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Economic Impact of Pace University's Elisabeth Haub School of Law

Economic Analysis

Prepared for
Pace University

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The Wilson Center for Social Entrepreneurship
Pace University

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NARRATIVE

For over forty years, Pace University's Elisabeth Haub School of Law has been an educational and economic asset to the city of White Plains and Westchester County. The Elisabeth Haub School of Law enrolls over 600 students and employs 566 people. In addition to our faculty, staff, and student community, the Law School's activities and special events bring over 13,000 visitors to the area each year. As the only law school centered between New York City and Albany, the Elisabeth Haub School of Law is an important academic presence with an economic impact reaching throughout the region.

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 city of White Plains and the region. Likewise, our students and visitors to the Elisabeth Haub School of Law spend on meals, entertainment, transportation and retail purchases, all of which has a tremendous impact on the local economy.

In total, Pace University School of Law's impact on the regional economy amounts to \$81.4 million in increased output, \$26.3 million in earnings, and 683 jobs¹. This can be broken down into three major areas of impact: University Spending, Student Spending and Visitor Spending.

- **University Spending:** In the 2017 fiscal year, our Law School campus expenditures reached nearly \$30 million, contributing \$15.1 million in wages and salaries, \$12.6 million in scholarships, and \$2.6 million in procurement. The multiplier effect, or secondary impact, of Pace's Law School 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 \$61.5 million in increased economic output, \$21.4 million in earnings and 526 additional jobs.

Additionally, Pace makes significant contribution to state and local government taxes. 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, we contributed over \$500,000 in Metropolitan Commuter Transportation Mobility (MCTM) tax, and \$1.5 million in property taxes.

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.

- **Student Spending:** Off-campus student spending also generates economic activity in the region. In fiscal year 2018, our Law School students spent \$10.3 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 \$17.4 million increase in economic output, \$4.1 million in earnings and 131 jobs.
- **Visitor Spending:** In fiscal year 2018, nearly 13,000 people visited the School of Law campus for academic conferences, orientations, speaking engagements and other events. Visitors spent over \$1.36 million at restaurants, hotels, retail stores, and other community businesses. The secondary impact of visitor spending generates an estimated \$2.5 million in economic output, \$784,593 in earnings and 26 full-time equivalent jobs.

Putting it all Together

Pace University's Elisabeth Haub School of Law has been an important neighbor in the White Plains and greater Westchester community for over forty years – and indeed the Law School is a strong economic vehicle generating over \$81 million in economic impact in the area.

METHODOLOGY

In order to define the economic impact of Pace University, Elisabeth Haub School of Law, 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 School of Law 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 the Law School 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 Law School Campus expenditure of \$29.8 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 \$2.8 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 \$7.5 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 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 Law School Office of Dean for Students, Special Functions. These included non-Pace visitors who attended events, conferences, meetings, and other activities on the Law School 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 \$1.3 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 Elisabeth Haub School of Law Expenditure, Students and Visitors**

Actual Spending	Impact Measure	Total Impact
Pace University Expenditure		
\$29,810,199	Output	\$61,459,686
	Earnings	\$21,406,704
	Employment	526
Student Spending		
Off-Campus non-Housing		
\$2,772,950	Output	\$5,265,971
	Earnings	\$1,669,871
	Employment	56
Student Spending		
Off-Campus Housing		
\$7,459,730	Output	\$12,178,009
	Earnings	\$2,466,187
	Employment	76
Visitor Spending		
\$1,302,878	Output	\$2,474,231
	Earnings	\$784,593
	Employment	26
Overall Impact		
	Output	\$81,377,897
	Earnings	\$26,327,354
	Employment	683

Table 2**UNIVERSITY EXPENDITURE - Elisabeth Haub School of Law -
FY2017**

Total Expenditure Law School Campus	\$29,810,199
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Categories	Total
Scholarships	\$12,614,401
Employee Wages & Salaries	\$11,058,563
Benefits	\$4,044,654
Sponsored Research (University-wide)	\$4,811,391
Utilities and Plant Contracts	\$817,275
Procurement - Supplies and Services for Law School	\$2,561,423
Capital Projects - Law School	\$812,735
Total Property Tax (University-wide)	\$1,475,567
FICA Taxes & Withheld (University-wide)	\$21,970,833
Federal Taxes & Withheld (University-wide)	\$20,251,778
NY State Taxes & Withheld (University-wide)	\$7,684,604
NYC Taxes Paid & Withheld (University-wide)	\$1,865,602
Yonkers Taxes (University-wide)	\$32,546
Metropolitan Commuter Transportation Mobility (MCTM) tax	\$522,220
Allocated Space Cost	\$4,249,370
Overhead Allocation (CHS)	\$1,358,458

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

Number of Employees

Type	Working in White Plains
Full-Time Employee	137
Part-Time Employee	180
Retiree Receiving Medical Benefits	32
Student	217
Grand Total	566

Source: Pace University Human Resources

Table 3

STUDENT SPENDING - Elisabeth Haub School of Law - FY2018

In-Residence Students - spending off campus

	# of Students Fall 2017	Fall Spending	# of Students Spring 2018	Spring Spending	# of Students Summer 2018	Summer Spending	Total Student Spending
Undergraduate		\$0		\$0		\$0	\$0
Graduate	102	\$203,694	105	\$209,685	74	\$73,889	\$487,268
Total	102	\$203,694	105	\$209,685	74	\$73,889	\$487,268

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

	# of Students Fall 2017	Fall Spending	# of Students Spring 2018	Spring Spending	# of Students Summer 2018	Summer Spending	Total Student Spending
Graduate FT (Dependent)	130	\$549,599	129	\$544,499	7	\$14,777	\$1,108,874
Graduate FT (Independent)	345	\$543,099	360	\$567,052	11	\$8,663	\$1,118,814
Graduate PT	26	\$29,250	17	\$19,125	57	\$9,619	\$57,994
Total		\$1,121,948		\$1,130,676		\$33,058	\$2,285,682

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

	# of Students Fall 2017	Fall Spending	# of Students Spring 2018	Spring Spending	# of Students Summer 2018	Summer Spending	Total Student Spending
Graduate FT (Independent)	381	\$3,573,018	393	\$3,685,554		\$0	\$7,258,572
Graduate PT	26	\$73,148	17	\$47,828	57	\$80,182	\$201,158
Total	407	\$3,646,166	410	\$3,733,382	57	\$80,182	\$7,459,730

Overall Student Spending

Category	Total
In-Residence (retail only)	\$487,268
Non-Residence (retail)	\$2,285,682
Non-Residence (housing)	\$7,459,730
Retail Total	\$2,772,950
Housing Total	\$7,459,730
Total Student Spending	\$10,232,680

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 \$18,756(G) for a housing-related Independent Student Living Allowance

Summer student spending estimated at 25% of COA.

ELI Continuing Ed students are more than 95% au pairs already living locally, thus not included in these estimates.

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

In-Residence Cost of Attendance (COA) provided by Financial Aid (Total \$3,994: Books \$1800; Transportation \$600; Personal Expenses \$1,594)

Dependent Cost of Attendance (COA) provided by Financial Aid (Total \$8,444: Books \$1800; Transportation \$1350; Personal Expenses \$1,594; Meals & Home Maintenance \$3,700)

Independent Cost of Attendance (COA) provided by Financial Aid (Retail \$3,150: Books \$1800; Transportation \$1,350; Housing: Independent Student Living Allowance \$18,756)

Table 4**VISITOR SPENDING - Elisabeth Haub School of Law - FY2018**

Type of Event	Total Attendees	# Pace Attendees	# Daytrip Visitors	Daytrip Spending	# Overnight Visitors	Overnight Spending	Total Visitor Spending
"Internal" Special Events	25,576	21,740	3,453	\$286,579	384	\$96,869	\$383,448
"External" Special Events	10,221	1,022	8,279	\$687,158	920	\$232,272	\$919,430
	35,797	22,762	11,732	\$973,737	1,304	\$329,141	\$1,302,878

Source: Elisabeth Haub School of Law: Office of Dean for Students, Special Functions

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

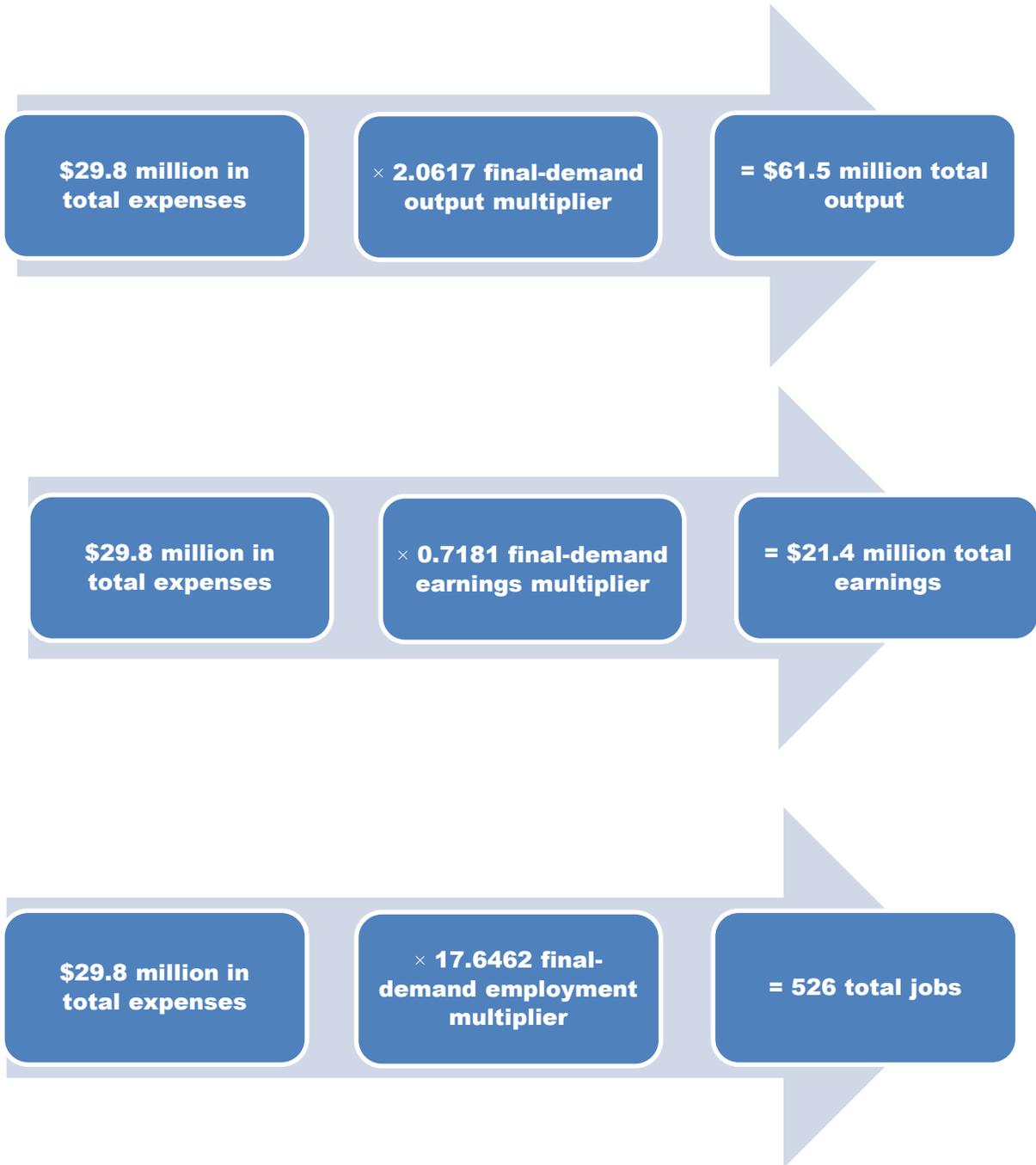
External Attendees at "internal" events estimated at 15%; 10% of these assumed overnight visitors

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

Table 5

Calculating the Economic Impact of
Pace University Elisabeth Haub School of Law
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 Elisabeth Haub School of Law
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 Elisabeth Haub School of Law
Student Spending – Housing Related
Using Type II Real Estate Industry Final-Demand Multipliers

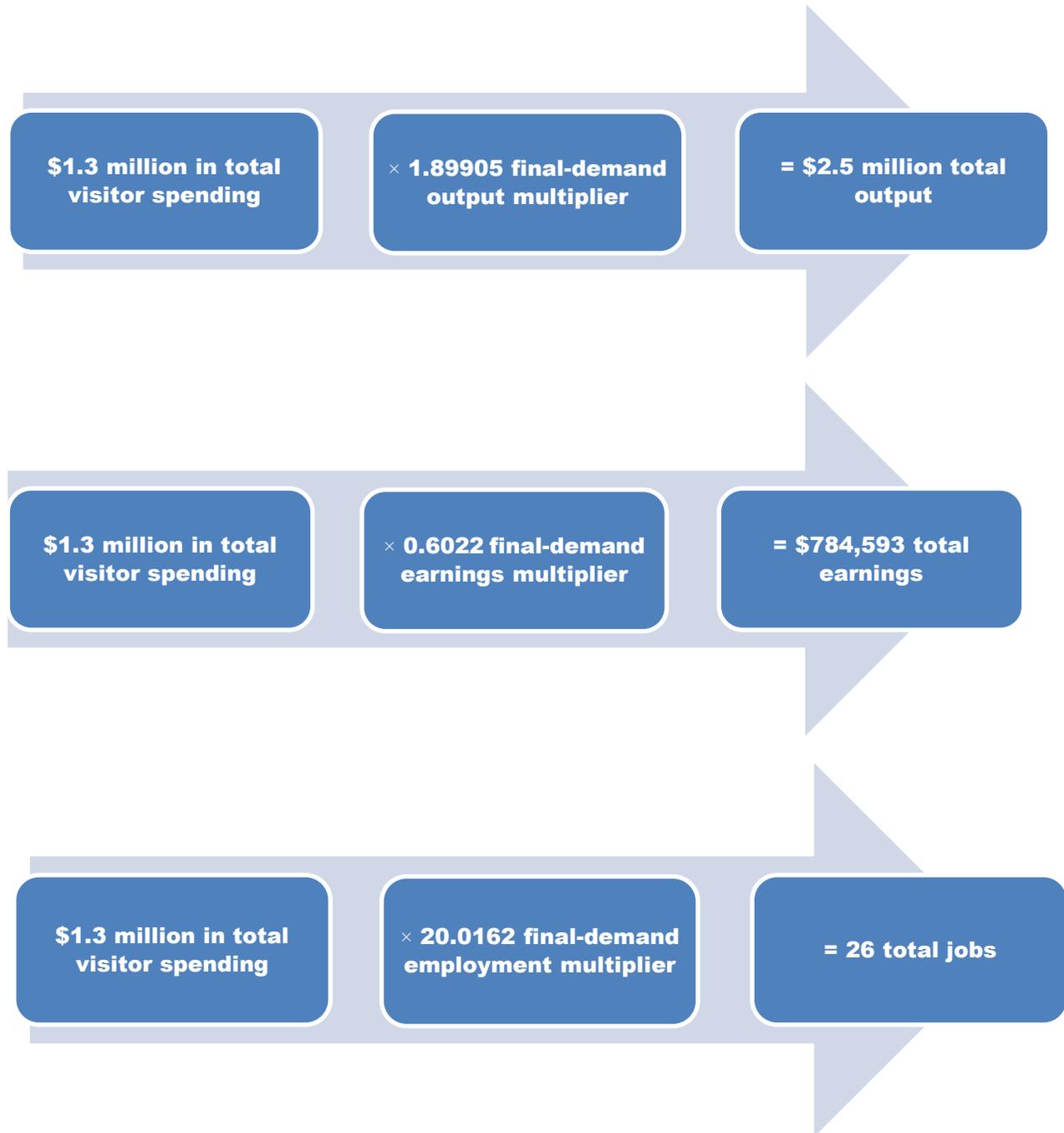


Multipliers retrieved from the RIMS II Multipliers published by the Bureau for Economic Analysis. Related Industry codes were used, in accordance with comparable research (e.g., The Impact of Stony Brook University: Driving the Long Island Economy; John Carroll University: Economic Impact on Northeast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

Table 8

Calculating the Economic Impact of
Pace University Elisabeth Haub School of Law
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).