

## Local Economic Activities of Minnesota Private Colleges, Fiscal Year 2018

December 2019

The Minnesota Private College Council produces this report to document the direct contributions of our 17 member colleges and universities to the state's economy.

### *Summary*

- Minnesota Private Colleges' total institutional expenditures in fiscal year 2018 were \$1.57 billion, a 2.0% increase over fiscal year 2016.
- Collective spending on capital construction expenditures was \$201 million.
- The combined employment of Minnesota Private Colleges would rank as the 13th largest employer in the state, totaling 13,948 employees. Looking only at non-governmental employers, Minnesota Private Colleges would rank 9th.
- Collective payroll expenditures were \$894 million.
- Collective state payroll taxes were \$29.7 million.
- Local taxes, fees and special assessments totaled \$1.7 million.
- Voluntary contributions to local government were \$222,700.
- Minnesota Private Colleges collectively paid more than \$7.7 million for municipal services in FY2018.

### *Minnesota Private Colleges collective statewide impact*

Minnesota Private Colleges make a substantial economic impact in Minnesota, an impact that would appear even greater if we were to take in to account economic multiplier effects. The expenditures of our colleges generate business for property owners, restaurants, retailers, hotels, construction companies and many other types of businesses in the state. In fiscal year 2018 total institutional expenditures were \$1.57 billion, a 2.0% increase over the \$1.54 billion in FY2016.

In FY2018, Minnesota Private Colleges collectively spent more than \$201 million on capital construction expenditures. This amount has varied widely over the past decade, ranging from a low of \$76 million in FY2016 up to the \$201 million in FY2018.

Minnesota Private Colleges are job creators, employing 13,948 full-time and part-time employees and outside vendors in communities across the state in FY2018. Though total employment was down 0.5% compared to the 13,948 employees in FY2016, compared to 10 years ago the number of employees has increased by 7.6%. The combined employment of Minnesota Private Colleges would rank as the 13<sup>th</sup> largest employer in the state. And when you exclude government employment, and look only at private and non-profit sector employment, Minnesota's Private Colleges rank 9<sup>th</sup> (Chart 1).

The collective payroll expenditures of Minnesota Private Colleges totaled \$894 million in FY2018. And collective state payroll taxes were more than \$29.7 million.

### *Local Impact*

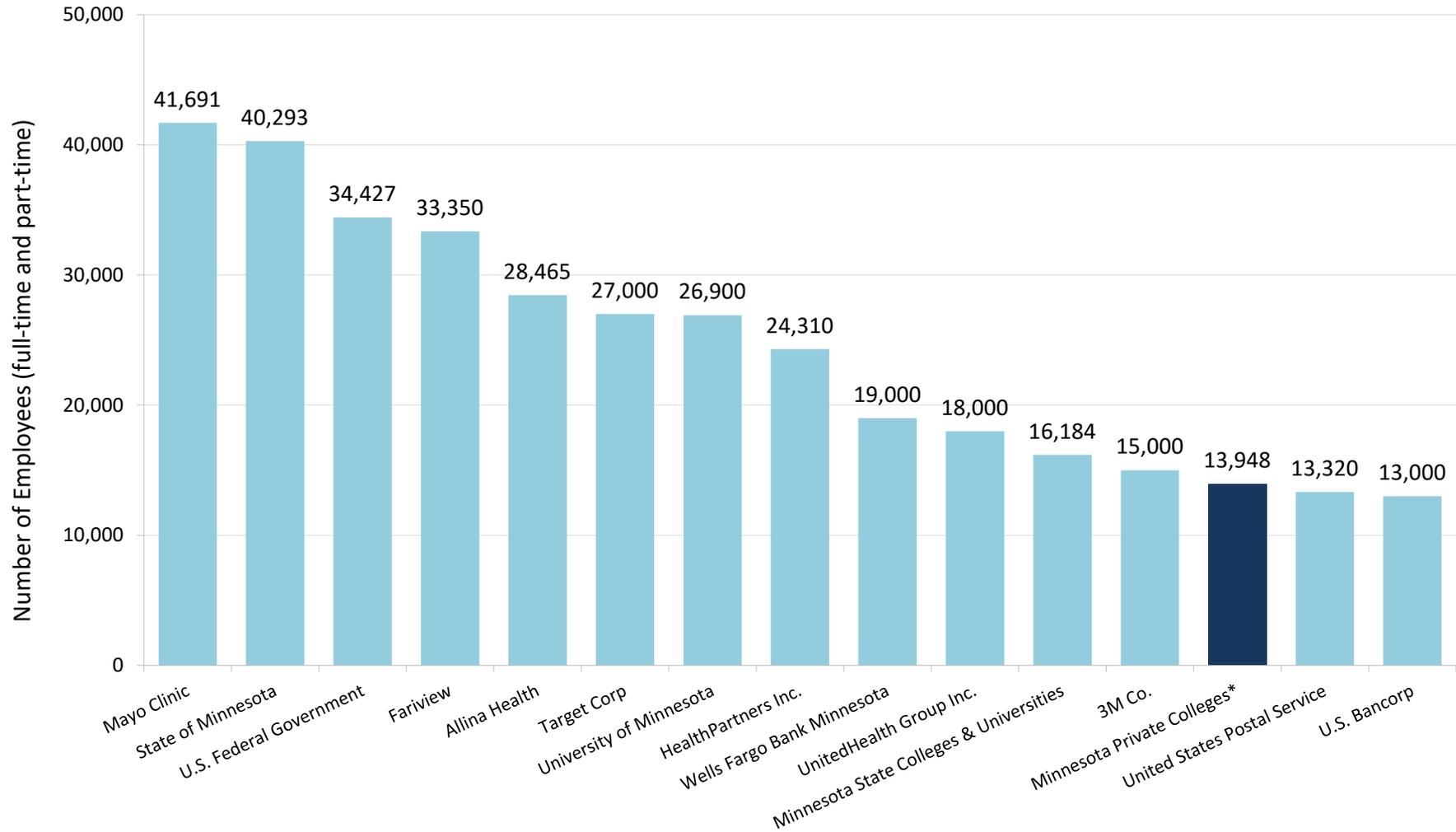
There is a significant economic impact on the communities and regions where our campuses are located across the state of Minnesota. Through the total spending, employment, and capital construction discussed above, Minnesota Private Colleges add a great deal to the economic vitality of communities across the state. There are additional ways our colleges contribute financially to their communities, such as through voluntary contributions to local government which totaled \$222,700 in FY2018.

Minnesota Private Colleges collectively paid more than \$7.7 million for municipal services in FY2018. Cities received 74% of Minnesota Private Colleges spending on municipal services. Total spending on local taxes, fees, and special assessments totaled more than \$1.7 million. Sixty-two percent of local taxes, fees and special assessments were paid to counties and 31.1% were paid to cities.

### *A High Rate of Return for State Investment*

Minnesota Private Colleges provide a high rate of return from the state investment in our students. With only 3% of total state investment in higher education supporting students who attend Minnesota Private Colleges in FY2018, our colleges produced 30% of bachelor's degrees and 46% of the master's degrees awarded in the state of Minnesota.

### Chart 1: Largest Employers in the State of Minnesota in 2018



Source: Minnesota's Largest Employers by In-State Employees, Minneapolis/St. Paul Business Journal, July 13, 2018.

\* Combined employment (part-time, full-time and outside vendors) of the 17 member colleges, not included in original list.