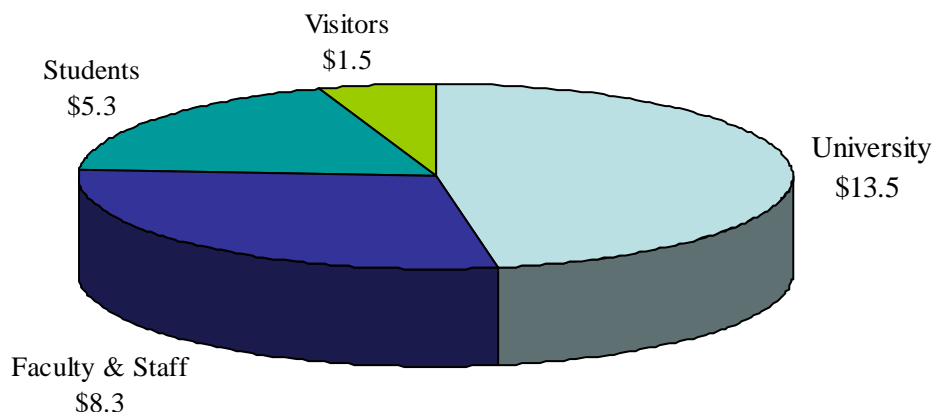
Of the \$28.8 million spent in the Region by the University community, Southeastern University itself spent 47% of that amount, or \$13.5 million, with area businesses. The faculty and staff contributed 29% of this flow, or \$8.3 million. The University's students who came from outside Central Florida accounted for \$5.3 million, or 19%, of the total

spending on food, clothing, and other goods. Visitors to the campus and University events represented \$1.5 million or 5%.

Exhibit 2
SOUTHEASTERN UNIVERSITY COMMUNITY IMPACT
 DIRECT IMPACT OF SEU ON CENTRAL FLORIDA

Direct University Spending	\$13,523,282
Faculty & Staff Spending	\$8,349,099
Student Spending	\$5,343,050
Visitors Spending	\$1,550,850
TOTAL	\$28,766,281

Exhibit 3
SOUTHEASTERN UNIVERSITY IMPACT
 (in millions of dollars)



DIRECT UNIVERSITY SPENDING

Southeastern University spent \$18.3 million in Central Florida during the 2006-2007 fiscal year. Of that amount, \$13.5 million can be attributed to out-of-area students who attended SEU. Not included in this total are salaries to employees, loans and grants to students, and purchases of goods and services from organizations outside of the Region. If salaries to employees were included, then the total amount of University spending in Central Florida would be even more significant.

FACULTY AND STAFF SPENDING

In 2006-2007 the payroll for SEU employees living in Central Florida was \$11.3 million. Of this income, \$8.3 million was earned from out-of-area students and spent in Central Florida.

STUDENT SPENDING

There were 2,673 full-time equivalent students attending Southeastern University in the Fall of 2006. Of these, 1,822 students originated from outside Central Florida. Many

of these students live in University housing and make higher payments to the University than do commuters. These students spent \$8.3 million in the Region.

VISITORS SPENDING

Over 23,600 people from outside of Central Florida came to the Southeastern University campus for basketball games, parental visits, musical performances, and conferences in 2006-2007. Together they spent \$1,550,850. Prospective students, their parents, and little brothers and sisters spent almost \$410,000 at hotels, restaurants, supermarkets, and other vendors in the area.

The National Leadership Forum, held in March, attracted 315 people from outside of Central Florida. These individuals spent over \$90,000 on lodging, food, tourism and other items. They heard presentations by Super Bowl Champion Tony Dungee, *One Minute Manager* co-author Ken Blanchard, and Chicago area megachurch founder Bill Hybels among others.

Exhibit 4

SPENDING BY VISITORS TO THE SOUTHEASTERN CAMPUS

EXPENDITURES BY OUT OF AREA VISITORS AT LOCAL BUSINESSES

Category	Number of Visitors	X	Average Expenditure	=	Total Expenditures
Athletic Events	6,100		\$55		\$335,500
Conferences	3,100		\$35		\$108,500
Cultural Events	5,250		\$30		\$157,500
Graduation	3,200		\$110		\$352,000
National Leadership Forum	315		\$290		\$91,350
Parent Visits	1,600		\$60		\$96,000
Prospective Students	4,100		\$100		\$410,000
TOTAL	23,665				\$1,550,850

THE MULTIPLIER EFFECT

The total direct impact of the Southeastern University community in Central Florida was \$28.8 million in 2006-2007. This amount went to area businesses, including utilities, plumbers, restaurants, property owners, hotels, and other services. Many of these enterprises depend on the University for a significant share of their revenue. In turn, the delivery driver to the dining hall buys some of his gas locally. The motel that hosts a parent from New Jersey gets its cleaning supplies from local markets. Of course, both the food purveyor and the motel pay their employees from money spent by the SEU community. All of this accounts for \$38.7 million re-spent in the area in 2006-2007.

The impact of this re-spending is known as the multiplier effect. Economic factors that take place outside the local economy -- for example SEU spending in Miami -- are called leakages and reduce the multiplier and overall impacts. They are excluded when estimating regional economic impacts. While the direct effects of private colleges and universities can be measured by a straightforward methodology, secondary effects of institutional spending must be estimated using regional multipliers.¹

Multipliers can vary widely by industry and area. Multipliers are higher for regions with a diverse mix of industries. Industries that make extensive use of goods and services from within Florida have higher statewide multipliers. Industries that buy most of their material from outside the state tend to have lower multipliers. The same is true in the case of multipliers for counties or other sub-state areas. Multipliers tend to be higher for industries located in large urban areas, because more of the spending by the industry stays within the area. Smaller, rural areas generally have lower multipliers, because industries must use firms outside the area for supplies and services. Multipliers for the entire state are larger than sub-state multipliers, because the initial gains (or losses) in an industry are magnified over a larger geographic area.²

The multipliers used in this report were derived from the United States Department of Commerce Regional Input-Output Modeling System (RIMS II). Exhibit 5 shows that for every \$1.00 of Southeastern University Community spending there was an additional \$1.35 spent in Central Florida. Thus the multiplier for SEU spending in Central Florida is 2.35.

Exhibit 5

SOUTHEASTERN UNIVERSITY DIRECT AND SECONDARY EXPENDITURE IMPACT

	Direct Impact - Initial Community Spending	Secondary Impact	Total Impact
SEU Community Multiplier (1)	1.00	1.35	2.35
University Spending Faculty & Staff	\$13,523,282	\$18,209,099	\$31,732,381
Spending	\$8,349,099	\$11,242,062	\$19,591,160
Student Spending	\$5,343,050	\$7,194,417	\$12,537,466
Visitor Spending	\$1,550,850	\$2,088,220	\$3,639,069
SEU Direct and Secondary Expenditure Impact			\$67,500,078

US Department of Commerce – RIMS II Multipliers for Central Florida 2004

ALUMNI IMPACT

The Southeastern University contribution to the area in human terms was substantial. It can include teachers at area high schools, or accountants at local businesses. People who obtained their bachelor's degree from SEU earned an average of \$13,215 more per year than high school graduates. SEU Masters graduates earned an average of \$14,145 more than individuals who have only the bachelor's degree. When those increased earnings were spread over the almost 5,000 Southeastern working alumni in Central Florida, \$78.6 million was added to the Region's economy. Half of this total or \$39.3 million can be claimed as the Southeastern contribution because these individuals could have received their degree from any of a number of other institutions.

SOCIAL BENEFIT IMPACT

Education pays -- not just in better incomes but also in better lifestyles. Better living pays benefits to society. University graduates tend to possess greater self-esteem; live longer, healthier lives; assume greater civic responsibility; enjoy more aesthetic interests; attend more athletic events; exercise better moral judgment; and nurture children more effectively than do those without University educations.

Southeastern alumni incur lower health and human service costs than high school graduates do. SEU alumni are less likely to be substance abusers and less likely to be unemployed or receiving welfare benefits. They also have lower probabilities of incarceration and incurring crime victim costs.

The total value of these reduced social costs is \$42.2 million. Fifty percent of this Social Benefit Impact of SEU alumni or \$21.1 million in Central Florida is included in this report. This assigned some of the responsibility for social benefits to the University and left some credit to other factors such as family background and personal characteristics. Exhibit 6 below shows the total social benefits of SEU.

Exhibit 6 **SOCIAL BENEFIT IMPACT IN CENTRAL FLORIDA**

Reduced Absenteeism	\$2,180,510
Reduced Alcoholism	\$861,742
Reduced Crime Victim Cost	\$885,960
Reduced Incarceration	\$2,711,773
Reduced Smoking	\$1,332,543
Reduced Unemployment	\$7,566,880
Reduced Welfare Expenditures	\$5,604,100
Total SEU Social Benefit Impact	\$21,143,507

JOB IMPACT

There were a total of 314 full-time faculty and staff members at Southeastern University in 2006-2007. Additionally, there were 40 people employed by subcontracting firms in food service and bookstore operations of the University. Most of the income of these 354 employees after taxes went into the local economy. There were also jobs for students on campus.

Additionally, there were 295 people who owed their jobs to the presence of Southeastern University. Overall, the University contributed 649 jobs to Central Florida.

CONSTRUCTION IMPACT

Southeastern University has spent \$73.2 million since 1999 on construction, remodeling, and grounds projects. \$48.7 million was spent on the construction of three residence halls and the Tuscana restaurant which opened in August 2007. \$19.2 million was invested in the remodeling of thirteen buildings including \$4 million on the University Sportsplex. Finally \$5.3 million was used for grounds and landscaping projects.

IMPACT ON THE LAKELAND ECONOMY

The Lakeland economy is large -- \$2.8 Billion! This is the value of all sources of the income received by Lakeland residents in 2006. Southeastern University, alumni, faculty, students and visitors contributed \$22.6 million to this \$2.8 Billion. This accounted for \$1 of every \$125 circulating in the City.

SEU alumni added \$9.5 million to the City economy. The University itself brought in \$6.6 million to local spending. Southeastern employees contributed \$3.1 million. Students left \$2.6 million in Lakeland cash registers and visitors spent \$753,000.

Exhibit 7

SOUTHEASTERN UNIVERSITY CONTRIBUTION TO THE LAKELAND ECONOMY IN 2006

Community Group	Contribution
Alumni	\$9,507,094
University	\$6,636,095
Faculty and Staff	\$3,117,219
Students	\$2,594,719
Visitors	\$753,132
TOTAL	\$22,608,259
TOTAL LAKELAND ECONOMIC ACTIVITY	\$2,802,000,000
SOUTHEASTERN SHARE OF LAKELAND ECONOMIC ACTIVITY	0.81%

SOUTHEASTERN UNIVERSITY IMPACT ON LAKELAND CITY GOVERNMENT

Southeastern University provided a net benefit to the coffers of the City of Lakeland of \$942,000 in 2006. The University contributed 3.3% of City revenues and accounted for 2.3% of City expenditures. Therefore Southeastern University produced a 1% net benefit to Lakeland. Exhibit 8 summarizes the costs and benefits of SEU to the City.

To analyze Southeastern University benefits to the City of Lakeland we looked at the contribution levels of the SEU community to local taxes and other revenues. To calculate costs we analyzed the rates at which SEU community members use City services. Fiscal Year 2006 numbers, which were most recently available, were used. City enterprises such as electricity, water, and solid waste removal were not included in the calculations.

SEU IMPACT ON CITY OF LAKELAND REVENUES

The City of Lakeland collected \$92.9 million of revenues from local taxpayers and grants to support governmental services in 2006. A total of \$3.1 million of this revenue came from Southeastern University, its faculty, students, alumni, and local firms who engaged in business with the University.

Lakeland received higher tax revenues because many people educated by Southeastern University live in the community. These individuals pay property, sales, and other taxes to the City. Additionally, University graduates have lower involvement with the criminal justice, public health, and welfare systems, which reduces City expenditures.

Exhibit 8
SOUTHEASTERN UNIVERSITY IMPACT ON THE
CITY OF LAKELAND GOVERNMENT
(in thousands of dollars)

	Total Revenue or Expenditures	SEU Impact
Revenue		
Property Taxes	\$17,845	\$594
Motor Fuel Taxes	\$5,599	\$161
Utility Taxes	\$14,162	\$398
Franchise Taxes	\$321	\$11
Charges for Services	\$14,203	\$548
Intergovernmental Revenue	\$15,557	\$718
Lakeland Regional Medical Center Lease	\$9,131	\$102
Interest Earnings	\$2,603	\$82
Miscellaneous Revenue	\$5,205	\$165
Change in Fund Balances	\$8,264	\$261
Total Revenue	\$92,891	\$3,041
Expenditures		
General Government	\$9,525	\$215
Police	\$29,859	\$331
Fire	\$10,662	\$109
Building Inspection	\$2,791	\$200
Public Works & Transportation	\$17,397	\$755
Economic Environment	\$3,771	\$97
Human Services	\$234	\$8
Recreation and Culture	\$16,257	\$330
Interest on Long-Term Debt	\$2,395	\$54
Total Expenditures	\$92,891	\$2,099
Net Benefit to the City of Lakeland		\$942

Property Tax Revenues

Property taxes brought in the largest share of City revenue: \$17.8 million. The Southeastern University community made a net contribution of \$594,338 in property taxes in 2006. This is because payments by alumni, employees, students and local business firms far outweighed the cost of the exemption on the SEU property.

Alumni paid \$653,116 in property taxes. Local business firms, as a result of their business with the University, contributed \$104,286. University employees paid \$56,971. Students paid \$62,464 in real estate taxes as a part of rental charges to their landlords.

Southeastern University paid \$4,138 on non-exempt properties. These contributions totaled \$880,974. Exhibit 9 shows how the SEU community contributed to Lakeland property taxes.

The City of Lakeland did not receive \$286,637 in real estate taxes because of the tax-exempt status of the University campus on Longfellow Boulevard. This brings the total property tax contribution to the City to \$594,338.

It bears noting that the contributions of faculty, staff, alumni, and local business far outweigh the loss of property tax revenue on the SEU Campus. In fact, the City is ahead in property tax revenue to the tune of \$594,000, thanks to the presence of Southeastern University.

Exhibit 9
SOUTHEASTERN UNIVERSITY IMPACT
ON LAKELAND PROPERTY TAXES

Southeastern Community Group	Property Taxes Paid
Alumni	\$653,116
Employees	\$56,971
Students	\$62,464
Local Business	\$104,286
Southeastern University	\$4,138
Total Payments	\$880,974
Cost of Tax Exemption	(\$286,637)
NET BENEFIT	\$594,338

Other Tax Revenues

Revenue from motor fuel, franchise and utility taxes brought \$20.1 million to the Lakeland City treasury. The University, its alumni, employees, students and local firms which did business with them contributed \$570,000 toward these tax revenues.

State and Federal Funds

Funds from the State and Federal Governments provided \$15.6 million of City revenues. These revenues originally were generated from income taxes, sales taxes and other revenues paid to Tallahassee and Washington. The SEU community contributed \$718,000 of this intergovernmental revenue.

Other Revenues

Charges for services produced \$14.2 million for the City. These services included construction permits, park and library activities and traffic tickets. The University community's share was \$548,000.

The City of Lakeland was paid \$9.1 million for the leasing of Lakeland Regional Medical Center. \$102,000 of the leasing fee was earned from revenues derived from the Southeastern University community.

Interest earnings for the City totaled \$2.6 million. SEU contributed \$82,000 to this fund.

There was also \$5.2 million in revenue from other sources. The University community was responsible for \$165,000 of the total.

Operating expenses exceeded revenues by \$8.3 million in our study. However, capital grants provided additional resources for the increase in net assets. Capital grants were excluded from this analysis, but generated \$7.8 million for financing capital projects. Additionally, transfers of \$21 million (also excluded from the economic impact study) from the business-type activities contributed to the total increase of \$24 million reported on the Lakeland Statement of Activities for the year ending September 30, 2006.

SEU IMPACT ON CITY OF LAKELAND EXPENDITURES

The City of Lakeland's governmental services to the public had a cost of \$92.9 million in 2006. These services included police, fire, redevelopment, public works, governmental operations, parks and other services. The cost of providing these services to the Southeastern University community was \$2.15 million.

The operation of City offices and other administrative operations amounted to \$9.5 million. Providing these governmental services to the Southeastern University community cost \$215,000.

Public Safety

Police services accounted for \$29.9 million of City spending. In 2006 there were 149 responses to the SEU campus by Lakeland police. This was less than two tenths of one percent of the total of approximately 77,000 calls to the Lakeland Police Department. Based on this percentage rate the cost of serving the University campus was \$57,780. When service to other sectors of the SEU community was included the total cost was \$331,274.

Fire services totaled \$10.7 million of municipal expenditures. There were 42 responses by the Fire Department to the SEU campus out of a total of 19,444. This was 0.2 percent of all responses in 2006. Thus the University accounted for \$23,031 of LFD expenses in 2006. This amount plus the costs of serving employees, alumni, and firms that do business with SEU brought the total cost of serving the SEU community to \$109,000.

Building inspections incurred \$2.8 million in city spending. Service to the Southeastern University community cost \$200,000 to the City of Lakeland.

Other Services

Public works and transportation cost the City \$17.4 million. The University was responsible for \$755,000 of that total.

Culture and recreation, which includes Lakeland parks and the public library, accounted for \$16.3 million of the City budget. SEU alumni and employees use these services at a higher than average rate costing the City a total of \$330,000.

Redevelopment costs amounted to \$3.8 million. The cost of these services to the Southeastern University community was \$97,000.

Human services incurred \$234,000 in city spending. Service to the Southeastern University community cost \$8,000 to the City of Lakeland.

The City paid interest on its long-term debt in the amount of \$2.4 million. SEU and its community contributed \$54,000 toward these interest payments.

SOUTHEASTERN IMPACT ON POLK COUNTY GOVERNMENT

Southeastern University provided a net benefit to Polk County of \$6,458,000. The University community contributed \$10.3 million to County revenues. Providing services to the SEU community cost the County \$3.9 million. In percentage terms this means that Southeastern contributed 1.8% of County revenues and cost 0.7% of County spending. This resulted in a 1.1% net benefit for the County. Exhibit 10 summarizes the costs and benefits of SEU to the County.

Polk County receives higher tax revenues because of the presence of so many SEU community people who work and live there. Because of their relatively higher incomes these people are able to pay higher sales, real estate and other taxes. Additionally these University graduates have lower involvement with the criminal justice, public health and welfare systems, which reduce County expenditures.

To analyze SEU benefits to Polk County we looked at the contribution levels of the SEU community to local taxes and other revenues. To calculate costs we analyzed the rates at which SEU community members use County services. Fiscal Year 2006 numbers, which were most recently available, were used. County enterprises such as water, sewer and solid waste removal were not included in the calculations.

SOUTHEASTERN IMPACT ON COUNTY REVENUES

Polk County spent \$496.8 million in 2006. The County received revenues of \$590.2 million, enjoying a surplus of \$93.4 million. A total of \$10,339,000 in revenue during 2006 came from SEU, its faculty, students, alumni, and local firms that do business with the University.

Property taxes brought in \$212.1 million, which was the largest share of County revenue. The Southeastern community made a net contribution of \$4.3 million to Polk County tax revenue as shown in Exhibit 11 below.

SEU Faculty and staff contributed \$193,348 in real estate taxes. Local business firms, as a result of their business with the University, contributed \$445,008. University alumni were responsible for \$3,424,174 in additional real estate taxes and students paid \$213,729.

The County did not receive \$3,737 in real estate taxes because of the tax-exempt status of the land occupied by the University campus. Therefore the net property tax contribution to Polk County was \$4,272,521. Thus the cost of the tax exemption was far outweighed by the contributions of faculty, staff, alumni and local businesses.

Other tax revenue sources including sales taxes, motor fuel taxes, and services taxes brought \$146 million to the County treasury. The Southeastern University share of these revenues was \$1.9 million.

Charges for services, such as ambulance responses, traffic tickets, and building inspections, brought \$147.1 million to the County treasury. The SEU community was responsible for \$2.7 million of the total.

Exhibit 10
SOUTHEASTERN UNIVERSITY IMPACT ON
POLK COUNTY GOVERNMENT
(in thousands of dollars)

	Total Revenue or Expenditures	SEU Impact
Revenue		
Property Taxes	\$212,331	\$4,273
Sales Taxes	\$67,659	\$809
Motor Fuel Taxes	\$31,558	\$360
Other Taxes	\$46,629	\$714
Charges for Services	\$147,148	\$2,718
Intergovernmental Revenue	\$54,181	\$927
Interest Earnings	\$24,270	\$425
Miscellaneous Revenue	\$6,425	\$113
Total Revenue	\$590,201	\$10,339
Expenditures		
General Government	\$121,551	\$799
Criminal Justice	\$126,345	\$553
Fire Control	\$16,992	\$51
Other Public Safety	\$25,796	\$141
Public Works & Transportation	\$115,195	\$1,384
Economic Environment	\$18,838	\$117
Human Services	\$45,319	\$56
Recreation and Culture	\$8,934	\$48
Interest on Long-Term Debt	\$11,701	\$77
Miscellaneous Revenue	\$6,110	\$40
Change in Fund Balance	\$93,421	\$614
Total Expenditures	\$590,201	\$3,880
Net Benefit to the Polk County Government		\$6,458

The Federal government and the State of Florida provided \$54.2 million in revenue to Polk County. These funds originally came from income tax and other revenues paid to Washington and Tallahassee. The SEU community contributed \$0.9 million to this source.

Interest earnings were \$24.3 million. The SEU community share was \$425,000. There was also \$6.4 million in revenue from other sources. The SEU community was responsible for \$113,000 of this amount.

Exhibit 11
SOUTHEASTERN UNIVERSITY IMPACT ON
POLK COUNTY REAL ESTATE TAXES

Category	Payments
Alumni	\$3,424,174
Business	\$445,008
Employees	\$193,348
Students	\$213,729
Total Payments	\$4,276,258
Cost of Tax Exemption	-3,737
Net Benefit	\$4,272,521

SOUTHEASTERN IMPACT ON COUNTY EXPENDITURES

Polk County had operating expenditures of \$496.8 million in 2006. This covered public safety, fire, streets, governmental operations, parks and other services. The cost of providing these services to the SEU community was \$3.9 million.

The operation of County offices and other administrative operations cost \$121.5 million. Providing these governmental services to the SEU community cost \$799,000.

Police and criminal justice services cost \$126.3 million. Providing security for the SEU community cost the County \$553,000.

Fire, ambulance and emergency services accounted for \$42.8 million of County expenditures. These public safety functions for the SEU community cost \$192,000.

Public works and transportation cost \$115.2 million to maintain. The cost of providing roadways and buses for the SEU community was \$1.4 million.

Recreation and Culture services were responsible for \$8.9 million of County expenditures. The cost of providing these services to the SEU community was \$48,000.

Human services cost \$45.3 million. The cost of supporting the SEU community was \$56,000.

Southeastern University and its community bore \$117,000 of the \$18.8 million cost of improving the Economic Environment.

Interest and debt service charges took \$11.7 million from the County treasury. The SEU share was \$77,000.

Polk County ended 2006 with a savings of \$93.4 million. The surplus of revenues will permit greater freedom in future years. Thus the SEU contribution to future spending will be \$614,000.

IMPACT ON LOCAL BUSINESS IN POLK COUNTY

The Polk County Gross Metropolitan Product is \$16.5 Billion. This is the value of all sources of income received by County residents in 2006. Southeastern University, alumni, faculty, students and visitors contributed \$46.1 million to this \$16.5 Billion. Exhibit 12 shows these data.

SEU alumni were responsible for \$24.3 million in Polk County business revenue. The University itself brought in \$8.9 million to local spending. SEU employees contributed \$7.2 million. Students left \$4.1 million in Polk County cash registers and visitors spent \$1.5 million.

Exhibit 12
SOUTHEASTERN UNIVERSITY CONTRIBUTION TO
THE POLK COUNTY ECONOMY IN 2006

Community Group	Contribution
Alumni	\$24,285,959
University	\$8,946,035
Faculty and Staff	\$7,235,994
Students	\$4,151,550
Visitors	\$1,506,263
TOTAL	\$46,125,801
TOTAL POLK COUNTY ECONOMIC ACTIVITY	\$16,500,000,000
SOUTHEASTERN SHARE OF POLK COUNTY ECONOMIC ACTIVITY	0.28%

COMMUNITY SERVICE IMPACT ON CENTRAL FLORIDA

During the 2006-2007 academic year 2,268 Southeastern University students contributed almost 62,000 hours of community service in Central Florida. Eighty three percent of SEU students contributed an average of 27 hours each. Based on a value of \$15 per hour, the middle range of the value set by the National Corporation for Public Service, the dollar value of this service was \$929,280. The calculation of the value of these services is shown in Exhibit 13.

Exhibit 13
VALUE OF SEU STUDENT COMMUNITY SERVICE
IN CENTRAL FLORIDA

Community Service Hours	Wage	Value of Community Service
61,952	x	\$15
	=	\$929,280

One example of Community Service was Southeastern's biggest, back-to school event which occurred on Aug. 25, 2007. About 950 students, staff, and professors fanned out across Central Florida to distribute 100,000 pounds of food and household goods to about 900 families in need. The teams also picked up litter, painted, and repaired old playground equipment and assembled new equipment in the neighborhoods that they visited.

This event is just one way Southeastern officials encourage students to serve others. "Our athletic department believes in modeling servant leadership," says University Athletic Director Duane Aagaard, "in fact, our athletes participate in monthly Christian service projects throughout Polk County with organizations such as Big Brothers Big Sisters, Talbot House Ministries, Give Kids The World and many others."

CONCLUSION

The significant economic impact of Southeastern University on Lakeland and Central Florida can be felt in a number of ways. The University produces alumni from Lakeland and beyond who earn more than their counterparts who did not attend University. These alumni adopt better lifestyles and thus save the community on expenses such as healthcare. The University provides employment opportunities, not only through jobs on campus but also through jobs generated by business the University and its members conduct locally. The University and those associated with it pumped \$136 million into the Central Florida economy in 2006-2007. A significant portion of this money was brought in from outside Central Florida. The City and Region both receive substantial revenues from the University's operations. It is clear that in addition to the University's profound contributions to the cultural life of the community it is making sizable economic contributions as well.

FOOTNOTES

- 1) Ernie Goss. The Economic Impact of Phase II LEC Construction and Operations on the Area Economy. October 14, 2005. Omaha: Creighton University Economics Department.
- 2) "Using Multipliers to Measure Economic Impacts." California Labor and Workforce Development Agency. California Economic Strategy Panel. 2002

Economic Impact of Southeastern University on the City of Lakeland Cash Flow Model

