



# The Economic and Social Impacts of The University of North Carolina at Pembroke

A study conducted by:

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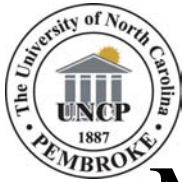
The University of North Carolina at Pembroke

(This study was conducted during summer 2006 with financial help from the Office of the Provost and Academic Affairs at UNCP.)



# Acknowledgements

This study would not have been possible without the financial help of the Office of the Provost and Academic Affairs at UNCP. We also want to thank UNCP Office of Institutional Research and Planning, UNCP Department of Alumni Relations, and UNCP Office of Financial Planning and Budgeting for providing data to conduct this study. In conducting this study we also benefited from an economic impact study conducted by Robison and Christophersen on the socioeconomic benefits of Robeson Community College (Robison and Christophersen, 2004). All errors and omission remain the sole responsibility of the author.



# Mission Statement of UNCP (Excerpt)

“The University of North Carolina at Pembroke is a comprehensive University committed to academic excellence in a balanced program of teaching, research, and service. It offers a broad range of degrees and nationally accredited professional programs at the Bachelor's and Master's levels. Combining the opportunities available in a large university with the personal attention characteristic of a small college, the University provides an intellectually challenging environment created by a faculty dedicated to effective teaching, interaction with students, and scholarship. Graduates are academically and personally prepared for rewarding careers, postgraduate education, and community leadership.”

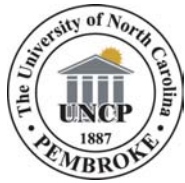
Source: UNCP website (<http://www.uncp.edu/uncp/about/mission.htm>), accessed May 24, 2006.



# Purpose of Study

The purpose of conducting this study is to measure the economic and social impacts of UNCP on the region. We focus on two main sources of impact:

- the expenditure incurred by the university in the region through salaries, purchases of local material, and utilities, etc.,
- and the students trained by the university, who in turn participate in the growth and development of the region.



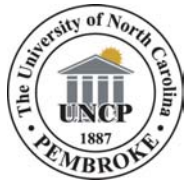
# Main Findings (1)

- The benefit-cost ratio for the state taxpayers is 1.761.
  - By spending about \$35,425,531 during fiscal year 2005-2006 taxpayers gained about \$62,380,490.
- Each job at the UNCP leads to the creation of about 1.5 jobs in the region.
  - Due to the presence and operation of UNCP there were 1084 jobs created in the region.



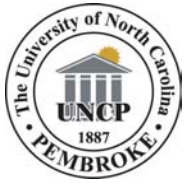
## Main Findings (2)

- There are 26 fewer incarcerations each year in the state due to the existence and operation of UNCP, saving the state taxpayers about \$1,293,954.
- There are 281 fewer smokers in the state due to the presence and operation of UNCP, savings the state taxpayers about \$919,292 each year in health care costs.

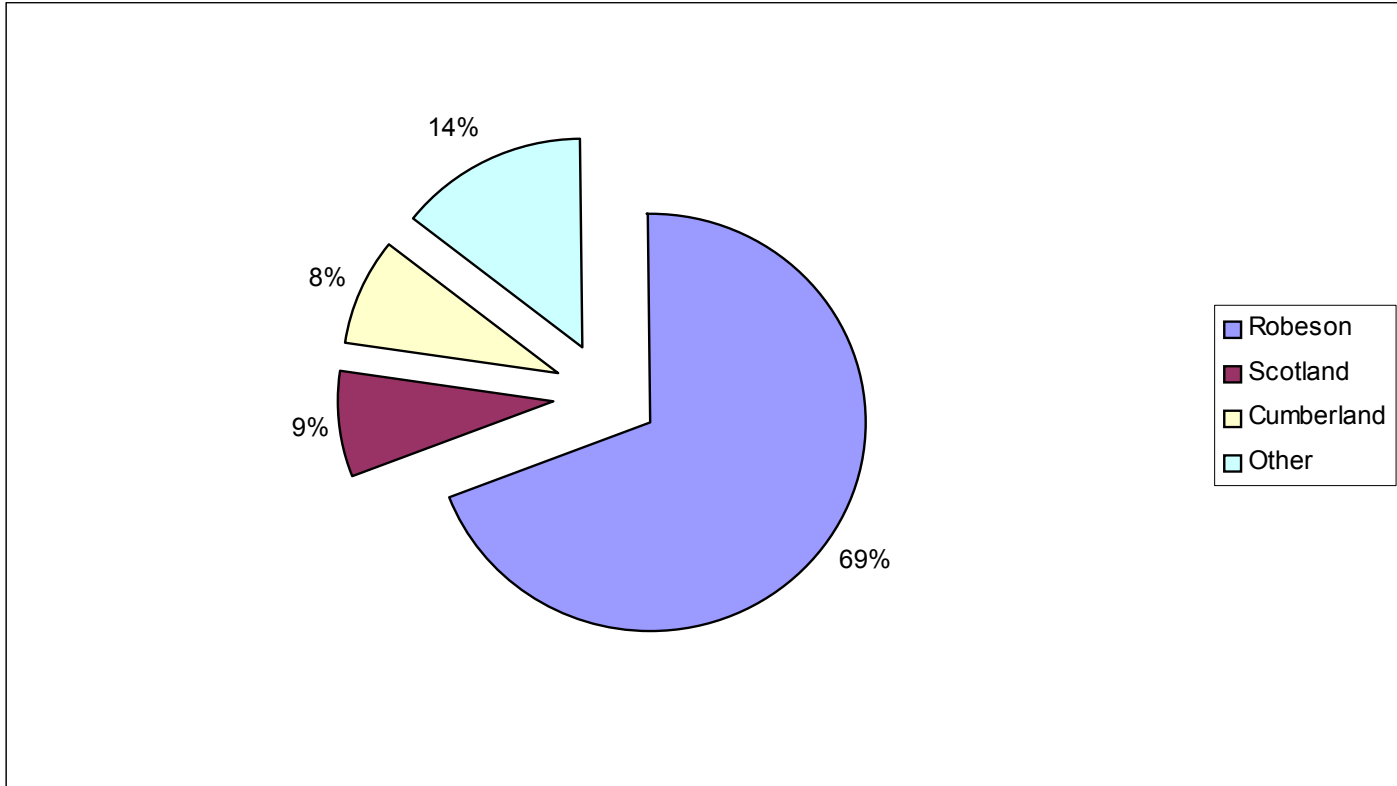


# Main Findings (3)

- The benefit-cost ratio for a typical UNCP graduate is 7.42.
- A typical student has a total opportunity cost of about \$77,870 to earn a bachelor's degree over a four-year period.
- The present discounted value of lifetime benefit to a student of earning a bachelor's degree from UNCP, as opposed to entering the labor market after high school graduation is about \$577,423.
- Payback period for a typical UNCP graduate is 4.5 year.

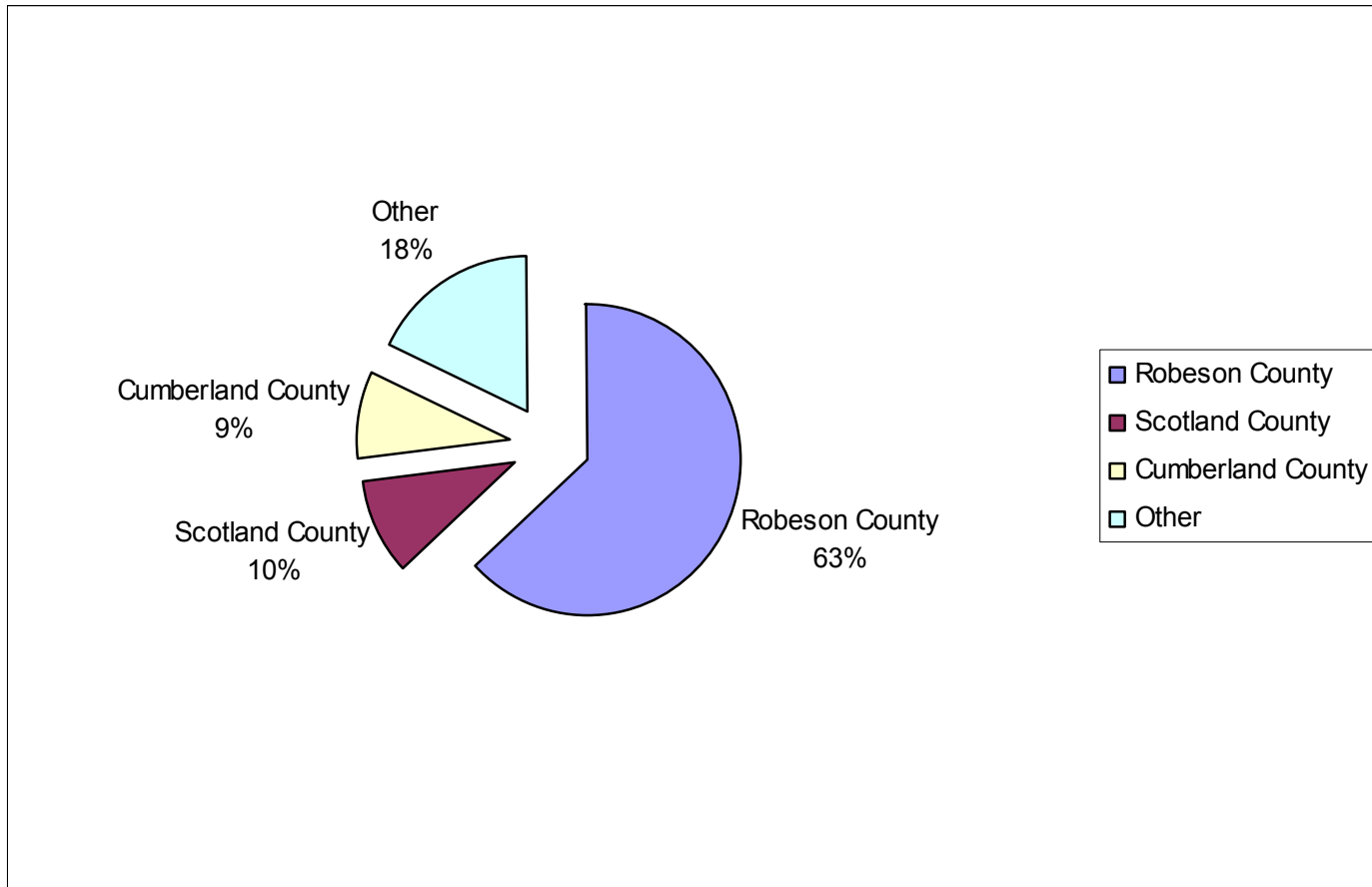


# UNCP Employees by County of Residence





# UNCP Employee Salaries by County of Residence



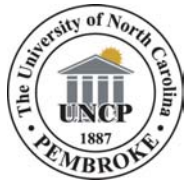


# Counties Included in the UNCP Economic Area

- Robeson County
- Scotland County
- Cumberland County

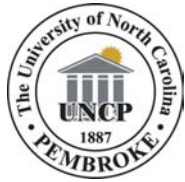
Because over 85 percent of UNCP employees live in this three-county area, over 82 percent of salaries are earned by these employees, and over 53 percent UNCP students live in these counties, we decided to consider this area to be the UNCP's area of economic and social impacts.





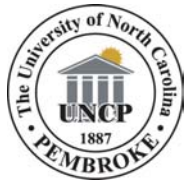
# Main Data Used in this Study

- UNCP Student Data
  - Undergraduate Students
    - In-State and Out-of-State
  - Percentage of students who stay in the economic region.
- UNCP Employee Data
- UNCP Expenditure and Revenue by Object
- Regional Data
  - Regional Profiles
  - Regional Multipliers
- National Data
  - Interest Rate
  - GDP Deflator



# Main Data Sources

- UNCP Data
  - Office of Institutional Research and Planning
  - UNCP Office of Financial Planning and Budgeting
  - UNCP Department of Alumni Relations
- Regional and National Data
  - 2003-2004 UNC Statistical abstract (Table 36)
  - North Carolina Department of Corrections
  - US Census Bureau
  - Bureau of Labor Statistics
  - US Department of Commerce, Bureau of Economic Analysis
  - United States Department of Justice

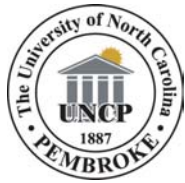


# Student Benefit-Cost Analysis

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Total Real Opportunity Cost of Earning a Bachelor's Degree from UNCP	77,870
Lifetime Benefit	577,423
Benefit-Cost Ratio	7.42
Payback Years	4.5

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# Benefit-Cost Analysis for the State Taxpayers

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<b>Annual Average of Appropriations</b>	<b>\$35,425,531</b>
<b>Direct Economic Impact of UNCP on Regional Earnings</b>	<b>\$35,349,364</b>
<b>Present Value of Total Increased Tax Revenue from In-State Students</b>	<b>\$24,817,880</b>
<b>Social Savings Due to Reduced Incarceration</b>	<b>\$1,293,954</b>
<b>Social Savings Due to Reduced Healthcare Expenditure</b>	<b>\$919,292</b>
<b>Total Annual Benefits Due to the Presence and Operation of UNCP</b>	<b>\$62,380,490</b>
<b>Benefit-Cost Ratio</b>	<b>1.761</b>

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# Concluding Remarks

- Does it make sense for the state taxpayers to subsidize education through UNCP? The answer is YES.
- Does it make sense for the students to obtain education from UNCP? The answer, again, is YES.