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Economic Impact of Pace University's Pleasantville Campus

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Economic Impact of Pace University Pleasantville

Economic Analysis

Prepared for
Pace University

May 13, 2019
The Wilson Center for Social Entrepreneurship
Pace University
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NARRATIVE

For fifty-five years, Pace University's Pleasantville campus has been an educational and economic asset to the greater Westchester area. The Pleasantville campus enrolls over 3,400 students, employs over 2,000 people, and coordinates placement of hundreds of students in internships and clinical practice each year. In addition to our faculty, staff, and student community, Pace Pleasantville special events bring over 78,000 visitors to the area each year. The Pleasantville campus in mid-Westchester County is set on 200 acres of rolling countryside where the University flourishes as a preeminent institution of higher education, offering a broad range of undergraduate degree programs, and graduate programs in nursing among others.

Economic Impact

Pace University spending on payroll, construction, procurement and other expenses has a significant impact, generating hundreds of millions of dollars of economic activity for the town and the region. Likewise, our students and visitors to our Pleasantville campus spend on meals, entertainment, transportation and retail purchases, all of which has a tremendous impact on the local economy.

In total, Pace University Pleasantville's impact on the regional economy amounts to \$278.5 million in increased output, \$92.8 million in earnings, and 2,409 jobs¹. This can be broken down into three major areas of impact: University Spending, Student Spending and Visitor Spending.

- **University Spending:** In fiscal year 2017, our Pleasantville campus expenditures topped \$107 million, contributing \$42.5 million in salaries and benefits, \$54.8 million in scholarships, and \$17.8 million in procurement, utilities and plant contracts. The multiplier effect, or secondary impact, of Pace Pleasantville expenditures, as determined by the Regional Input-Output Modeling System (RIMS II) developed by the Bureau of Economic Analysis of the U.S. Department of Commerce, generates an estimated \$220 million in increased economic output, \$76.7 million in earnings and 1,884 additional jobs.

In fiscal year 2017, the University withheld more than \$9.5 million in NYC and NYS taxes from the employment income of all NYC and Westchester employees. In addition,

¹ According to the BEA: **Output** represents the total dollar change in output that occurs in all the industries for each additional dollar of output delivered to final demand by the Industry corresponding to the entry; **Earnings** represents the total dollar change in earnings of households employed by all industries for each additional dollar of output delivered to final demand by the Industry corresponding to the entry; **Employment** represents the total change in number of jobs that occurs in all industries for each additional 1 million dollars of output delivered to final demand by the industry corresponding to the entry.

we contributed over \$500,000 in Metropolitan Commuter Transportation Mobility (MCTM) tax, and \$1.5 million in property taxes.

- **Student Spending:** Off-campus student spending also generates economic activity in the region. In fiscal year 2018, our Pleasantville students spent \$24.3 million for off-campus housing, food, entertainment, housing, transportation, books, and other personal expenses. This spending supports employment, economic output and earnings in industries such as retail trade, real estate, food services, among others thereby generating \$42.7 million increase in economic output, \$11.1 million in earnings and 359 jobs.
- **Visitor Spending:** In fiscal year 2018, over 78,000 people visited the Pleasantville campus for conferences, speaking engagements, orientations, sporting events and other activities. Visitors spent over \$7.4 million at restaurants, hotels, retail stores, and other community businesses. The secondary impact of visitor spending generates an estimated \$15.7 million in economic output, \$4.9 million in earnings and 166 full-time equivalent jobs.

Putting it all Together

Pace University's Pleasantville campus has been an important neighbor in the Westchester community for over a decade – and indeed Pace is a strong economic vehicle generating over \$279 million in economic impact in the area.

METHODOLOGY

In order to define the economic impact of Pace University, Pleasantville, we looked at several measures and estimates including the overall operating budget for the campus, the number and profile of students, and visitor spending. We calculated the multiplier effect, or secondary impact, of Pace Pleasantville expenditures as determined by the Regional Input-Output Modeling System (RIMS II) developed by the Bureau of Economic Analysis of the U.S. Department of Commerce.

Economic Impact of University Spending

Economic multipliers were obtained from the BEA and applied to the overall University expenditures. In order to estimate how Pace PLV expenditure contributed economic activity in the region, we applied output, earnings, and employment multipliers associated with the industry *Junior colleges, colleges, universities and professions schools-611A00*. According to the BEA:

- (1) **Output** represents the total dollar change in output that occurs in all the industries for each additional dollar of output delivered to final demand by the Industry corresponding to the entry
- (2) **Earnings** represents the total dollar change in earnings of households employed by all industries for each additional dollar of output delivered to final demand by the Industry corresponding to the entry
- (3) **Employment** represents the total change in number of jobs that occurs in all industries for each additional 1 million dollars of output delivered to final demand by the industry corresponding to the entry

These multipliers were applied to the Pleasantville campus expenditure of \$106.7 million to determine the indirect and induced impact University spending contributed to the major industries.

Economic Impact of Student Spending

While tuition and fees, and room and board for on-campus students, is already included in the overall University budget, we further estimated student spending off-campus. Estimates of student spending on books, living allowance, food, travel, and personal expenses are available in the University's Cost of Attendance (COA) budget. With this information, and numbers of in-residence students and non-resident students, both independent and dependent, we able to allocate students to several spending profiles.

Multipliers for *Retail Trade: Industry Codes 29 & 30* were applied to all student spending on

personal expenses, books, and food, estimated at \$11.4 million. Multipliers for ***Real estate: Industry Code 48*** were applied to the housing budgets for students classified as “living independently.” These off-campus housing expenditures were estimated at \$12.9 million. Summer student spending was estimated at 25% of the annual COA, in line with comparable reports. We further assume that 70% of our part-time students are already living and working in the Pleasantville area, therefore we estimated their spending at 30% of COA.

Economic Impact of Visitor Spending

In accordance with comparable reports, to determine the economic impact of visitor spending we obtained actual and estimated numbers of visitors from the University Departments of Special Events and Athletics. These included non-Pace visitors who attended events, conferences, meetings, orientations, and other activities on our Pleasantville campus during the 2018 fiscal year. These events were categorized as “internal” special events and “external” special events. When actual numbers of non-Pace attendees were not available, we estimated the total Pace attendees to “external” events to be 10% and the number of overnight visitors at external events to be 10% of the total.

Visitors to Pace University may include prospective students, families, conference and special event participants. The visitors were categorized Day Trip and Overnight Visitors. As Pace event surveys of visitor spending are not available, we approximate visitor spending on food, entertainment, accommodation, and travel based on findings of recent comparable reports and publications² which were then averaged:

- Day trip: \$83.00
- Overnight: \$252.50

Total visitor spending was estimated to be \$8.3 million. Multipliers for ***Retail Trade-Industry Codes 29 & 30*** were applied to the direct visitors spending to determine economic impact.

² US General Services Administration *FY19 Per Diem Rates for Zip 10570*; National Park Service *2017 National Park Visitor Spending Effects*

Table 1**Overall Economic Impact of Pace University Pleasantville
Expenditure, Students and Visitors**

Actual Spending	Impact Measure	Total Impact
Pace University Expenditure		
\$106,745,811	Output	\$220,077,838
	Earnings	\$76,654,167
	Employment	1,884
Student Spending Off-Campus non-Housing		
\$11,414,615	Output	\$21,676,925
	Earnings	\$6,873,881
	Employment	228
Student Spending Off-Campus Housing		
\$12,877,854	Output	\$21,023,097
	Earnings	\$4,257,419
	Employment	131
Visitor Spending		
\$8,289,205	Output	\$15,741,614
	Earnings	\$4,991,759
	Employment	166
Overall Impact		
	Output	\$278,519,474
	Earnings	\$92,777,226
	Employment	2,409

Table 2**UNIVERSITY EXPENDITURE - Pleasantville Campus - FY2017**

Total Expenditure PLV Campus	\$106,745,811
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Categories	Expenditure
Scholarships	\$54,792,067
Employee Wages & Salaries	\$30,606,291
Benefits	\$11,927,454
Sponsored Research (NYC & Westchester campuses)	\$4,811,391
Utilities and Plant Contracts	\$9,028,611
Procurement- Supplies and Services for PLV Campus	\$8,764,783
Capital Projects PLV	\$2,457,131
Total Property Tax (NYC & Westchester campuses)	\$1,475,567
FICA Taxes & Withheld (NYC & Westchester campuses)	\$21,970,833
Federal Taxes & Withheld (NYC & Westchester campuses)	\$20,251,778
NY State Taxes & Withheld (NYC & Westchester campuses)	\$7,684,604
NYC Taxes Paid & Withheld (NYC & Westchester campuses)	\$1,865,602
Yonkers Taxes (NYC & Westchester campuses)	\$32,546
Metropolitan Commuter Transportation Mobility (MCTM) tax	\$522,220
Allocated Space Cost	\$16,157,822
Overhead Allocation (CHS)	\$24,428,224

Source: Pace University Finance Dept and Audited Financial Statements: based on FY2017 data
All values above are for PLV Campus only unless otherwise indicated.

Number of Employees

Type	Working in PLV
Full-Time Employee	580
Part-Time Employee	648
Retiree Receiving Medical Benefits	154
Student	659
Grand Total	2,041

Source: Pace University Human Resources

Table 3

STUDENT SPENDING - Pleasantville Campus - FY2018

In-Residence Students - spending off campus

	# of Students Summer II 2017	Summer II spending	# of Students Fall 2017	Fall Spending	# of Students Spring 2018	Spring Spending	# of Students Summer I 2018	Summer I Spending	Total Student Spending
Undergraduate	8	\$5,988	1,380	\$2,065,860	1,327	\$1,986,519	46	\$34,431	\$4,092,798
Graduate	3	\$2,246	50	\$74,850	43	\$64,371	7	\$5,240	\$146,706
Total	11	\$8,234	1,430	\$2,140,710	1,370	\$2,050,890	53	\$39,671	\$4,239,504

Non-Residence Students - spending off campus for retail-related

	# of Students Summer II 2017	Summer II spending	# of Students Fall 2017	Fall Spending	# of Students Spring 2018	Spring Spending	# of Students Summer I 2018	Summer I Spending	Total Student Spending
Undergraduate FT (Dependent)	0	\$0	734	\$2,584,740	697	\$2,455,013	16	\$28,176	\$5,067,929
Undergraduate FT (Independent)	0	\$0	226	\$243,074	202	\$217,095	37	\$19,888	\$480,057
Graduate FT (Dependent)	0	\$0	86	\$321,790	78	\$289,707	2	\$3,722	\$615,219
Graduate FT (Independent)	0	\$0	138	\$147,860	143	\$153,901	27	\$14,513	\$316,273
Undergraduate PT	209	\$33,701	260	\$83,850	256	\$82,560	369	\$59,501	\$259,613
Graduate PT	188	\$30,315	601	\$193,823	501	\$161,573	312	\$50,310	\$436,020
Total		\$64,016		\$3,575,137		\$3,359,849		\$176,109	\$7,175,111

Non-Residence Students - spending off campus for housing-related

	# of Students Summer II 2017	Summer II spending	# of Students Fall 2017	Fall Spending	# of Students Spring 2018	Spring Spending	# of Students Summer I 2018	Summer I Spending	Total Student Spending
Undergraduate FT (Independent)	0	\$0	226	\$2,075,290	202	\$1,853,490	37	\$169,793	\$4,098,573
Graduate FT (Independent)	0	\$0	138	\$1,289,886	143	\$1,342,588	27	\$126,603	\$2,759,077
Undergraduate PT	209	\$287,730	260	\$715,884	256	\$704,870	369	\$508,002	\$2,216,487
Graduate PT	188	\$264,460	601	\$1,690,853	501	\$1,409,513	312	\$438,890	\$3,803,717
Total	397	\$552,190	1,225	\$5,771,914	1,102	\$5,310,462	745	\$1,243,289	\$12,877,854

Overall Student Spending

Category	Total
In-Residence (retail only)	\$4,239,504
Non-Residence (retail)	\$7,175,111
Non-Residence (housing)	\$12,877,854
Retail Total	\$11,414,615
Housing Total	\$12,877,854
Total Student Spending	\$24,292,469

Sources and notes:

In-resident student number per Residential Life. All in-Resident students assumed to be FT

Number of FT students based on Enrollment per OPAIR, adjusted for in-Residence students per Residential Life

Ratio of Independent and Dependent Students per Financial Aid; non-FAFSA filing ratio of Dependent/Independent assumed to be the same as FAFSA filing.

Independent and Part Time students COA includes \$18,356(UG) or \$18,756(G) for a housing-related Independent Student Living Allowance

Summer student spending estimated at 25% of COA.

Part Time student spending assumed to be 30% of Full Time Independent COA

In-Residence Cost of Attendance (COA) provided by Financial Aid (Total \$2,994: Books \$800; Transportation \$600; Personal Expenses \$1,594)

Dependent Cost of Attendance (COA) provided by Financial Aid (Total \$7,044UG/\$7,244G: Books \$800; Transportation \$1350; Personal Expenses \$1,594; Meals & Home Maintenance \$3,300UG/\$3500G)

Independent Cost of Attendance (COA) provided by Financial Aid (Retail \$2,150: Books \$800; Transportation \$1,350; Housing: Independent Student Living Allowance \$18,356)

Table 4**VISITOR SPENDING - Pleasantville Campus - FY2018**

Type of Event	Total Attendees	# Pace Attendees	# Daytrip Visitors	Daytrip Spending	# Overnight Visitors	Overnight Spending	Total Visitor Spending
"Internal" Special Events	99,967	84,972	13,496	\$1,120,130	1,500	\$378,625	\$1,498,755
"External" Special Events	67,834	4,086	60,989	\$5,062,087	6,845	\$1,728,363	\$6,790,450
	167,801	89,058	74,485	\$6,182,217	8,345	\$2,106,988	\$8,289,205

Source: Pace University Departments of Special Events, Athletics and Enrollment Management

Pace Attendees at "external" events estimated at 10% unless data otherwise available

Overnight visitors at "external" events assumed to be 10% of total unless data otherwise available

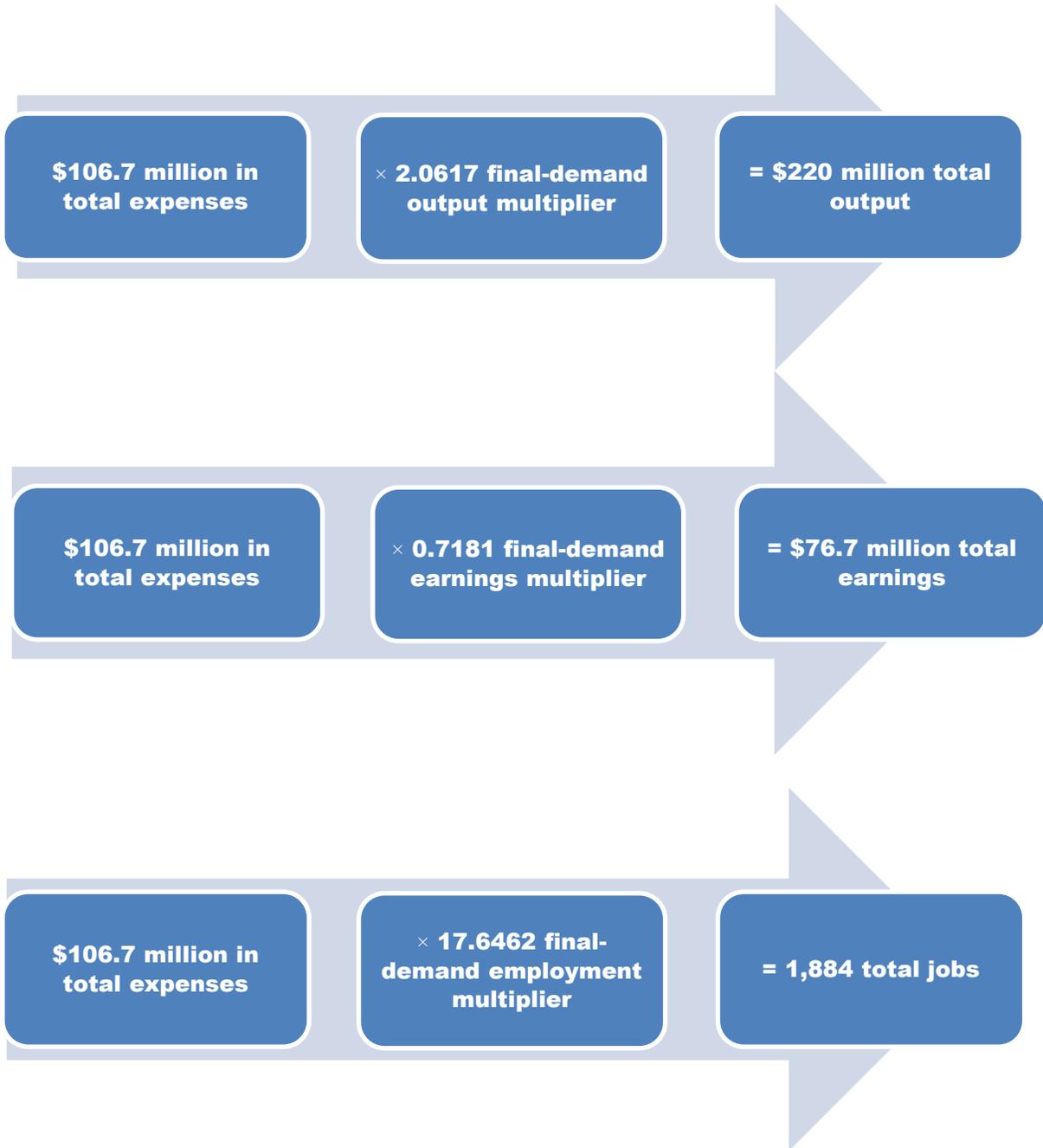
External Attendees at "internal" events estimated at 15%; 10% of these assumed overnight visitors

Average Spending Per Person: Daytrip \$83, Overnight \$252.50

Table 5

Calculating the Economic Impact of
Pace University Pleasantville Campus
Overall Expenditure

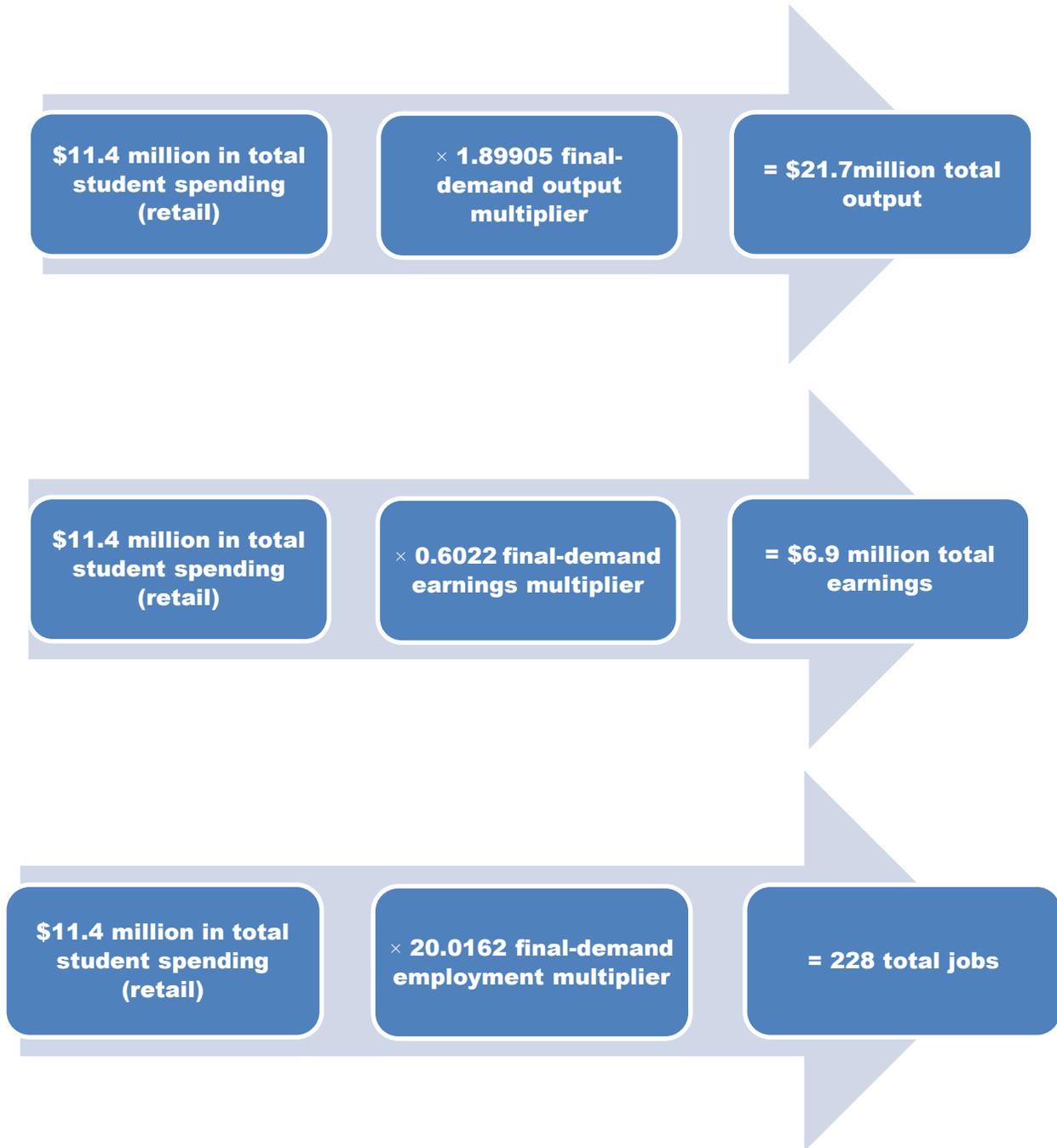
Using Type II Higher Education Industry Final-Demand Multipliers



Multipliers retrieved from the RIMS II Multipliers published by the Bureau for Economic Analysis. Related Industry codes were used, in accordance with comparable research (e.g., The Impact of Stony Brook University: Driving the Long Island Economy; John Carroll University: Economic Impact on Northeast Ohio).

Table 6

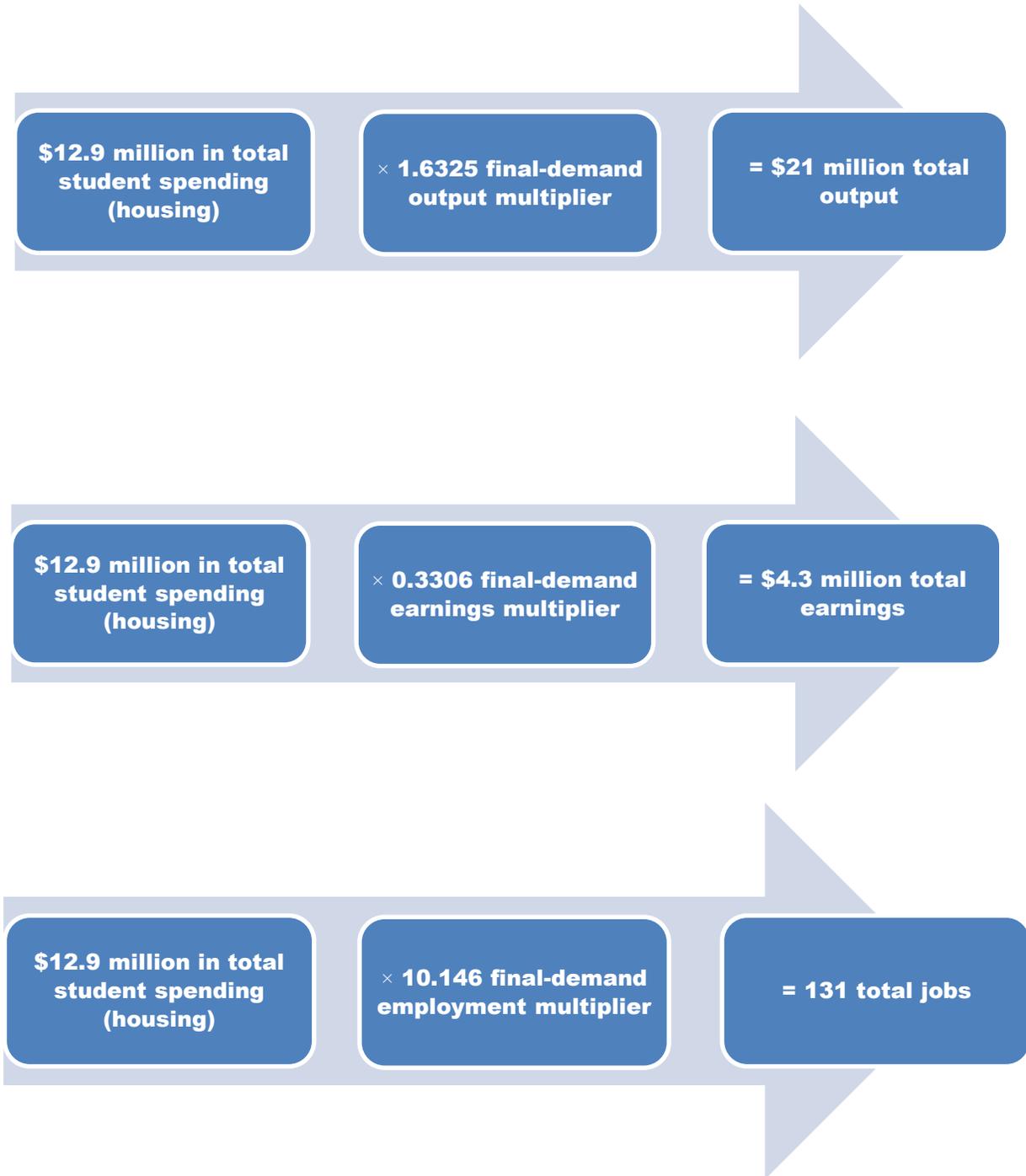
Calculating the Economic Impact of
Pace University Pleasantville Campus
Student Spending – Retail Related
Using Type II Retail Trade Industry Final-Demand Multipliers



Multipliers retrieved from the RIMS II Multipliers published by the Bureau for Economic Analysis. Related Industry codes were used, in accordance with comparable research (e.g., The Impact of Stony Brook University: Driving the Long Island Economy; John Carroll University: Economic Impact on Northeast Ohio).

Table 7

Calculating the Economic Impact of
Pace University Pleasantville Campus
Student Spending – Housing Related
Using Type II Real Estate Industry Final-Demand Multipliers

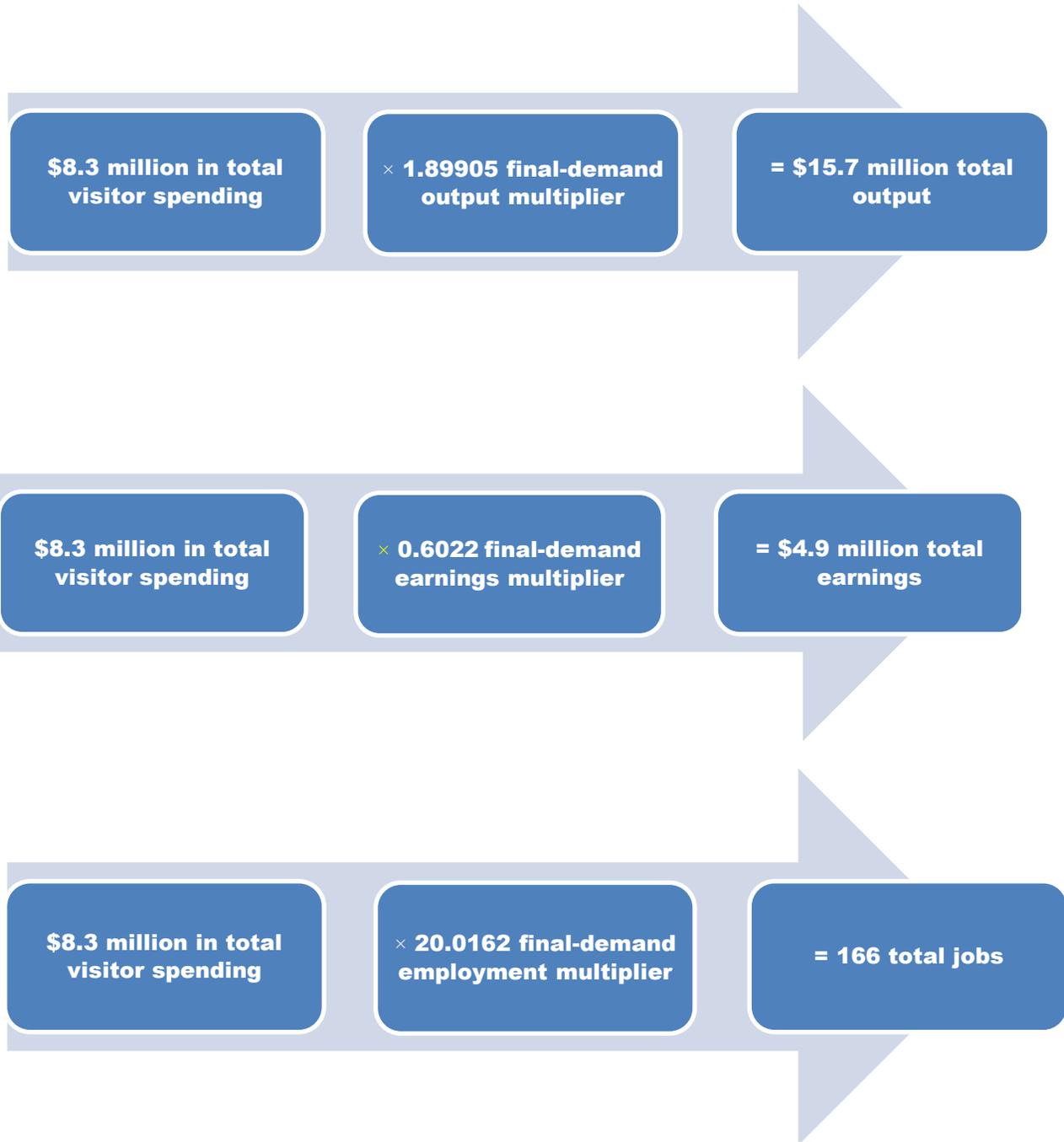


Multipliers retrieved from the RIMS II Multipliers published by the Bureau for Economic Analysis. Related Industry codes were used, in accordance with comparable research (e.g., The Impact of Stony Brook University: Driving the Long Island Economy; John Carroll University: Economic Impact on Northeast Ohio).

Table 8

Calculating the Economic Impact of
Pace University Pleasantville Campus
Visitor Spending

Using Type II Retail Trade Industry Final-Demand Multipliers



Multipliers retrieved from the RIMS II Multipliers published by the Bureau for Economic Analysis. Related Industry codes were used, in accordance with comparable research (e.g., The Impact of Stony Brook University: Driving the Long Island Economy; John Carroll University: Economic Impact on Northeast Ohio).