

**THE IMPACT  
OF  
WESTERN KENTUCKY UNIVERSITY:  
2005/2006**

**(Preliminary Findings August 28, 2006)**

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## **Summary**

This report provides preliminary findings of a larger study soon to be completed on the impact of the Western Kentucky University, student body, faculty, and staff for the year ending in July, 2006 on the Bowling Green/Warren County region. Surveys of students, faculty, and staff were conducted in the spring and summer of 2006 to gather information about the income, spending patterns, employment, and other aspects of economic life as members of the WKU community. Twenty-five questions were asked concerning various aspects of the economic activities of the members of the University community. These estimates are in addition to and separate from the \$87.9 million in operating expenses and utilities, and the \$6.6 million of capital outlays of a total operating budget of \$272.6 million of the University for fiscal year 05/06. The data included here represent only the direct impact of the activities of student, faculty, and staff and excludes the secondary and tertiary effects of those activities. The same populations will be surveyed in the fall of 2006 to test the reliability of the data. The preliminary results show that the WKU student body has a significant direct impact on the level of expenditures in the region and on the local employment base. The findings also show the significance of the presence of the WKU faculty and staff in the local/regional economy.

## **ACKNOWLEDGMENTS**

This report represents a collaborative effort the part of myself, Professor Jerry Gotlieb of the WKU Marketing Department, and the students in his spring 2006 Marketing Research class who conducted the survey of students and faculty. I wish to acknowledge the diligence and professionalism of Professor Gotlieb's student researchers.

William Davis, Associate Professor, Economics, Western Kentucky University, August 28, 2006.

**The Impact of Western Kentucky University on  
The Bowling Green/Warren County Economy: 2006**  
Preliminary Findings

**Highlights: Student Survey**

These preliminary findings represent the results of a random sample and telephone survey conducted by WKU Marketing Research students in the spring of 2006. The survey represented a total of 18,600 full-time and part-time Western Kentucky University students. Twenty-five questions administered were designed to obtain information on a variety of economic characteristics of WKU students. In an effort to identify the net impact of the University on the local/regional economy, the data included in this report were adjusted to reflect the number of students that were not from Warren County. The survey was designed to identify expenditures and other economic activities that took place off-campus and that represented net additional activities that would not have occurred if the University was not operating in the community.

- **Overall Direct Student Expenditure Impact**

The average monthly off-campus expenditure of students was estimated to be \$928.00 during the 2005-2006 academic year. This implies over \$8,360.00 of direct expenditures per student for the nine-month academic year and an estimated \$124.4 million of direct expenditures were made by the entire student body during the same time period. The details of student expenditure patterns are shown in **TABLE I**.

- **Student Food/Restaurant Impact**

The results of the student survey suggest that the WKU student body collectively spent an estimated \$3.4 million *per month* on off-campus food during the 2005-2006 academic year. Of this, over \$2.2 million is estimated to have been spent on items consumed in the home and over \$1.2 million on food consumed at off-campus establishments each month. This implies total annual student body expenditures in the local off-campus establishments in excess of \$31 million for the academic year.

- **Student Impact on Local Housing Market**

Seventy-seven percent of the student survey respondents reported making rent payments for off-campus housing. The average monthly rental payment for those students living off-campus is estimated at \$215.00. The average monthly expenditures for utilities is estimated to be \$71.00. This implies that those students living off-campus spend nearly \$29 million per academic year in the Bowling Green/Warren County housing market and in excess of \$9.5 million on utilities.

- **Student Charitable Contributions**

Over 50 percent of the student survey respondents reported making charitable donations

in the survey year. The average donations for the 2005-2006 academic year is estimated at \$118.00. This implies total annual charitable contributions by the WKU student body of over \$1.7 million. This data does not include the value of in-kind contributions and volunteer work performed by WKU students on behalf of local charitable organizations.

• **Student Employment/Earnings/Occupational Tax Impact**

Eighty-one percent of the student respondents reported being employed with 72 percent reporting off-campus employment and 9 percent reporting employment on campus. The estimated average monthly gross earnings of the student survey respondent is \$458.00. Student survey respondents reported working an average of 19 hours per week. This implies that as much as \$919,900.00 per academic year in occupational taxes to the City of Bowling Green. The findings also suggests that student off-campus employment adds approximately 7,076 full-time equivalent jobs to the local/regional employment base.

• **Student Demographics**

- Of the total respondents, 57.1 percent were in the 18-22 age group with 26.7 percent in the 23-27 age group; 54.1 percent were female.

• **Student Vehicles**

Over 91 percent of the respondents indicated they had a car on campus with over 47 percent indicating no car payment and 38.7 percent indicating they had a monthly car payment of \$200 or less.

**TABLE I**

**WKU Student Off-Campus Expenditures: 2006 (Estimated)**

	<u>Academic Year Expenditures</u>	
	<b>Per Student</b>	<b>Student Body</b>
Food at Home	\$1,350.00	\$ 20,085,300.00
Dine-Out Meals	747.00	11,113,806.00
Entertainment (books,movies,music,etc.)	144.00	7,632,414.00
Hobbies, Recreation (games, outdoor activities)	723.00	10,756,790.00
Personal Care	414.00	6,159,492.00
Clothing	603.00	8,971,434.00
Household Items	207.00	3,079,746.00
Gasoline	603.00	8,971,434.00
Car Maintenance	81.00	1,205,118.00
Rent Off-Campus	1,935.00	28,788,930.00
Utilities	639.00	9,507,042.00
Charity	118.00	1,755,604.00
Electronics	293.00	4,359,254.00
Other	135.00	2,008,590.00
<b>Total Expenditures</b>		
<b>Yearly Per Student</b>		<b>\$8,361.00</b>
<b>Yearly: Student Body</b>		<b>\$124,394,954.00</b>

Source: The Impact of Western Kentucky University on The Bowling Green/Warren County Economy: 2006 Preliminary Findings.

A random sample of Western Kentucky University full-time faculty and staff members was conducted in the spring and summer of 2006 to obtain information on a variety of economic characteristics of the respondents. The faculty were surveyed by telephone and the staff were surveyed by U.S. mail. The results represent an effort to obtain information about the off-campus economic activities of the 694 faculty members and the 1,246 staff members during the year ending in July, 2006.

· **Faculty/Staff Overall Direct Expenditure Impact**

The average monthly off-campus expenditures of the faculty/staff survey respondents is estimated at over \$2,337.00. This indicates that nearly \$55 million of direct expenditures to the Bowling Green/Warren County economy by the WKU faculty and staff were made for the year ending in July, 2006. A summary of the major expenditure categories are shown in **TABLE II**.

· **Faculty/Staff Generated Real Estate Taxes**

Based on the faculty/staff survey responses, an average \$812 in local real estate taxes are estimated to have been paid during the 2005-06 period. This suggests that over \$1.4 million in property taxes to local tax authorities were related to the presence of the WKU faculty and staff.

· **Faculty/Staff Related Tourist Impact**

Faculty and staff reported approximately 4 visits per year to WKU by out-of-town visitors over the last year for overnight stays with each visit comprised of approximately 3 people. This suggests up to a total of 23,280 out-of-town visits per year. Assuming each visitor spends an average of \$100 to \$200 per visit in the Bowling Green Area, this suggests as much as \$2.3 million to \$4.7 million in additional direct expenditures from out-of-town visitors in the local/regional economy each year associated with the presence of WKU faculty and staff.

· **Direct Impact of Faculty/Staff on Local Restaurants and Food Outlets**

The WKU Faculty/staff are estimated to have spent an average of \$156.00 per month on meals consumed out of their home during the year. This implies that over \$3 million in expenditures per year in regional eating establishments. Over \$7.7 million is estimated to have been purchased locally by faculty and staff for consumption in the home during the year.

· **Faculty/Staff Charitable Contributions**

Over 91 percent of the respondents to the faculty/staff survey reported having made charitable contributions in the previous year. Faculty/staff contributions over the 1999-2000 time period are estimated to be \$4.5 million. This figure does not include the in-kind contributions or volunteer work for charities made by the WKU faculty and staff during the year.

**TABLE II**

**WKU Faculty/Staff Off-Campus Direct Expenditures: 2006 (Estimated)**

	<b>Staff</b>	<b>Yearly Faculty</b>
Food at Home	\$ 4,008.00	\$ 4,464.00
Food Out of the Home	1,608.00	2,136.00
Entertainment (books, movies, music, etc.)	1,336.00	1,536.00
Hobbies/Recreation (games, outdoor activities)	1,792.00	2,128.00
Electronics	504.00	621.00
Personal Items	1,109.00	552.00
Clothing	1,500.00	1,512.00
Gasoline	1,962.00	2,040.00
Auto Maintenance	498.00	600.00
Rent/House Payment	7,884.00	9,120.00
Property Taxes	745.00	879.00
Charitable Contributions	2,304.00	1,655.00
Other	1,200.00	3,648.00
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<b>Total Expenditures per Staff Member</b>		<b>\$ 26,451.12</b>
<b>per Faculty Member</b>		<b>\$ 30,891.00</b>
<b>Total Annual Staff</b>		<b>\$32,958,096.00</b>
<b>Total Annual Faculty</b>		<b>\$21,438,376.00</b>
<b>FACULTY/STAFF COMBINED</b>		<b>\$54,396,473.00</b>

**Source:** The Impact of Western Kentucky University on The Bowling Green/Warren County Economy: 2006 Preliminary Findings.