
**ADAMS STATE UNIVERSITY
ECONOMIC IMPACT ANALYSIS AND REPORT
SAN LUIS VALLEY AND COLORADO
DECEMBER 2015**

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Adams State University

208 Edgemont Blvd.

Alamosa, CO 81101



Adams State University at a Glance

Founded: 1921

Founder: Billy Adams

Elevation: 7,544 ft.

Total student enrollment: 3,154

Undergraduate Students: 2,156

Graduate Students: 998

Degrees Offered: B.S., B.A., M.A., M.B.A., Ph.D., A.A.

Concentration Areas: 50+

Nickname/Mascot: Grizzlies

Joined NCAA Division II: 1992

Conference: Rocky Mountain Athletic Conference

President: Dr. Beverlee J. McClure

Executive Assistant to the President/Board of Trustees: James Trujillo

Vice President for Student Affairs: Kenneth Marquez

Vice President for Academic Affairs: Frank Novotny

Assistant Vice President for Finance and Technology: Heather Heersink

Athletics Director: Larry Mortensen

PREFACE

For this study, the economic impact analysis and report put together by John S. Stump in March 2005 was used as a template. After discussing with Mr. Stump, it was determined that the multipliers he used in his study completed in 2005 were still relevant to use in our study.

SUMMARY AND HIGHLIGHTS

Adams State University's Total Economic Impact on the San Luis Valley was \$78,078,185 in 2014/2015.

Adams State University's Total Economic Impact on the State of Colorado was \$111,820,411 in 2014/2015.

- Student living and personal expenses economic impact on the SLV was \$37,946,662.
 - Students' friends and family spending economic impact on the SLV was \$1,899,138.
 - ASU operations expenditure spending economic impact to the SLV was \$11,298,840.
 - ASU employee payroll and direct spending economic impact to the SLV was \$21,933,112.
 - Adams State sponsored events and visitor spending have an economic impact on the SLV of \$4,570,008.
 - Adams State employee impact on SLV health care was \$2,329,563.
 - Adams State employs 808 people and the economic activity with these employees creates 347.5 additional jobs in the SLV.
 - Visiting athletic teams that travel to compete at ASU have an economic impact of \$499,800 on the SLV.
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ABOUT ADAMS STATE UNIVERSITY

Background and Location

Adams State University is a state-assisted, co-educational, liberal-arts college, offering B.S., B.A., M.A., M.B.A., PhD, A.A., and pre-professional degrees, guaranteed transfer programs, and concentrations in over 50 areas of study. Adams State's 90-acre campus is located in the city of Alamosa, a busy trade center in the heart of the San Luis Valley, which is located in southern Colorado. The Alamosa city's 2014 population is estimated to be 9,562, Alamosa County is at 16,177, and the entire 6-county San Luis Valley (SLV) region (Alamosa, Conejos, Costilla, Mineral, Rio Grande, Saguache) is at 46,511.

Founded in 1921, the University maintains its leadership role in teacher education and has also been successful in establishing areas of excellence in Biology, Business, Chemistry, Computer Science & Information Technology, Earth Sciences, English, Human Performance & Physical Education, Interdisciplinary Studies, Latino Studies, Mass Communication, Mathematical Sciences, Music, Nursing, Philosophy, Physics & Pre-Engineering, Political Science, Psychology, Sociology, Spanish, Sport Psychology, and Theatre. More affordable tuition, student/faculty ratios giving closer touch with professors, post-graduate studies, and higher placement rates for graduates are strong marketing factors. Adams State also maintains a strong identity through its athletic programs including the Grizzlies football team, an outstanding cross country program, a track and field program which once hosted a summer training camp for the Olympics, and other sports.

Table 1
San Luis Valley Selected Data

	Alamosa County	6-County Region	Colorado
Land area- square miles, 2010	722.64 sq/mi	8,193 sq/mi	103,641.89 sq/mi
Elevation-Alamosa	7,544 ft	-	-
Population, 2013	16,177	46,511	5,355,866
Population Growth-April 2010-July 2013	4.70%	2.30%	6.50%
Hispanic Origin, 2013	45.40%	41.70%	69.40%
Spanish Seaking, 2009-2013	22.60%	28.35%	16.80%
Labor Force, 2009-2013	12,428	26,386	2,774,490
Employment, 2009-2013	6,450	19,074	2,509,777.00
Unemployment Rate, 2009-2013	6.80%	76.80%	8.50%
Per Capita Personal Income, 2009-2013	\$19,487	\$23,513.83	\$31,109
Poverty Rate, 2009-2013	26.50%	19.73%	13.20%
High School Grads, 2009-2013	84.70%	83.73%	90.20%
Bachelor's degree or higher, 2009-2013	24.20%	24.36%	37.00%

The Valley’s mountain-rimmed plateau at 7,500 feet above sea level is noted for its quality potato production and other crops, the Great Sand Dunes National Park and Preserve, almost 3 million acres of National Forest and other public lands, and a history dating back to Colorado’s earliest settlements. These resources provide students with a range of outdoor recreational activities including skiing, snowboarding, hiking, biking, fishing, hunting, rock climbing, and other pursuits. They also provide unlimited opportunities to explore its unique blend of art, culture, historic sites, wildlife, and scenic treasures.

STUDENT PROFILE

Adams State University had an unduplicated headcount of 3,154 students in the 2014-2015 Fall/Spring semesters. Of the 2,156 total undergraduate students, 701 (33%) of these students are from the San Luis Valley. Almost 32% of the student population are graduate students. Adams State is classified as a Hispanic Serving Institution with 32% percent of students having a Hispanic origin. Based on the percentages in the table, over half of the full-time students are low-income students and 95% receive financial aid. Business is the leading major field with 19.9% followed by Science, Technology, Engineering, and Math consisting of 14.5%. A total of 647 students graduated with either an undergraduate or graduate degree in 2013-2014.

Table 2
ASU Student Profile

Fall Spring, 2014-2015			Social Characteristics		Major Fields	
Unduplicated headcount	3154	100%	Hispanic Origin	32%	Business	19.9%
Undergraduates	2156	68.4%	Other Minority	13%	STEM	14.5%
Graduate Students	998	31.6%	Low Family Income (PELL GRANT)	56%	HPPE	11.9%
Full-Time Equivalent	1250		Financial Aid (FT Students)	95%	Psychology/Sociology	10.0%
					Art/Theatre/Music	7.7%
					Nursing	7.4%
					English/Foreign Language	4.7%
					Education	4.6%
					History/Government	2.6%
Home Area (Undergraduate)			Classification		Students Graduating	
San Luis Valley	701	33%	Freshman/Sophomores	56.8%	Undergraduate	361
Other Colorado	852	39%	Juniors/Seniors	41.2%	Graduate	286
Out-of-State (Including Foreign)	603	28%	Personal/Professional Development	2%	Total (2013-2014)	647

Source: Quick Facts 2014-30 dated 11-14-2014, IPEDS College Data

Student Origin

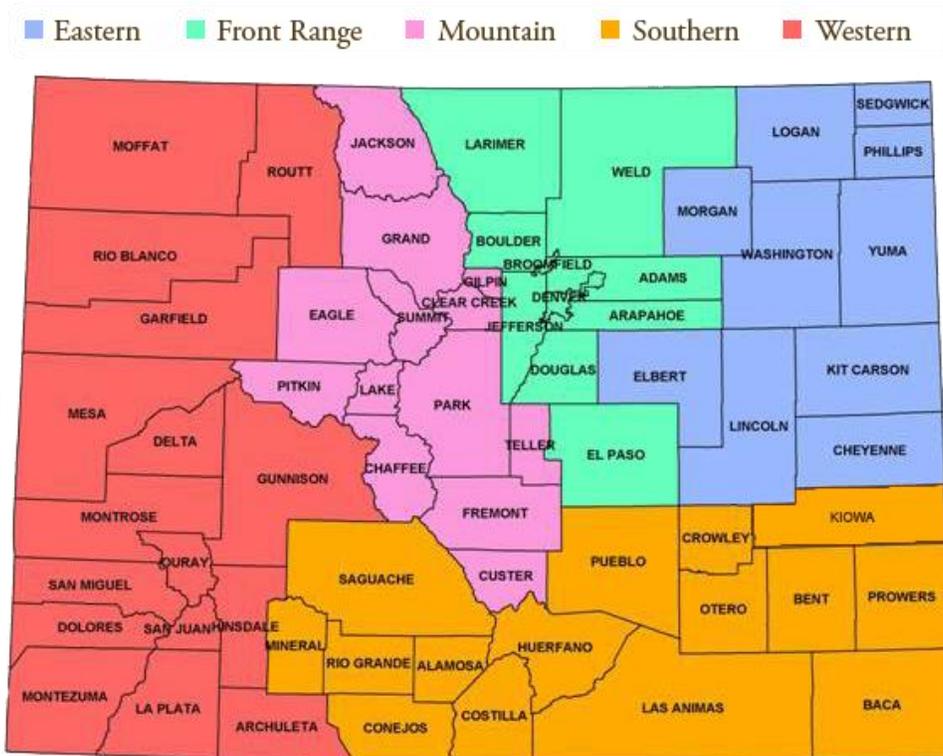
The table below breaks down the total undergraduate student origin. A total of 701 students, or 33% of the student body, originate from the San Luis Valley. All six counties, Alamosa, Costilla, Conejos, Rio Grande, Mineral, and Saguache, are represented. Roughly 39.5% or 852 students are from other counties in Colorado, with 25% of those coming from the Front Range. A breakdown of Colorado Regions can be found in the map below. Out-of-state students account for the remaining 603, or 28% of undergraduate students, with New Mexico, California, and Arizona accounting for a large portion of these out-of-state students.

Table 3
Student Origin Detail

Fall/Spring Enrollments/2014-2015 Academic Year

Home Area	Undergraduates	Pct. %
Total Undergraduate Students	2156	100%
San Luis Valley	701	
Alamosa County	275	13%
Conejos/Costilla	193	9%
Rio Grande/Mineral/Saguache	233	11%
Other Colorado	852	
Western	87	4%
Mountain	60	3%
Front Range	534	25%
Eastern	25	1%
Southern (Excluding SLV)	146	7%
Out-of-State (Not Colorado)	603	28%

Source: ASU Office of Institutional Research



TUITION

The following table compares 2014-2015 tuition rates for 15 colleges and universities in Colorado. ASU in-state tuition is \$8,014 and out-of-state tuition is \$18,814.

Table 4
Undergraduate Tuition Rate Comparisons, Colorado Colleges and Universities
 2014 Academic Year, Fall/Spring Semesters

School	In-State Tuition	School	Out-of-State Tuition
Metro State	\$ 6,070	CU-Springs	\$ 17,494
Colorado Mesa	\$ 7,116	Colorado Mesa	\$ 17,720
Fort Lewis	\$ 7,252	Fort Lewis	\$ 17,780
CU-Springs	\$ 7,462	Western State	\$ 18,319
Northern Colorado	\$ 7,733	CSU-Pueblo	\$ 18,775
CSU-Pueblo	\$ 7,834	Adams State	\$ 18,814
Western State	\$ 7,874	Metro State	\$ 18,888
Adams State	\$ 8,014	Northern Colorado	\$ 19,277
CU-Denver	\$ 8,500	CU-Denver	\$ 22,852
Colorado State	\$ 9,897	Colorado State	\$ 26,277
CU-Boulder	\$ 10,789	Regis University	\$ 33,060
Colorado School of Mines	\$ 16,918	CU-Boulder	\$ 33,151
Regis University	\$ 33,060	Colorado School of Mines	\$ 33,598
University of Denver	\$ 42,090	University of Denver	\$ 42,090
Colorado College	\$ 46,410	Colorado College	\$ 46,410

Source: IPEDS College Data

METHODS AND DEFINITIONS

General Approach

The following sections will (1) examine major sectors of college department-related spending, including the departments' operations, employees, students, and visitors; (2) estimate the amount spent locally in the San Luis Valley; and (3) apply multipliers to approximate the total economic impact on the San Luis Valley region.

- Multipliers provide a simple measure of the “bounce” effect that occurs when money turnover takes place in a local economy.
- A multiplier that has been used by other Colorado regional universities for an economy such as the SLV is 1.7.
- In the employment arena a multiplier of 1.5 approximates the jobs generated by the local workforce. This means the economic activity of two jobs at ASU has the ability to generate one additional job in the SLV.

For more detailed information and methodology see “Methods” section at the end of the paper.

COLLEGE OPERATIONS

Revenues

Adams State University reported roughly \$49.7 million in operating revenues in the 2014-2015 fiscal year. During this year, tuition and fees accounted for a large portion of these revenues at nearly 38% or \$18.7 million of the revenue total. A large percentage of these \$18.7 million come from outside the San Luis Valley and impact the economy. Other revenue is brought in from outside the Valley in forms such as gifts and donations, grants, and contracts. The specific impact of these areas will be covered in more depth in the following sections of the study.

Table 5
Adams State University Operating Revenues
 2014-2015

	Revenues	Pct %
Tuition & Fees	\$ 18,714,367.00	37.688%
Sales and Services of Auxiliary Enterprises	\$ 7,129,158.00	14.357%
Fee for Service Contract Revenue	\$ 9,946,663.00	20.031%
Federal Grants and Contracts	\$ 3,908,584.00	7.871%
State Grants and Contracts	\$ 2,078,398.00	4.186%
Other operating revenues	\$ 980,578.00	1.975%
Federal Pell Grant	\$ 4,835,890.00	9.739%
Gift and Donations	\$ 1,900,246.00	3.827%
Investment and Interest Income	\$ 141,922.00	0.286%
Gaming Transfer	\$ 20,260.00	0.041%
Total	\$ 49,656,066.00	100.000%

Source: ASU Financial Statements, Fiscal Year Ended June 30, 2015

Expenditures

Table 6 shows the total expenditures ASU reported in the 2014-2015 fiscal year which accounted for roughly \$52.2 million. The largest of the expenditures was allocated towards Instruction at \$19.6 million (37.6%). This category includes, professors' salaries, academic supplies, in-class activities, and equipment related to academics. Auxiliary enterprises and expenditures accounted for the second largest share at roughly \$13.6 million (26%). This covers areas such salaries and expenses in the cafeteria, campus housing, bookstore, print shop, and other components of revenue-gathering activities through the college. Academic support (library), student services, institutional support, operation of plant (facilities), and interest on capital debt all accounted for a similar, yet substantially smaller percent of the total expenditures.

In addition, approximately 35% of a \$13 million project to renovate Richardson Hall was spent on local contractors in the 2014/2015 year, which in turn had a large impact on the economy of the Valley. About 95% of the sub-contractors were local. Basically, if a qualified local contractor bid a job, it was given to the local contractor. Adams State also refinanced a \$19.3 million bond through a local Colorado Bank during this year, another number that is not accounted for in Table 6 below.

Table 6
Adams State University Expenditures
2014-2015

	Revenues	Pct %
Instruction	\$ 19,613,393.00	37.599%
Research	\$ 1,124.00	0.002%
Public Service	\$ 150,247.00	0.288%
Academic Support	\$ 2,712,394.00	5.200%
Student Services	\$ 5,175,642.00	9.922%
Institutional Support	\$ 3,888,749.00	7.455%
Operation of Plant	\$ 3,656,461.00	7.009%
Scholarships and Fellowships	\$ 254,183.00	0.487%
Auxiliary Enterprises & Expenditures	\$ 13,572,081.00	26.018%
Interest on Capital Debt	\$ 3,140,268.00	6.020%
Total	\$ 52,164,542.00	100.000%

Source: ASU Financial Statements, Fiscal Year Ended June 30, 2015

Local Purchases for Operations

This section is focusing on the direct spending available from the operational expenditures. Scholarships, debt, and other items are considered internal functions of the university and are excluded. A conservative estimate of 38% or \$19.8 million of the total operational budget covers a wide range of non-salary items needed to run the University. Based on vendor lists from the university purchasing office, we estimate that about 30% of these items, or about \$5.9 million, are local purchases and expenditures in the San Luis Valley.

Included in these expenditures are building and equipment maintenance, contract food services, gasoline, printing, postage, a portion of supplies and small equipment items, audit work, in-area travel, and the costs of hosting official functions. An estimated 30% of the total is spent in Colorado outside the Valley, and the remaining 40% is spent out-of-state. A large portion of the Colorado state spending is electric and natural gas utilities, furniture, telephone and internet. Out-of-state purchases include computer equipment, software licensing, insurance, and textbooks.

The total estimated impact on the San Luis Valley of the University’s local purchases and expenditures is calculated in Table 8 below. Direct spending of over \$5.9 million is estimated to generate a total impact of \$11.3 million. The higher sales multiplier of 1.9 for university purchases and expenditures reflects a determination in the RIMS model of a greater sales “bounce” in the local economy for the type of expenditures being made.

Table 7
Regional Impact of College Operational Spending

	Direct Expenditures	Multipliers	Estimated Total Impact
Operational Expenditures	\$ 19,822,526.00	-	
Local Spending Rate	30%	-	
In area purchase and payments	\$ 5,946,758.00	1.9	\$ 11,298,840.00

Source: ASU Finance and Administration Office

EMPLOYEE SPENDING

Salaries and Payroll

Table 8
Salary and Payroll Breakouts in Functional Budget

	Amount	Pct. %
Salaries	\$ 24,180,958	
SLV Salaried Position Payroll	\$ 20,795,624	86%
Other Colorado Payroll	\$ 2,176,286	9%
Out-of-State Payroll	\$ 1,209,048	5%
Student Work Study Payroll	\$ 1,343,940	
Total Salaries	\$ 25,524,898	

Source: ASU Department of Human Resources

Salary Adjustments and Withholding

The withholding for insurance, retirement, local, state, and federal taxes has been estimated at 23.3%. This is a high estimate as payroll that is classified as campus employment and work study

has minimal deductions for taxes, leaving a higher percentage for spending. The following value is the net pay for ASU employees that reside in the San Luis Valley and student work-studies for the 2014-2015 fiscal year.

Net Payroll SLV Salaried Positions: \$16,158,200

Net Payroll Student Work-Study: \$1,044,241

Net San Luis Valley Payroll: \$17,202,441

SLV-Based Employee Purchases and Local Spending Rate

The study used 75% as direct spending for local expenditures, 15% to other Colorado areas, 5% to out-of-state spending, and the remaining 5% for savings. This would amount to \$12,901,831 in local spending and expenditures for the 2014-2015 year from the SLV-based employees.

Large purchases and expenses could include home purchases, home improvements, mortgages, rents, and auto purchases. Even though most mortgages are financed through local banks, mortgages are often sold to outside lenders. Other expenditures do include energy, electric, water, garbage, telephone, and internet which can vary depending on location and preference.

Local spending can also include anything from groceries to dining out, filling a gas tank to buying a cup of coffee, getting a haircut to hiring an accountant, and many other day-to-day spending habits.

Employee Spending Results and Impacts

The multiplier of 1.7 used in this case is at the smaller earnings rate quoted in the RIMS model for colleges and universities. The local spending of \$12,901,831 multiplied by the multiplier gives an estimated total impact of **\$21,933,112**. Other employee impacts that were not included but could have had impact include faculty earnings from other sources, and added household earnings from working spouses.

There are **808** (full-time and part-time) employees at ASU. Using the **86%** used above for estimating SLV employees, the local employees equals **695**. The economic activity associated with every two employees at ASU is able to support one more job in the SLV. This impact equals approximately **347.5** more jobs in the San Luis Valley.

ASU Employee Impact on SLV Health Care

Adams State has two classifications of medical insurance. Classified employees have one form of insurance and all other employees are eligible for the CHEIBA insurance. In 2014-2015, 275 ASU employees were eligible for the CHEIBA health care benefits. Of those, 253 with 369 dependents (622 total) enrolled as members in the CHEIBA Health Care plan. In addition, 113 of the Classified Employees were eligible for insurance; 89 of those enrolled in the insurance

program. Data from Anthem shows that \$1,028,999 in medical claims, \$130,604 dental claims, and \$210,728 prescription claims were paid to SLV providers in the 2014-2015 year. This is a very conservative total as it does not include eye care, classified employee claims, copayments to SLV providers, employees that are insured from other sources besides ASU, and the part-time employees who are not benefit eligible but still use SLV health care providers. The total of the reported claims is \$1,370,331 and when multiplied by the 1.7 multiplier, the estimated total comes to **\$2,329,563**.

STUDENT SPENDING

Student Impact Potentials

Due to the large number of students at ASU, their off-campus spending in the SLV creates the largest impact on the area. This spending includes rent, food, and any item other than tuition and school costs. Income for these expenditures varies considerably from student to student. Income can include support from parents, savings, grants, scholarships, financial aid, loans, off-campus jobs, and work study positions. To prevent double counting, scholarships and financial aid received by students were excluded from the operational expenditures.

Headcounts Used in this Analysis

The following table illustrates the number of undergraduate and graduate students attending ASU in the 2014-2015 academic year.

Table 9
2014-2015 ASU Student Totals

	On Campus Students (Face-toFace)	Online Students	Total Students
Undergraduate Students	1995	161	2156
Graduate Students	124	874	998
Total	2119	1035	3154

Summer 2015 Enrollment = **443 Face-to-Face Students**

Source: IPEDS College Data 2014-2015, Office of Institutional Research: ASU Quick Facts Fall 2014

Living Cost Estimates

Cost estimates by month as reported by the Colorado Commission on Higher Education are listed below. Except for local transportation and medical categories, estimates vary according to the housing situations of students. Housing and food for students living on campus represent payments made to the university and are excluded in the calculations. Transportation costs are

likely underestimated, given the higher cost of gasoline and the greater distances covered in the SLV for commuter students.

Table 10
Student Living and Personal Expense Estimates

Cost Categories	Monthly Budget Base by Type of Housing		
	On-Campus	Off-Campus with Parents	Off-Campus Non-Family
Housing	Actual	\$215	\$631
Food/Board	Actual	\$265	\$367
Local Transportation	\$144	\$144	\$144
Medical	\$188	\$188	\$188
Personal Expenses	\$146	\$130	\$146
Est. Total Monthly Living Cost	\$478	\$942	\$1,476

Source: Colorado Commission on Higher Education, Student Financial Aid Budget Parameter, February 1, 2013

The local spending patterns of students differ in many respects from college employees, although their spending impacts in multiplier terms are considered equivalent. Students tend to spend more on various types of recreation: sporting goods and athletic equipment, bicycles, vending machines, convenience stores, bars and restaurants, clothing and footwear, cell phones, fast foods, and eating out in general.

Student Spending Results and Impacts

The following table displays the number of students matched to housing type and respective cost estimates. The number of students living off campus with their parents is estimated to be minimal. So as not to inflate any calculations, a figure of 10% of undergraduate students living off campus was classified as living with their parents. Additionally, a figure of 10% of graduate students was assumed to live on campus. Another assumption was that in the summer, 50% of students lived with their parents since dorm rooms were not available. There were less students using the food and board on campus than those living on campus because some of the housing does not require a meal plan. To make this less complicated, only the number of those truly living off campus was calculated in the totals for off-campus food and board.

Results indicate a total of \$22,321,566 in direct spending for the 2014-2015 year. Using the 1.7 multiplier, the estimated total impact on the SLV from students in 2014-2015 was \$37,946,662.

Table 11
Living Cost Estimate Fall 2014/Spring 2015

	On-Campus With Meal Plan	On-Campus Without Meal Plan	Off-Campus With Parents	Off-Campus Non-family	Total
Number of Students	542	358	111	1108	2119
Estimated Rate/MO	\$ 478	\$ 845	\$ 942	\$ 1,476	
Rate/MO x Number of Students	\$ 259,076	\$ 302,510	\$ 104,562	\$ 1,635,408	\$ 2,301,556
x 9 months	\$ 2,331,684	\$ 2,722,590	\$ 941,058	\$ 14,718,672	\$ 20,714,004
x 1.7 multiplier	\$ 3,963,863	\$ 4,628,403	\$ 1,599,799	\$ 25,021,742	\$ 35,213,807

Summer 2015

	On-Campus With Meal Plan	On-Campus Without Meal Plan	Off-Campus With Parents	Off-Campus Non-family	Total
Number of Students	0	0	221	222	443
Estimated Rate/MO	-	-	\$ 942	\$ 1,476	
Rate/MO x Number of Students	-	-	\$ 208,182	\$ 327,672	\$ 535,854
x 3 months	-	-	\$ 624,546	\$ 983,016	\$ 1,607,562
x 1.7 multiplier	-	-	\$ 1,061,728	\$ 1,671,127	\$ 2,732,855
Total					\$ 37,946,662

Source: ASU Housing Office

EVENTS AND VISITORS

The presence of the University enables many events and activities to take place which attracts visitors from outside the region and creates an economic impact on the San Luis Valley. Examples include, visiting students, athletes, coaches, friends, family members, faculty, staff, sport fans, program coordinators, and other persons with a non-valley residence.

The per diems of \$46 per day and \$83 for lodging per night were used as multipliers. These amounts are the Colorado State recognized rates that apply for the Alamosa County.

Table 12
Regional Impact of ASU Sponsored Events and Visitor Spending

	Non-Local Attendees	Per Diem	Lodging	Direct Expenditures	Multiplier	Estimated Total Impact
Athletic Teams Traveling to the Valley	3360	\$ 154,560.00	\$ 139,440.00	\$ 294,000.00	1.7	\$ 499,800.00
Friends/Family of Student-Athletes	5896	\$ 271,216	\$ 489,368	\$ 760,584	1.7	\$ 1,292,993
Friends/Family of all other Students	2764	\$ 127,144	\$ 229,412	\$ 356,556	1.7	\$ 606,145
Graduation Fall and Spring	2500	\$ 115,000	\$ 207,500	\$ 322,500	1.7	\$ 548,250
All-State Games/Various Summer Camps	1000	\$ 46,000	\$ 83,000	\$ 129,000	1.7	\$ 219,300
State FFA	3200	\$ 147,200	\$ 265,600	\$ 412,800	1.7	\$ 701,760
Assorted Events	3200	\$ 147,200	\$ 265,600	\$ 412,800	1.7	\$ 701,760
Total	21920	\$ 1,008,320.00	\$ 1,679,920.00	\$ 2,688,240.00	--	\$ 4,570,008.00

The visiting team total was calculated by taking the travel squad (includes student athletes, coaches, trainers, and officials) for each sport; multiplying by the number of nights needed for the event(s) within the season, and calculating lodging costs by having two people per room. There was a survey that was given to all student athletes. From the results, it was estimated that 8 family and friends come to the SLV for at least one night during the school year. Conservatively, it was estimated that 2 family and friends come to the SLV for at least one night for all other students, for events such as theatre productions, music concerts, art shows, and moving student in and out of local housing.

It is estimated that 5,000 total people attend graduation (fall and spring). A conservative estimate is that 2,500 of these people come into the SLV from out of town and stay one night. In the summer, there are many events that attract high school athletic teams to ASU. Some of those include the All-State Games (week-long event) and specific team camps (cross country, volleyball, basketball, etc.). ASU hosted the State FFA Conference which attracts 3000 members, family, and friends for 5-7 nights. In addition, a conservative number of 3200 people are attracted to the SLV for other various ASU events. These events include, New Student Orientation, Welcome Week, Autumn at Adams, Southern Colorado Film Festival, Art Extravaganza, Homecoming, guest lectures, Donor Recognition Dinner, Student Scholar Days, and many other events.

VALLEY IMPACT SUMMARY

Overall Impacts

A summary of ASU’s economic impacts from the five major spending components is presented in the table below. Adams State accounted for roughly \$45.2 million in direct expenditures in 2014-2015. When the additional impact of \$32.9 million is added to the direct local spending, it is estimated that ASU has a total impact on the San Luis Valley of \$78.1 million. A vast majority, \$38 million comes from student external spending.

Table 13
San Luis Valley Impact Summary

	Local Spending	Multiplier	Estimated Total Impact
Operational Expenditures	\$ 5,946,758.00	1.9	\$ 11,298,840.00
Employee Salaries	\$ 12,901,831.00	1.7	\$ 21,933,112.00
Employee Impact on SLV Health Care	\$ 1,370,331.00	1.7	\$ 2,329,563.00
Student Living	\$ 22,321,566.00	1.7	\$ 37,946,662.00
Events and Vistors	\$ 2,688,240.00	1.7	\$ 4,570,008.00
Total	\$ 45,228,726.00	--	\$ 78,078,185.00

JOB IMPACT COMPARISONS

To place ASU’s employment contributions in perspective we have set up the table below that shows each counties’ basic jobs plus all of the rest of the jobs in the economy that depend on them. The ASU percentage of basic employment per each county and the six county region total is stated below. The total employment numbers show ASU at 4.5% of the six counties’ total employment with a 1,042 total employee impact.

Adams State remains one of the largest employers in the San Luis Valley with 695 employees from the San Luis Valley. For comparison, the City of Alamosa employs 170 active employees and up to 316 seasonal employees. San Luis Valley Health employs 620 workers, Valley Wide Health Systems has a total employment of 380 and San Luis Valley Behavior Health Group has 160 employees. ASU’s presence in the San Luis Valley has a significant impact on the basic jobs totals.

Another important impact that ASU has on the community is all of the family and friends that reside in the San Luis Valley because of the specific ASU employees. For example, a family bringing children that go to the schools, participating in community events, going to churches, borrowing money from banks, buying property, basically being part of the community adds more than just financial value.

In fulfilling its educational mission, ASU is proving an important function in the economy, both locally and statewide, by delivering qualified job candidates in the form of graduates to the labor market. A portion of these graduates are investing their acquired knowledge and talents in both the San Luis Valley and the State of Colorado. A realistic estimate of over 2,500 ASU alumni reside and work in the San Luis Valley.

Table 14
SLV Job Total by Region

ASU Job Impacts Compared to Other Local Area Employment Measures
ASU Direct Employment= **695** ASU Total Employment Impact = **1042**

	2014 Basic Employment	ASU % of Basic Employment
6-County Region	22884	4.5%
Alamosa	9720	10.7%
Conejos	2560	40.7%
Costilla	1268	82.2%
Mineral	633	164.6%
Rio Grande	5986	17.4%
Saguache	2717	38.3%

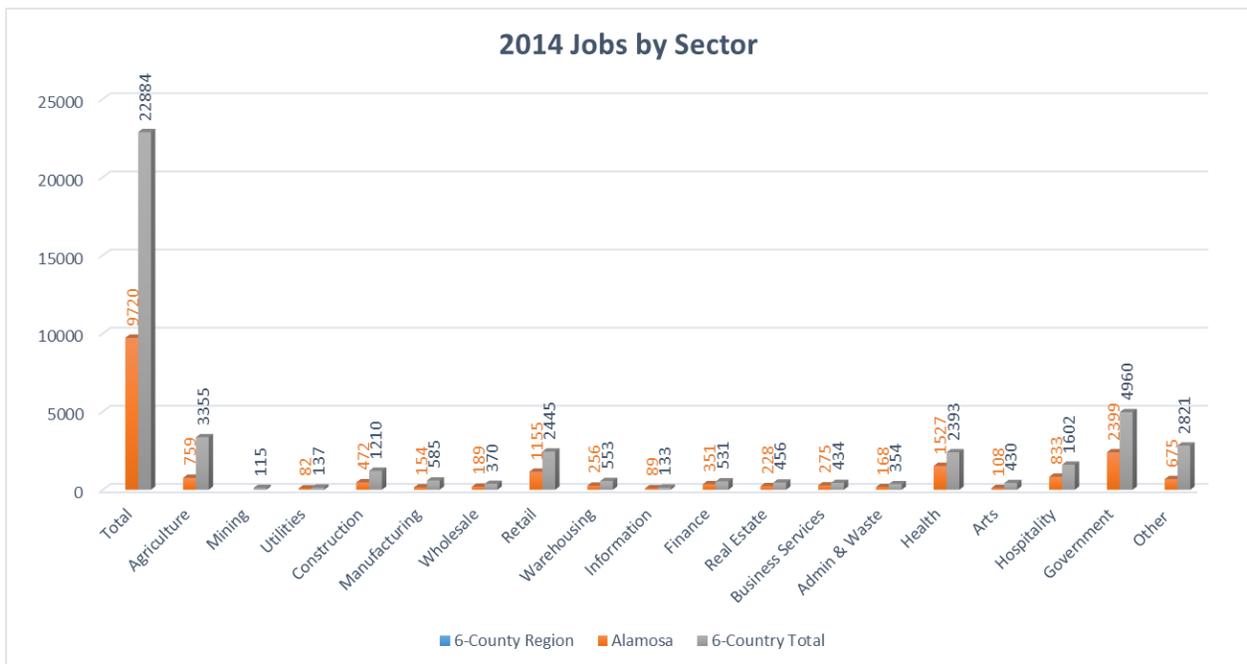
Source Colorado Department for Local Affairs

Sources of a basic income credited as the main drivers of the 6-county regional economy include retirees, agricultural production and processing, households, tourism, and higher education.

“In addition to its importance as an accessible pathway to higher education and distinguishing cultural presence in the Valley, Adams State also represents a major economic force equal to all of the region’s current level of tourism activity” (CEDS, 2013, p.E-1).

Industry breakouts in the graph show Alamosa County with the highest amount of jobs of the six counties. Compared to many rural areas in Colorado (which rely heavily on retirees, farming and ranching, and tourism) Adams State introduces an element of diversity to the SLV’s economic mix. The university and its students deliver a consistent flow of visitors and income which does not depend on crop prices, weather, and other market factors. ASU’s presence helps to stabilize the economy during off-seasons and winter months, when agriculture and tourism are not as prevalent.

The University’s presence in the community provides a source of new money (through students and friends and family of the students) into the local economy. In addition to its support to the economy, ASU has the potential to attract new growth and development of higher value and quality.



STATEWIDE ECONOMIC IMPACTS

University Spending in the Balance of Colorado

The statewide impacts of ASU Spending include all of its regional impacts plus the impacts of its spending in rest of Colorado. A statewide perspective is needed to calculate a return on the state dollars invested in ASU. Direct Spending that is lost to the SLV still has an impact on the other regions of Colorado. These include, university operational purchases, payroll targeted to other Colorado locations, sales leakage from employee net pay, and off-site students, and travel expenditures for ASU sponsored events outside of the San Luis Valley.

A step-by-step series of calculations to illustrate the spending in Colorado is identified on table 15. The University spent an estimated 30% (\$5.9 million) of its operations budget in the state of Colorado (outside the SLV). The economic impact was \$11.3 million. This does not include the \$8.45 million that was spent in Colorado (outside the SLV) to renovate Richardson Hall.

The table shows that direct spending of the payroll targeted to other Colorado locations of \$2.2 million, which netted out at \$1.7 million. After the estimated 75% spending and 1.7 multiplier the impact was \$2.2 million spent in Colorado.

ASU employees spent an estimated 15% of their net paychecks in Colorado (outside the SLV) which resulted in direct spending leakage of \$2.6 million and a total impact of \$4.4 million.

Based on the same off-campus, non-family housing cost estimates we used for students in the SLV, the off-site Grad students show a direct spending impact of \$9.2 million and a total impact of \$15.6 million.

Athletic travel was based on ASU teams travelling to eight of the 12 RMAC institutions that are based in Colorado. The same factors were used in this calculation as were used in the spending by travel teams in the SLV calculations. The total impact is \$400,000.

ASU direct expenditures in the rest of Colorado (outside the SLV) is \$19.1 million. The total impact benefit is \$33.7 million. This does not include health care benefits that are paid to physicians, dentists, and medical facilities outside the SLV by insurance benefits. While ASU's impact is not as significant to the State of Colorado as it is to the SLV, the contribution cannot be ignored when assessing the economic value to the state as a whole.

Table 15
Spending in the Balance of Colorado by the College, Employees, and Off-Site Students

	Direct Expenditures	Multiplier	Estimated Total Impact
College Operational Spending			
Operational Expenditures	\$ 19,822,526.00		
Other Colorado Spending Rate	30%		
Other Colorado purchases & payments	\$ 5,946,758.00	1.9	\$ 11,298,840.00
Payroll Targeted to Other Colorado Locations			
Gross payroll for other Colorado area	\$ 2,176,286.00		
Adjustment for withholding	77.7%		
Net payroll	\$ 1,690,974.00		
Other Colorado spending rate	75%		
Targeted payroll impacts	\$ 1,268,230.00	1.7	\$ 2,155,992.00
ASU Employee Paycheck Leakage			
SLV Net Payroll--salaried positions & work study	\$ 17,202,441.00		
Other Colorado spending rate	15%		
Paycheck leakage impacts	\$ 2,580,366.00	1.7	\$ 4,386,622.00
Grad Students Living Off-Site in Other Colorado Locations			
Off-site students (Fall/Spring)	517		
Estimated monthly living cost	\$ 1,476.00		
Rate/term (\$1476/mo. X 12)	\$ 17,712.00		
Fall/Spring spending estimate	\$ 9,157,104.00	1.7	\$ 15,567,077.00
Athletic Travel	\$ 196,291.00	1.7	\$ 333,695.00
Balance of Colorado spending impacts	\$ 19,148,749.00		\$ 33,742,226.00

Combined Results and Statewide Total

Table 16
Total Impact of All- ASU Related Spending Statewide

	Direct Expenditures	Additional Impact	Estimated Total Impact
Impacts calculated for inside the San Luis Valley	\$ 45,228,726.00	\$ 32,849,459.00	\$ 78,078,185.00
ASU Related Spending in the Balance of Colorado	\$ 19,148,749.00	\$ 14,593,477.00	\$ 33,742,226.00
Total Statewide Impact	\$ 64,377,475.00	\$ 47,442,936.00	\$ 111,820,411.00

Return on State Funds Invested

Table 17
Economic Impact Return on State Investments

	Funds Invested & Economic Impacts
Colorado Funding Support to ASU, FY 2014-15	
State Appropriations	\$ 13,039,450.00
State Grants & Contracts	\$ 2,078,398.00
Total Colorado Funding Support	\$ 15,117,848.00
ASU Related Spending Impacts Statewide	
Inside the San Luis Valley	\$ 78,078,185.00
Balance of Colorado	\$ 33,742,226.00
ASU Statewide Spending Impact	\$ 111,820,411.00

Rate of Return on State Funds = \$111,820,411 / \$15117848 =
\$7.40 in measured economic impacts for each dollar of State funds invested

Colorado Income and Sales Tax Estimates

Table 18
Colorado Sales Tax Approximations

ASU-Related Activities Subject to Sales Tax	SLV Region	Balance of Colorado	State Total
University purchases & expenditures (bounce \$ only)	\$ 5,352,082.00	\$ 5,352,082.00	\$ 10,704,164.00
ASU Employee Spending (total impact)	\$ 21,933,112.00	\$ 4,386,622.00	\$ 26,319,734.00
Payroll Targeted to Other Locations (total impact)	-	\$ 2,155,992.00	\$ 2,155,992.00
In-area Student Spending (total impact-SLV only)	\$ 37,946,662.00	-	\$ 37,946,662.00
Events and Visitors (total impact-SLV only)	\$ 4,570,008.00	-	\$ 4,570,008.00
Off-site Student Spending (total impact)	-	\$ 15,567,077.00	\$ 15,567,077.00
Team Travel Outside SLV (total impact)	-	\$ 333,695.00	\$ 333,695.00
Estimated Total			\$ 97,597,332.00

State Sales Tax = **2.9%**
\$97,597,332 x 2.9% = **\$2,830,323**

Table 19
Colorado Income Tax Withholding

	ASU-Related Payrolls	Colorado Withholding	Contribution
Total Salaries	\$ 24,180,958.00	\$ 676,653.00	
Total Contribution to PERA			\$ 3,061,355.00
Total Contribution to DCPD			\$ 2,482,350.00

Source: ASU Human Resource Department

METHODS

Multiplier Concepts

Multipliers provide a simple measure of the domino effect that occurs when money turnover takes place in a local economy. New money from outside the studied region is introduced into the economy and multiple spending and responding occur as part of the money pattern. The impact is measured by how much of the original amount stays in the studied region after each time the amount is turned over. In areas like the SLV, small multipliers must be used because of the increased amount of importing that must occur for supplies, services, equipment, and goods.

A multiplier that has been used by other Colorado regional Universities for an economy such as the SLV is 1.7. This multiplier is comprised of the originating dollar of direct spending with the addition of \$.70 added into the total to “bounce” through the economy before it is all gone. The amount after the 1.7 multiplier is calculated is referred to as the “total estimated impact.”

In the employment arena a multiplier of 1.5 approximates the jobs generated by the local workforce. This means one job in the SLV is a direct impact of every two positions at ASU.

The terms “direct”, “indirect”, and “induced” are recognized terms in impact theory and concepts research and reports. The term direct, in this study, refers to ASU employees’ and students’ spending in the SLV. More importantly, is the fact that they are introducing new income into the economy and this spending is referred to as direct spending or direct impact. The indirect impact or indirect spending occurs when the service providers on the receiving end of the direct spending re-use that money to spend on their operations or to support paying their employees. The induced impact refers to the additional economic activity and jobs created when administration, staff, and students involved with ASU spend their money in the SLV. This study focuses primarily on direct impact, considering the introduction of funding into the local economy related to ASU.

DATE SOURCES AND REFERENCES

Principal Contact

Hew Hallock, Director of Research
San Luis Valley Development Resources Group

Impact Studies and Models

Adams State University, *Adams State College Economic Impact and Analysis and Report San Luis Valley and Colorado, March 2005*

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Adams State University Department

Admissions Office
Athletics
Communications
Community Partnership Center
Extended Studies
Finance and Administration
Financial Aid Office
Guest Services
Housing Office
Institutional Research and Assessment
Payroll Office

State and Federal Agency Reports and Websites

Colorado Demography Office, Colorado Department of Local Affairs

Colorado Department of Economic Development and International Trade

Colorado Department of Labor & Employment

Colorado Department of Revenues

Integrated Postsecondary Educational Data System

U.S. Bureau of Census