$44.9 MILLION IN ANNUAL ECONOMIC IMPACT

597 JOBS SUSTAINED

$2.5 MILLION IN LOCAL AND STATE GOVERNMENT REVENUE

- $44.9 million in total economic impact generated annually in Wisconsin by WLC.
- 597 jobs supported in the Wisconsin economy as a result of WLC.
- $2.5 million in state and local government revenue generated as a result of WLC’s operations.
- $2.7 million in charitable donations and volunteer services provided by WLC employees and students.
- $26.0 million generated annually by WLC alumni working and living in the state.
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EXECUTIVE REPORT

INTRODUCTION

Wisconsin Lutheran College (WLC) is an independent, residential, Christian college in Milwaukee and Wauwatosa. Consistently ranked as one of America's Best Colleges by U.S. News & World Report, WLC serves nearly 1,200 traditional undergraduate, adult, and graduate students through its on-campus, on-location, and online programming. The college, which prepares students for lives of Christian leadership, is recognized for its academic excellence and superior student experience. Caring, Christian faculty work directly with students, who benefit from numerous research, service, and co-curricular opportunities designed to enhance academic and spiritual growth.

The results presented in this economic impact study are generated on an annual basis. The economic impact in future years can either be higher or lower, based on the number of students, capital expansion, increases in external research, and the level of state appropriations. It is important to note that the economic and employment impacts stated in this report represent the “fresh dollar” impact\(^1\) of WLC. The operations of WLC generate $44.9 million in economic impact and sustain 597 jobs throughout the state. WLC’s impact in the Milwaukee-Waukesha-West Allis MSA totals $40.4 million annually in economic impact supporting 529 jobs.

PROJECT OVERVIEW

In October 2014, Tripp Umbach was retained by the WLC to update its 2005 measure of the economic, employment, and government revenue impacts of operations and research of all of its campuses. The overall economic and fiscal impact that WLC has on the vitality of the region and state includes the following elements:

- Economic impacts (analysis includes collection of information regarding capital expenditures, operational expenditures, salary data, and state and regional business volumes).
- The direct and indirect employment impacts of the College.

\(^1\) This methodology looks at dollars that come into a region from outside of a region. For this study, the region has been defined as the state of Wisconsin, the Milwaukee-Waukesha-West Allis MSA, and Milwaukee County.
The government revenue impact of WLC at the local and state levels.

The impact of WLC alumni on the economy.

**METHODOLOGY EMPLOYED IN THE ECONOMIC IMPACT STUDY**

This economic impact analysis measures the effect of direct and indirect/induced business volume and government revenue impacts for all of WLC’s operations throughout Wisconsin. The methodology employed in the calculation of these impacts is IMPLAN. Primary data utilized to conduct the analysis was collected from WLC. Data included: capital expenditures, operational expenditures, jobs, payroll and benefits, and taxes. The approach taken on this study was decidedly conservative. However, the impact findings compare favorably to other top research universities in the country.

Economic impact begins when an organization spends money. Studies measuring economic impact capture the direct economic impact of an organization’s spending, plus additional indirect and induced spending in the economy as a result of direct spending. Economic impact has little to do with dollars collected by institutions.

Total economic impact measures the dollars that are generated within Wisconsin due to the presence of WLC. This includes not only spending on goods and services with a variety of vendors within the state and the spending of its faculty, staff, students, and visitors, but also the business volume generated by businesses within Wisconsin that benefit from WLC’s spending. It is important to remember that not all dollars spent by a university remain in its home state. Dollars that “leak” out of the state in the form of purchases from out-of-state vendors are not included in WLC’s economic impact on the state. The multipliers utilized in this study are derived from the IMPLAN software.

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2 Minnesota IMPLAN Group, Inc. (MIG) is the corporation that is responsible for the production of IMPLAN (IMpact analysis for PLANning) data and software. IMPLAN is a micro-computer-based, input-output modeling system. With IMPLAN, one can estimate Input-Output models of up to 528 sectors for any region consisting of one or more counties. IMPLAN includes procedures for generating multipliers and estimating impacts by applying final demand changes to the model.
Key economic impact findings presented within the summary include the total current (FY 13-14) impact of WLC’s operations on employment in Wisconsin, as well as the revenue impact on state and local governments. Three types of economic impact are calculated in the study, including: direct, indirect, and induced.

For more information on the methodology used to complete this study, see Appendix B.

---

3 Fiscal Year 2013-2014 represents the period of time from July 1, 2013 to June 30, 2014.
WLC GENERATES A SIGNIFICANT ECONOMIC IMPACT

Operations of WLC directly or indirectly impact residents throughout Wisconsin, generating $44.9 million annually in overall economic impact. WLC affects business volume in Wisconsin in three ways:

1. Direct expenditures for goods and services by WLC, its faculty, staff, students, and visitors. This spending supports local businesses, which in turn employ local individuals to sell the goods and provide the services that university constituencies need.

2. Indirect spending within the State of Wisconsin. The businesses and suppliers to WLC spend money in the economy.

3. Induced spending by employees of WLC and employees of the WLC’s suppliers purchase goods and services throughout Wisconsin.

As a result of expenditures on goods and services by WLC, its faculty, staff, students, and visitors, the overall economic impact of WLC’s operations on the State of Wisconsin in FY 13-14 was $44.9 million ($19.9 million direct impact and $25.0 million indirect/induced).

WLC has a significant impact on the Milwaukee-Waukesha-West Allis MSA totaling $40.4 million annually. See Appendix B for the MSA impact findings.
WLC creates and sustains jobs

Wisconsin Lutheran College supports **597 jobs** in the State of Wisconsin. These jobs (both full-time and part-time) include not only direct employment by the College, but also indirect and induced jobs created by supply and equipment vendors, contractors, and laborers for the construction and renovation of WLC facilities, and jobs created in the community at hotels, restaurants, and retail stores in support of the College’s workforce and its visitors.

WLC supports hundreds of jobs statewide in numerous sectors of the Wisconsin economy in areas such as construction, business and professional services, restaurants and hotels, information technology, security, and temporary employment companies. These indirect/induced jobs (217 jobs) support the more than 380 jobs held by Wisconsin residents directly employed by the College.

**WLC Employment Impact in Wisconsin**

<table>
<thead>
<tr>
<th>DIRECT</th>
<th>INDIRECT/INDUCED</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>380</td>
<td>217</td>
<td>597</td>
</tr>
</tbody>
</table>

Source: Tripp Umbach using IMPLAN results from data obtained through WLC.
WLC CONTRIBUTES TO THE STATE AND LOCAL TAX BASE

It is a common misperception that colleges and nonprofits do not generate tax revenue. State and local government revenues attributable to the presence of WLC totaled $2.5 million ($0.83 million direct taxes) in FY 13-14. Through its local spending, as well as direct and indirect support of jobs, the presence of the College stabilizes and strengthens the local and statewide tax base. WLC is an integral part of the state’s economy – generating revenue, jobs, and spending. Specific taxes, generated at the state and local level, are presented in the table below.

Through its local spending as well as direct and indirect support of jobs, the presence of the College stabilizes and strengthens the local and statewide tax base.

### WLC STATE AND LOCAL GOVERNMENT REVENUE IMPACT (IN MILLIONS)

- **Direct**: $0.83
- **Indirect/Induced**: $1.7
- **Total**: $2.5

Source: Tripp Umbach using IMPLAN results from data obtained through WLC.

### WLC OPERATIONS ANNUAL STATE AND LOCAL GOVERNMENT REVENUE (FY 13-14)

<table>
<thead>
<tr>
<th>Description</th>
<th>Employee Compensation</th>
<th>Tax on Production and Imports</th>
<th>Households</th>
<th>Corporations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends</td>
<td>$3,402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Ins Tax: Employer Contribution</td>
<td>$14,895</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Ins Tax: Employer Contribution</td>
<td>$29,286</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax on Production and Imports: Sales Tax</td>
<td>$737,664</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax on Production and Imports: Property Tax</td>
<td>$970,268</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax on Production and Imports: Motor Vehicle Licenses</td>
<td>$18,753</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax on Production and Imports: Severance Tax</td>
<td>$651</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax on Production and Imports: Other Taxes</td>
<td>$70,780</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax on Production and Imports: S/L NonTaxes</td>
<td>$20,957</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Profits Tax</td>
<td></td>
<td></td>
<td>$44,027</td>
<td></td>
</tr>
<tr>
<td>Personal Tax: Income Tax</td>
<td></td>
<td></td>
<td>$314,141</td>
<td></td>
</tr>
<tr>
<td>Personal Tax: NonTaxes (Fines + Fees)</td>
<td></td>
<td></td>
<td>$47,242</td>
<td></td>
</tr>
<tr>
<td>Personal Tax: Motor Vehicle License</td>
<td></td>
<td></td>
<td>$23,993</td>
<td></td>
</tr>
<tr>
<td>Personal Tax: Property Taxes</td>
<td></td>
<td></td>
<td>$11,680</td>
<td></td>
</tr>
<tr>
<td>Personal Tax: Other Tax (Fish/Hunt)</td>
<td></td>
<td></td>
<td>$30,638</td>
<td></td>
</tr>
<tr>
<td>TOTAL STATE AND LOCAL TAX</td>
<td>$44,182</td>
<td>$1,819,083</td>
<td>$617,693</td>
<td>$47,428</td>
</tr>
</tbody>
</table>

Source: Tripp Umbach using IMPLAN results from data obtained through WLC.
WLC BENEFITS THE STATE BEYOND OPERATIONS

WLC’s total impact on the state of Wisconsin goes beyond its annual operational expenditures. Economic impact studies often capture only the impact that can be assigned a quantitative number, but the qualitative value and impact of the College goes far beyond its annual multi-million dollar economic impact. Through its academic programs and Christian mission, WLC is helping to grow the state by educating a highly skilled workforce. Moreover, WLC provides the larger community with access to faculty experts, facilities for events, and adds richness and diversity to the region’s cultural offerings through its fine arts program.

WLC EDUCATES GRADUATES WITH CHRISTIAN VALUES AND LEADERSHIP SKILLS

Graduates from WLC are an important component of the state’s workforce. Currently, over 3,000 graduates from WLC reside and work within the state of Wisconsin. WLC alumni remaining in Wisconsin contribute an additional $26.0 million annually to the state’s economy, based upon their additional earning power as graduates of WLC. These benefits are in addition to the $44.9 million annual economic impact. WLC alumni are also very involved and active in communities throughout Wisconsin. Tripp Umbach projects that WLC alumni contribute more than $6.8 million annually in charitable donations and volunteer services.

WLC PROVIDES SUPPORT TO THE COMMUNITY

WLC has a deep commitment to service and giving which is shown through the broad participation by students, staff, and faculty in volunteering their time to support the area community. It is not one group or a few people that serve the community; it is a broad college-wide commitment to service. It is estimated that WLC employees and students provide more than $2.7 million annually in charitable donations and volunteer services. These benefits are in addition to the $44.9 million annual impact and include the following:

- Through charitable donations, WLC staff, faculty, and students contributed more than $.52 million to local charitable organizations in 2013-2014.
- The value of volunteer hours given to area nonprofits and organizations by WLC staff, faculty, and students totaled $2.1 million in 2013-2014.

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4 This alumni impact is based upon primary research conducted by Tripp Umbach with college graduates throughout the U.S.; the data used to calculate this impact was not WLC specific research but is based on Tripp Umbach’s survey data. The Tripp Umbach alumni survey asks respondents to provide their detailed salary information, position, school where they obtained their degree, size of college, type of college, and type of degree. Based upon this analysis, graduates of small, private, Christian schools earn $8,253 more each year when compared to graduates from other colleges/universities.

5 Source Points of Lights Foundation Annual Survey data on giving and volunteerism for Wisconsin.

6 Primary data collection via survey research where faculty, staff, and students provide estimates on spending patterns, including information on the number of volunteer hours and charitable donations in which they provide. A conservative assumption of $22.14 per hour was used to calculate the value of volunteer services. This amount was calculated independently by the Points of Light Foundation.
Specific programs and support provided to the community by WLC staff, faculty, and students include:

- **Respite Day**: Coordinated by the WLC Nursing Program, the program involves nearly 75 volunteers to provide a day of fun and activities for children with special needs and their siblings so parents can have a much-needed break. This event is coordinated in partnership with Children’s Hospital.

- **Annual Run/Walk**: Every year, WLC participates in at least one run/walk open to the entire student body. When the calendar allows, WLC has had a team in Briggs and Al’s Run/Walk, as well as Susan G. Komen.

- **New Friends**: Monthly meetings where cognitively and physically disabled individuals come to campus for spiritual, social, and physical nourishment. Students get involved in organizing activities, serving food, and leading these individuals and their caregivers.

- **New Friends Carnival**: An annual carnival for cognitively and physically disabled individuals, which broadens the offerings of the monthly New Friends meetings.

- **Cans Across the Conference**: An annual food drive where WLC competes against other schools in Division III to collect nonperishable food items.

- **Helping with St. Marcus Gala**: WLC Students arrive late one night to help tear down tables and reset chairs, do dishes, and other activities as required after the event.

- **Blood Drives for Blood Center of Wisconsin**: WLC is the host site for two blood drives each year.

**Campus Ministry**

- **Character Builders program at the Bruce Guadalupe School in Milwaukee (Public Charter School)**: 150 children attend “after-school” Bible study once a week, which is taught by WLC students and WLC vicars. This program is set up to be Bible story truths taught for a portion of the class time and appropriate crafts for the other part of class.

- **Adopt a Grandparent**: WLC students visit The Lutheran Home (nursing home on 76th and North Avenue) weekly for one-hour visits with residents. Students get to know the residents and just spend time with them. By forming relationships with the residents, students are able to curb loneliness as well as alert staff if the resident shares a concern.

- **Off-Campus Thursday Night Bible Study**: Held at a local restaurant where members of the community (or frequenters of the restaurant) are welcome and encouraged to join WLC students for Bible study.
• **Grenada**: Pastor Strobel and staff members take 10 sophomores and two seniors to Grenada, West Indies to serve as they are able on the island. In the past, they have rebuilt homes, roofed homes, painted the exterior of a nursing home, poured foundations for homes, offered eyeglass clinics, and spent time at an orphanage playing with the children and bringing small gifts to them.

• **Ukraine and Mexico**: WLC has consistently sent six to eight students to teach Vacation Bible School each summer for 10 days in each of these countries.

• **Friends of China**: Two WLC Staff members and four students worked with a group in China to teach English classes.

• **Mission Trips**: WLC students assist congregations in their ministry events or canvassing as need arises. Last school year, WLC sent teams of four to four congregations (in Missouri, Nevada, Ohio, and Ontario,) to canvass, paint, guide field trips, and serve as tutors. There were also three weekend opportunities to serve congregations in Green Bay, WI and Indianapolis, IN.

• **Warriors@Work** was developed to assist students in finding ways to participate in volunteer service in the community. WLC planned and participated in the following events:
  - **Bradford Beach Cleanup**: A group project led by WLC Warriors football team.
  - **Fall Leaf Raking**: This was a free service to anyone in the Pleasant View neighborhood who signed up for assistance with raking leaves.
  - **St. Jude Give Thanks Walk**: WLC students assisted at checkpoints and water stations.
  - **The Brewer's Mini-Marathon**: WLC students assisted with the event.
  - **Hemophilia Ball**: Students assisted in serving as Silent Auction volunteers.
  - **Shining Star Christian School (Fairview Campus) Milwaukee**: Saturday canvass of 1,000 homes for New Choice School in the neighborhood.
  - **Serving Hands Serving Hearts Day 2014**: An all-school volunteer day Event. On the first Saturday in May, the Warriors Event Board, Student Senate, and Campus Ministry teamed up to provide a day of volunteering in the Milwaukee area.
  - **Honey Creek Parkway Clean Up**: Each resident assistant involves their residents in completing at least one service project per year; clean up efforts along Honey Creek Parkway in Wauwatosa is one example of these efforts.
WLC’s Research Makes a Difference

WLC attracts research dollars from corporations and organizations in a multitude of areas. Faculty and undergraduate students are engaged in research projects that are making a difference in the world. Sample research projects include:

- **Grenada Marine Biology Research**: Students and faculty from WLC work in collaboration with faculty from St. Georges University are working to establish a biological monitoring project in the Marine Protected Area of the southwest shore of Grenada.

- **Lake Michigan Research**: WLC students are engaged in a two-year study with EA Engineering at the We Energies Port Washington Electrical Generating Station. Students are helping to evaluate the effectiveness of a porous rock barrier at keeping fish away from the water intake structure. Students also perform SCUBA inspections and record underwater video of the rock barrier in Lake Michigan.

- **Inland Lake Research**: WLC students and faculty team with Barr Engineering to sample aquatic plant populations in Wisconsin’s Lakes. WLC students investigate many aspects of Pewaukee Lake in collaboration with the Lake Pewaukee Sanitary District.
**APPENDIX A: DEFINITION OF TERMS**

| STUDY YEAR               | Fiscal Year 2013-2014 (FY 13-14)  
<table>
<thead>
<tr>
<th></th>
<th>July 1, 2013 – June 30, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL ECONOMIC IMPACT</td>
<td>The total economic impact of an institution includes both the direct impact and the indirect impact generated in the economy as a result of the institution.</td>
</tr>
<tr>
<td>DIRECT ECONOMIC IMPACT</td>
<td>Direct impact includes items such as institutional spending, employee spending and spending by visitors to the institution.</td>
</tr>
<tr>
<td>INDIRECT AND INDUCED ECONOMIC IMPACT</td>
<td>Indirect impact, also known as the multiplier effect, includes the respending of dollars within the local economy by vendors/suppliers and households.</td>
</tr>
<tr>
<td>MULTIPLIER EFFECT</td>
<td>The multiplier effect is the additional economic impact created as a result of the institution’s direct economic impact. Local companies that provide goods and services to an institution increase their purchasing by creating a multiplier.</td>
</tr>
<tr>
<td>DIRECT TAX PAYMENTS</td>
<td>Direct tax payments made by an institution to a unit of government.</td>
</tr>
<tr>
<td>INDIRECT AND INDUCED TAX PAYMENTS</td>
<td>Government revenue that is collected by governmental units in addition to those paid directly by an institution, including taxes paid directly by employees of the institution, visitors to the institution and vendors who sell products to the institution.</td>
</tr>
<tr>
<td>DIRECT EMPLOYMENT</td>
<td>Total employees based on total jobs.</td>
</tr>
<tr>
<td>INDIRECT AND INDUCED EMPLOYMENT</td>
<td>Indirect employment is the additional jobs created as a result of the institution’s economic impact. Local companies that provide goods and services to an institution increase their number of employees as purchasing increases, thus creating an employment multiplier.</td>
</tr>
</tbody>
</table>
APPENDIX B: IMPACT ON MSA AND MILWAUKEE COUNTY

WLC’s total economic impact in the Milwaukee-Waukesha-West Allis MSA in FY 13-14 totaled $40.4 million ($17.8 million direct).

WLC’s total employment impact in the Milwaukee-Waukesha-West Allis MSA in FY 13-14 totaled 529 jobs. (340 direct jobs).

As a result of its operations in the MSA, WLC generates $2.3 million annually in state and local government revenue impact ($.72 million direct).
WLC’s total economic impact in Milwaukee County in FY 13-14 totaled $21.7 million ($9.6 million direct).

WLC’s total employment impact in Milwaukee County in FY 13-14 totaled 363 jobs (183 direct jobs).

As a result of its operations in Milwaukee County, WLC generates $1.2 million annually in state and local government revenue impact ($ .4 million direct).
APPENDIX C: METHODOLOGY

IMPACT ON STATE BUSINESS VOLUME AND GOVERNMENT REVENUE

Businesses operating within Wisconsin in the wholesale, retail, service, and manufacturing sectors benefit from the direct expenditures of the institution and its faculty, staff, students, and visitors on goods and services. Additionally, many of these “direct” expenditures are recirculated in the economy as recipients of the first-round of income re-spend a portion of this income with other businesses and individuals within Wisconsin.

METHODOLOGY AND DATA UTILIZED FOR THE ESTIMATION OF THE ECONOMIC IMPACT OF WLC

The economic impact of WLC was estimated using IMPLAN (IMpact Analysis for PLANing), an econometric modeling system developed by applied economists at the University of Minnesota and the U.S. Forest Service. The IMPLAN modeling system has been in use since 1979 and is currently used by over 500 private consulting firms, colleges/university research centers, and government agencies. The IMPLAN modeling system combines the U.S. Bureau of Economic Analysis’ Input-Output Benchmarks with other data to construct quantitative models of trade flow relationships between businesses and between businesses and final consumers. From this data, one can examine the effects of a change in one or several economic activities to predict its effect on a specific state, regional, or local economy (impact analysis). The IMPLAN input-output accounts capture all monetary market transactions for consumption in a given time period. The IMPLAN input-output accounts are based on industry survey data collected periodically by the U.S. BEA and follow a balanced account format recommended by the United Nations.

IMPLAN’s Regional Economic Accounts and the Social Accounting Matrices were used to construct state-level multipliers, which describe the response of the state economy to a change in demand or production as a result of the activities and expenditures of WLC. Each industry that produces goods or services generates demand for other goods and services; and this demand is multiplied through a particular economy until it dissipates through “leakage” to economies outside the specified area. IMPLAN models discern and calculate leakage from local, regional, and state economic areas based on workforce configuration, the inputs required by specific types of businesses, and the availability of both inputs in the economic area. Consequently, economic impacts that accrue to other regions or states as a consequence of a change in demand are not counted as impacts within the economic area.

The model accounts for substitution and displacement effects by deflating industry-specific multipliers to levels well below those recommended by the U.S. Bureau of Economic Analysis. In addition, multipliers are applied only to personal disposable income to obtain a more realistic
estimate of the multiplier effects from increased demand. Importantly, IMPLAN’s Regional Economic Accounts exclude imports to an economic area, so the calculation of economic impacts identifies only those impacts specific to the economic impact area; in this case, the State of Wisconsin. IMPLAN calculates this distinction by applying Regional Purchase Coefficients (RPC) to predict regional purchases based on an economic area’s particular characteristics. The RPC represents the proportion of goods and services that will be purchased regionally under normal circumstances, based on the area’s economic characteristics described in terms of actual trade flows within the area.

**MODEL INPUTS AND DATA SOURCES**
Model inputs included actual FY 13-14 expenditures provided by WLC.
APPENDIX D: PROFILE OF STATE OF WISCONSIN

Wisconsin’s top two sectors in terms of economic output are service and manufacturing. The top two sectors with regard to employment are service and trade.

ECONOMIC PROFILE OF WISCONSIN (2013)

<table>
<thead>
<tr>
<th>Description of Sector</th>
<th>Economic Output</th>
<th>Percent of Economic Output</th>
<th>Employment (Jobs)</th>
<th>Percent of Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining</td>
<td>$1,586,405,188</td>
<td>0.3%</td>
<td>6,030</td>
<td>0.2%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>$13,046,983,061</td>
<td>2.4%</td>
<td>112,290</td>
<td>3.2%</td>
</tr>
<tr>
<td>Construction</td>
<td>$20,194,308,289</td>
<td>3.7%</td>
<td>155,399</td>
<td>4.5%</td>
</tr>
<tr>
<td>Transportation, Information, and Public Utilities</td>
<td>$22,929,282,837</td>
<td>4.2%</td>
<td>125,155</td>
<td>3.6%</td>
</tr>
<tr>
<td>Government</td>
<td>$28,595,683,464</td>
<td>5.2%</td>
<td>388,692</td>
<td>11.2%</td>
</tr>
<tr>
<td>Trade</td>
<td>$49,497,436,646</td>
<td>9.0%</td>
<td>496,402</td>
<td>14.3%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$202,521,963,012</td>
<td>36.9%</td>
<td>467,121</td>
<td>13.4%</td>
</tr>
<tr>
<td>Service</td>
<td>$210,045,922,903</td>
<td>38.3%</td>
<td>1,730,684</td>
<td>49.7%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$548,417,985,419</td>
<td>100.0%</td>
<td>3,481,773</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

The MSA’s top two sectors in terms of economic output are service and manufacturing. The top two sectors with regard to employment are service and trade.

ECONOMIC PROFILE OF MILWAUKEE-WAUKEШA-WEST ALLIS (2013)

<table>
<thead>
<tr>
<th>Description of Sector</th>
<th>Economic Output</th>
<th>Percent of Economic Output</th>
<th>Employment (Jobs)</th>
<th>Percent of Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>$312,991,872</td>
<td>0.2%</td>
<td>2,933</td>
<td>0.3%</td>
</tr>
<tr>
<td>Mining</td>
<td>$446,576,491</td>
<td>0.3%</td>
<td>1,122</td>
<td>0.1%</td>
</tr>
<tr>
<td>Construction</td>
<td>$4,436,994,965</td>
<td>2.8%</td>
<td>29,574</td>
<td>3.0%</td>
</tr>
<tr>
<td>Transportation, Information, and Public Utilities</td>
<td>$5,932,421,912</td>
<td>3.8%</td>
<td>27,901</td>
<td>2.9%</td>
</tr>
<tr>
<td>Government</td>
<td>$6,867,843,781</td>
<td>4.3%</td>
<td>83,518</td>
<td>8.5%</td>
</tr>
<tr>
<td>Trade</td>
<td>$15,135,410,034</td>
<td>9.6%</td>
<td>137,452</td>
<td>14.0%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$51,567,664,158</td>
<td>32.6%</td>
<td>122,918</td>
<td>12.6%</td>
</tr>
<tr>
<td>Service</td>
<td>$73,475,232,050</td>
<td>46.5%</td>
<td>573,505</td>
<td>58.6%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$158,175,135,262</td>
<td>100.0%</td>
<td>978,924</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
Milwaukee County’s top two sectors in terms of economic output are service and manufacturing. The top two sectors with regard to employment are service and trade.

**ECONOMIC PROFILE OF MILWAUKEE COUNTY (2013)**

<table>
<thead>
<tr>
<th>Description of Sector</th>
<th>Economic Output</th>
<th>Percent of Economic Output</th>
<th>Employment (Jobs)</th>
<th>Percent of Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>$14,245,986</td>
<td>0.0%</td>
<td>127</td>
<td>0.0%</td>
</tr>
<tr>
<td>Mining</td>
<td>$317,756,169</td>
<td>0.3%</td>
<td>543</td>
<td>0.1%</td>
</tr>
<tr>
<td>Construction</td>
<td>$1,749,975,599</td>
<td>1.9%</td>
<td>11,533</td>
<td>2.0%</td>
</tr>
<tr>
<td>TIPU</td>
<td>$4,249,865,734</td>
<td>4.7%</td>
<td>17,521</td>
<td>3.0%</td>
</tr>
<tr>
<td>Government</td>
<td>$4,847,148,465</td>
<td>5.3%</td>
<td>58,163</td>
<td>10.1%</td>
</tr>
<tr>
<td>Trade</td>
<td>$6,984,913,203</td>
<td>7.7%</td>
<td>65,917</td>
<td>11.1%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$25,499,488,605</td>
<td>28.0%</td>
<td>56,132</td>
<td>9.7%</td>
</tr>
<tr>
<td>Service</td>
<td>$47,510,034,884</td>
<td>52.1%</td>
<td>369,276</td>
<td>64.0%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$91,167,411,036</td>
<td>100.0%</td>
<td>577,213</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
APPENDIX E: FAQ’S REGARDING ECONOMIC IMPACT ASSESSMENT

What is economic impact?
Economic impact begins when an organization spends money. Economic impact studies measure the direct economic impact of an organization’s spending, plus additional indirect spending in the economy as a result of direct spending. Economic impact has nothing to do with dollars collected by institutions, their profitability, or even their sustainability, since all operating organizations have a positive economic impact when they spend money and attract spending from outside sources.

Direct economic impact measures the dollars that are generated within Wisconsin due to the presence of WLC. This includes not only spending on goods and services with a variety of vendors within the state, and the spending of its employees and visitors, but also the business volume generated by businesses within Wisconsin that benefit from spending by WLC. It is important to remember that not all dollars spent by WLC stay in Wisconsin. Dollars that “leak” out of the state in the form of purchases from out-of-state vendors are not included in the economic impact that WLC has on the state of Wisconsin.

The total economic impact includes the “multiplier” of spending from companies that do business with WLC. Support businesses may include lodging establishments, restaurants, construction firms, vendors, temporary agencies, etc. Spending multipliers attempt to estimate the ripple effect in the state economy where the spending occurs. For example: Spending by WLC with local vendors provides these vendors with additional dollars that they re-spend in the local economy, causing a “multiplier effect.”
What is the multiplier effect?
Multipliers are a numeric way of describing the secondary impacts stemming from the operations of an organization. For example, an employment multiplier of 1.8 would suggest that for every 10 employees hired in the given industry, eight additional jobs would be created in other industries, such that 18 total jobs would be added to the given economic region. The multipliers used in this study range from 1.8 to 2.0.

The multiplier model is derived mathematically using the input-output model and Social Accounting formats. The Social Accounting System provides the framework for the predictive Multiplier Model used in economic impact studies. Purchases for final use drive the model. Industries that produce goods and services for consumer consumption must purchase products, raw materials, and services from other companies to create their product. These vendors must also procure goods and services. This cycle continues until all the money is leaked from the region’s economy. There are three types of effects measured with a multiplier: the direct, the indirect, and the induced effects. The direct effect is the known or predicted change in the local economy that is to be studied. The indirect effect is the business-to-business transactions required to satisfy the direct effect. Finally, the induced effect is derived from local spending on goods and services by people working to satisfy the direct and indirect effects.

- **Direct effects** take place only in the industry immediately being studied.
- **Indirect effects** concern inter-industry transactions: because WLC is in business, it has a demand for locally produced materials needed to operate.
- **Induced effects** measure the effects of the changes in household income: employees of WLC and suppliers purchase from local retailers and restaurants.
- **Total Economic Impacts** the total changes to the original economy as the result of the operations of WLC, i.e., Direct effects + Indirect effects + Induced effects = Total economic impacts

What methodology was used in this study?
IMPLAN (IMpact analysis for PLANning) data and software. Using classic input-output analysis in combination with regional specific Social Accounting Matrices and Multiplier Models, IMPLAN provides a highly accurate and adaptable model for its users. The IMPLAN database contains county, state, zip code, and federal economic statistics which are specialized by region, not estimated from national averages and can be used to measure the effect on a regional or local economy of a given change or event in the economy’s activity.
What is employment impact?
Employment impact measures the direct employment (employees, staff, faculty, administration) plus additional employment created in the economy as a result of the operations of WLC.

Indirect and Induced employment impact refers to other employees throughout the region that exist because of the College’s economic impact. In other words, jobs related to the population – city services (police, fire, EMS, etc.), employees at local hotels and restaurants, clerks at local retail establishments, residents employed by vendors used by WLC.

What is the difference between direct and indirect taxes?
Direct tax dollars include sales taxes and net corporate income taxes paid directly by the institution to the state, while indirect taxes include taxes paid to the state by vendors that do business with WLC and individuals.

Is this a one-time impact or does the impact repeat each year?
The results presented in the WLC economic impact study are generated on an annual basis. The economic impact in future years can either be higher or lower based on number of employees, students, capital expansion, increases in external research, and state appropriations.

What are Tripp Umbach’s qualifications to perform an Economic Impact Study for WLC?
Tripp Umbach is the national leader in providing economic impact analysis to leading healthcare organizations, universities and academic medical centers. We have completed more than 150 economic impact studies over the past 20 years for clients such as: The Wisconsin State University, The Ohio State University, Concordia University, The University of Iowa, The University of Alabama at Birmingham, the Cleveland Clinic, the University of Florida Health Shands Hospital, the University of North Carolina Hospitals, the University of Pittsburgh, and The Ohio State University Medical Center.