

## Economic Impacts of Marian College on the Marion County Economy

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Marian College is located in Marion County, Indiana. Marian College had an enrollment of 1,352 students during the 1993-1994 academic year. While Marian College's research and teaching activities provide services to people throughout Indiana, the College has specific benefits or impacts on Marion County. These benefits/impacts range from cultural, to educational, to social, to recreational. The College also has economic benefits for the community. These benefits result from the College spending money to employ faculty/staff, and from the College purchasing supplies and services in the local economy to support its educational programs.

One method of measuring the local economic benefits associated with Marian College is to use economic impact multipliers to estimate the total economic impacts associated with the College's operations. A multiplier is a number that represents the total level of activity that results from an initial activity in an economy. Multipliers can measure economic impact through business activity (output), income (salary and wages) and employment (jobs). Multipliers for all three measures are used below to estimate Marian College' impact on the Marion County economy. An input-output model of Marion County was constructed using IMPLAN (an input-output model developed by the

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U.S. Forest Service) to obtain output, income and employment multipliers that can be used to estimate the impacts Marian College has on the Marion County economy.<sup>1</sup>

Marian College stimulates three types of economic activity in the Marion County economy: direct, indirect, and induced impacts.

- Direct impacts are the purchases, payments, and employment made by the College as it spends money in the local economy.
- Indirect impacts are activities in the local economy that result from local firms selling goods and/or services to the College.
- Induced impacts are activities in the local economy that result from household spending of income earned from either the College or their suppliers.

Marian College spent \$11,001,741 to support its academic, research and teaching programs during the 1993-1994 academic year (Table 1). This is Marian College' direct expenditure impact on the local economy. This spending resulted an additional \$10,141,404 of expenditure or sales in the Marion economy-the indirect and induced impacts (Table 2). Marian College' total expenditure or sale impact on the Marion County economy (the combination of direct, indirect and induced impacts) was an estimated \$21,143,145 (Table 3).

Marian College' 1993-1994 payroll was \$6,067,751 (Table 1). This is the institution's direct income impact. The indirect and induced income impacts (income paid by businesses supplying Marian College or meeting household spending needs Marian College/supplier employees) was an estimated \$7,726,067 (Table 2). The total income impact of Marian College on the Marion County was \$13,793,818 (Table 3).



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<sup>1</sup>The input/output multipliers used in this analysis are called Type III multipliers. Type III multipliers estimate the total direct, indirect, and induced impacts associated with an activity on a specific economy.

Marian College' activities generated jobs in the Marion economy. Marian College employed 245 people<sup>2</sup> during the 1993-1994 academic year (Table 1). Indirect and induced employment associated with Marian College is 159 (Table 2). The total employment impact of Marian College on the Marion County economy is 404 (Table 3).

Marian College impacts the Marion County community beyond the economic impacts associated with operation of their academic program. Additional economic benefits result from auxiliary enterprises such as student housing/food services, from student spending in the local economy, and from visitor spending associated with athletic events, cultural events, and campus visits. The College also impacts the economy and community in ways not easily measured by sales, income or employment. Examples include providing educational, cultural and recreational activities; and, employing faculty and staff that make critical contributions to the community through volunteer activities.

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<sup>2</sup>Full-time equivalents, excluding auxiliary services employees.

Table 1. Direct Expenditure, Wage, and Employment Impacts of Marian College on Marion County Economy, 1994-1995 Academic Year

Expenditures <sup>1</sup>	\$11,001,741
Payroll <sup>1</sup>	\$6,067,751
Employment <sup>2</sup>	245

<sup>1</sup> Expenditures and wages for research, teaching and related activities. Institution's auxiliary enterprises are not included.

<sup>2</sup> Total faculty and staff employment data for 1993-1994 represent 224 full-time and 64 part-time faculty and staff positions. Part-time jobs were converted to full-time equivalents at a ratio of 3 to 1.

Table 2. Indirect and Induced Expenditure, Income, and Employment Impacts of Marian College on Marion County Economy, 1994-1995 Academic Year

	Indirect and Induced
Expenditure <sup>1</sup>	\$10,141,404
Payroll	\$7,726,067
Employment	159

<sup>1</sup> Type III multipliers were obtained from an input-output model constructed for the Marion County economy with IMPLAN: output multiplier = 1.9218; the total income multiplier = 2.2733; employment multiplier = 1.6471.

Table 3. Total Expenditure, Income, and Employment Impacts of Marian College on the Marion County Economy, 1993-1994 Academic Year

	Expenditure	Income	Employment
Direct Impacts	\$11,001,471	\$6,067,751	245
Indirect and Induced Impacts	\$10,141,404	\$7,726,067	159
Total Impact	\$21,143,145	\$13,793,818	404

## Glossary of Economic Terms

Direct Impacts:

Purchases, payments, and employment made by a College/college as it spends money in the economy.

Indirect Impacts:

Activities in the economy that result from input suppliers.

Input Suppliers:

Firms that sell goods and/or services to the university/college.

Output:

Business expenditures.

Income:

Salary and wages.

Employment:

Number of jobs.

Multiplier:

A number that represents the total level of activity that results from an initial activity in the economy.

Induced Impacts:

Activities in the local economy that result from household spending of income earned from either the College or the input suppliers.