Miami University creates a significant positive impact on the business community and generates a return on investment to its major stakeholder groups—students, taxpayers, and society. Using a two-pronged approach that involves an economic impact analysis and an investment analysis, this study calculates the benefits received by each of these groups. Results of the analysis reflect fiscal year (FY) 2016-17.

**IMPACT ON BUSINESS COMMUNITY**

During the analysis year, Miami University and its research and construction activities, along with its students and visitors, added $2.3 billion in income to the Ohio economy, approximately equal to 0.4% of the state’s total gross state product (GSP). Miami University’s impact supported 31,473 jobs in FY 2016-17. For perspective, this means that one out of every 221 jobs in Ohio is supported by the activities of Miami University and its students. The economic impacts of Miami University break down as follows:

**Operations spending impact**
- Miami University employed 4,870 full-time and part-time employees for its day-to-day operations in FY 2016-17. Payroll for these employees, along with the approximately 6,000 student workers, amounted to $327.2 million, much of which was spent in Ohio to purchase groceries, clothing, and other household goods and services. The university spent another $281.6 million to support its day-to-day operations.
- The net impact of university payroll and expenses in Ohio during the analysis year was approximately $370.2 million in income.

**Research spending impact**
- Research activities at Miami University impact the state economy by employing people and making purchases for equipment, supplies, and services. In FY 2016-17, Miami University spent $8.8 million on payroll to support research activities.
- Miami University’s research spending generated $14.7 million in added income for the Ohio economy.
Construction spending impact
- Miami University commissioned contractors to build or renovate its facilities during the analysis year, generating a short-term infusion of spending and jobs in the state economy.
- The net impact of Miami University’s construction spending in FY 2016-17 was $70.7 million in added income for Ohio.

Impact of student spending
- Around 34% of credit students attending Miami University originated from outside the state. Some of these students relocated to Ohio. In addition, a number of students would have left the state if not for Miami University. These relocated and retained students spent money on everyday needs such as groceries, transportation, and rent at state businesses.
- The expenditures of relocated and retained students during the analysis year added approximately $75.3 million in income to the Ohio economy.

Visitor spending impact
- Out-of-state visitors attracted to Ohio for activities at Miami University brought new dollars to the economy through their spending at hotels, restaurants, gas stations, and other state businesses.
- Visitor spending added approximately $11.2 million in added income for the Ohio economy.

Alumni impact
- Over the years, students have studied at Miami University and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in Ohio.
- The impact of former students currently employed in the state workforce amounted to $1.7 billion in added income during the analysis year.

RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS, AND SOCIETY

Student perspective
- Miami University’s FY 2016-17 students paid a total present value of $403.6 million to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent $170.2 million in money that they would have earned had they been working instead of learning.
- In return for the monies invested in the university, students will receive a present value of $2.3 billion in increased earnings over their working lives. This translates to a return of $4.00 in higher future earnings for every $1 that students invest in their education. The average annual return for students is 12.1%.
Taxpayer perspective

- In FY 2016-17, state and local taxpayers in Ohio paid $81.8 million to support the operations of Miami University. The net present value of the added tax revenue stemming from the students’ higher lifetime earnings and the increased output of businesses amounts to $446.5 million in benefits to taxpayers. Savings to the public sector add another $38.4 million in benefits due to a reduced demand for government-funded services in Ohio.

- Dividing benefits to taxpayers by the associated costs yields a 5.9 benefit-cost ratio, i.e., every $1 in costs returns $5.90 in benefits. The average annual return on investment for taxpayers is 12.8%.

Social perspective

- The economic base in Ohio will grow by $6.3 billion over the course of the students’ working lives. Society will also benefit from $148.3 million in present value social savings related to reduced crime, lower unemployment, and increased health and well-being across the state.

- For every $1 that society spent on Miami University FY 2016-17 educations, society will receive a cumulative value of $6.40 in benefits, for as long as the FY 2016-17 student population at Miami University remains active in the state workforce.

For every $1 spent by...

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<thead>
<tr>
<th>STUDENTS</th>
<th>TAXPAYERS</th>
<th>SOCIETY</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4.00</td>
<td>$5.90</td>
<td>$6.40</td>
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Gained in lifetime earnings for STUDENTS
Gained in added taxes and public sector savings for TAXPAYERS
Gained in added state revenue and social savings for SOCIETY

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** FDIC.gov, 7-2017.