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The Evergreen State College

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Executive Summary

The Evergreen State College (“Evergreen”) commissioned ECONorthwest to measure the short-run economic and fiscal impacts during the 2012 fiscal year¹, and the long-run impacts associated with educational attainment of Evergreen students. As expected, spending that is directly attributed to Evergreen starts a chain reaction of additional economic activity that supports sales, incomes, and jobs in every sector of the Thurston County economy and beyond the county as well. The key findings of our study include:

Evergreen’s Short-Run Impacts

1. Evergreen’s **total** economic impacts in Thurston County consist of \$161.3 million in economic activity, including \$83.1 million in income and 1,590 jobs. (See Table ES1.)
 - a. The **direct** impacts of Evergreen are based on the spending, payroll, and jobs at the college, and spending by students and visitors in the local community. **The direct impacts consist of \$104.2 million in output,² including \$65.2 million in income and 1,080 jobs.** (716 permanent jobs are at Evergreen’s main campus in Olympia. Thus, student and visitor spending directly support just over 360 local jobs.³)
 - b. **Indirect** or “supply-chain” impacts are linked to Evergreen’s purchases of goods and services from other local businesses, as well as additional purchases among businesses. **In 2012, the indirect impacts amounted to \$19.4 million in sales, \$6.8 million in income, and 180 jobs.** These impacts benefited a wide range of local industries, including: real estate, construction, utilities, insurance, food services, and wholesalers.
 - c. **Induced** or “consumption-driven” impacts are attributed to the income and purchasing power of employees who are directly or indirectly affected by Evergreen. The combination of Evergreen’s labor-intensive operations (a characteristic of higher education in general), the wage distribution of its employees (based on the types of jobs, skills, and training required), and the fact that its employees

Evergreen’s 2012 Impacts

\$161.3 million in local
economic activity

\$4 return for every \$1 the state invests in
Evergreen (rising to **\$20.63** if
additional alumni earning capacity is taken
into account)

\$83.1 million in income for local
workers and small businesses

1,590 local jobs

4th largest employer
If Evergreen was a private employer, it would
be the fourth largest in Thurston County

59% and 83%
Percentage of Evergreen’s day-to-day
spending that accrues to Thurston County and
Washington businesses

81%
Percent of Evergreen graduates that belonged
to at least one traditionally under-served
population

¹ Evergreen’s 2012 fiscal year runs from July 1, 2011 through June 30, 2012. Accordingly, it consists of the summer and fall quarters in 2011, and the winter and spring quarters in 2012. In this report, 2012 refers to fiscal year 2012 unless stated otherwise.

² The direct output is less than direct spending due to local spending by students and visitors on goods manufactured outside of Thurston County. In these instances, the local economy will only capture the retail, wholesale, and transportation margins.

³ Student and visitor spending are discussed in detail in Section 3 of this report.

work and live locally tends to enhance the induced impacts. The **induced impacts in Thurston County** amount to \$37.8 million in economic activity, including \$11.1 million in income and 330 jobs.

Table ES1: Evergreen’s Impacts in Thurston County, 2012

Impact Measure	Direct	Indirect	Induced	Total
Output	\$104,179,700	\$19,369,400	\$37,763,200	\$161,312,300
Income	\$65,168,700	\$6,766,100	\$11,118,500	\$83,053,300
Jobs	1,080	180	330	1,590
State and local taxes	\$4,133,100	\$622,000	\$2,742,500	\$7,497,600

Sources: ECONorthwest using Evergreen data and the IMPLAN modeling software.

2. **Evergreen is linked to \$139.1 million in spending in Thurston County, and \$144.2 million in spending statewide.** The college’s direct expenditures on employee payroll and operating costs (\$70.7 million) represent about 51 percent of total local spending, while off-campus spending by students (\$51.9 million) comprises 37 percent of total local spending. The remaining 12 percent is equally split between capital spending and visitor spending.
3. **With almost 80 percent of its operating costs attributed to payroll, Evergreen is built around its people. If Evergreen was a private employer, it would be the fourth largest private employer in Thurston County.** In 2012, Evergreen employed 730 permanent and 492 temporary staff and faculty, and had a total payroll of \$55.7 million, including \$43.1 million in wages and \$12.6 million in payroll taxes and benefits.⁴ Almost all of this employment (716 of the 730 total statewide jobs) is attributed to Evergreen’s main campus in Olympia. Approximately 77 percent of Evergreen employees live and spend money in Thurston County and all of Evergreen’s employees live in the state of Washington.
4. **In addition to payroll, Evergreen purchased almost \$17.0 million in goods and services in 2012,** with about \$5.4 million (32 percent of total non-labor operating expenses) benefiting Thurston County businesses, and another \$5.9 million (35 percent) accruing to businesses elsewhere in Washington. In total, therefore, approximately two-thirds of Evergreen’s non-labor operating expenses benefit businesses and workers in the state of Washington.
5. **Evergreen spending is decidedly “buy local” in nature, with 59 percent of Evergreen’s day-to-day spending benefiting employees and business owners in Thurston County, and 83 percent accruing to employees and business owners in Washington.**⁵
6. **As the preceding discussion indicates, spending associated with Evergreen has a multiplier effect that benefits workers and business owners in other sectors of the local and state economies.** In essence, economic multipliers provide a shorthand way to better understand the linkages between an activity and other sectors of the economy. The multipliers associated with Evergreen spending include:⁶

⁴ Evergreen also provided 1,057 student jobs during 2012. Some of these jobs may have accrued to the same student during the year. Nonetheless, employed students gained nearly 250,000 of work experience and earned approximately \$2.7 million in 2012. Student wages are considered an operating expense, and are included in both direct output and direct income.

⁵ Local and state spending does not include Federal income taxes or payroll taxes paid by or on behalf of Evergreen employees.

⁶ These multipliers are calculated by dividing the total economic impacts by the direct spending, payroll, and employment at Evergreen. Implicitly, this assumes that the Evergreen is responsible for leveraging direct spending by students and others, in addition to downstream supply-chain and consumption-driven spending.

- a. **Evergreen's output multiplier is 2.3.** This means that every million dollars in direct spending by Evergreen generates another \$1.3 million dollars in local spending elsewhere.
 - b. **Evergreen's income multiplier is 1.5.** This means that every million dollars in direct income paid by Evergreen is linked to another \$500,000 in income for workers in other sectors of the local economy.
 - c. **Evergreen's employment multiplier is 2.2.** This means that every ten direct jobs at Evergreen are linked, on average, to another 12 local jobs. This includes 7.8 jobs in the local service sector and 3.0 jobs in the local wholesale and retail trade sector.
7. **The economic activity attributed to The Evergreen State College supported approximately \$7.5 million in tax and fee revenues for state and local governments in Washington.**
 - a. Approximately \$4.1 million in tax and fee revenues (55.1 percent of total revenues) are directly attributed to the college, its students, and visitors.
 - b. Sales taxes (\$4.2 million or 55.4 percent of total revenues) and business and personal property taxes (\$1.9 million, 25 percent) were the largest tax revenue categories.
 8. **For each dollar the State of Washington invested in the college in 2012, Evergreen generated \$20.63 in economic activity. The state receives nearly a \$4 return in terms of net economic impacts and an additional \$16.63 based on increased annual earnings of alumni.** The state invested nearly \$26 million in appropriations in Evergreen in 2012.⁷ In that year, the college generated total net impacts in Washington of \$102.2 million in economic activity, including \$43.5 million in income, 875 jobs, and \$4.9 million in state and local tax and fee revenues that, but for the existence of Evergreen, would not have occurred (not counting activity that would likely have shifted to other colleges and universities if Evergreen did not exist). Beyond that, in total Evergreen alumni earn approximately \$433 million more each year than they would have had they not attended college, greatly increasing the overall economic impact within the state.

Evergreen's Long-Run Impacts

The short-run economic and fiscal impacts attributable to the college are a byproduct of its larger mission. Evergreen exists to educate students and create knowledge. These activities directly increase the economy's capacity to create prosperity over the long run. Specifically, Evergreen contributes to long run economic prosperity by:

1. **Educating its students.** On average, college graduates earn \$1 million more over the course of their lifetimes than high school graduates and they also enjoy a variety of non-monetized benefits (e.g., better health, better spousal and child health, better child cognitive development, better household management). Evergreen alumni are no different.

- Among the Class of 2009, 84 percent of graduates were employed or in graduate school one-year after graduation.

"Evergreen prepared me very well for graduate school...I have never had trouble obtaining the job of my choice, in the area where I want to work and live. I still apply the concepts I learned at Evergreen in my professional and personal life today."

⁷ State investment includes operating and capital appropriations.

- Ultimately, 53 percent of Evergreen alumni attend graduate school.
- On average, Evergreen alumni earnings are on par with other college graduates in their occupations and more than high school graduates.
- Evergreen alumni also report health and happiness levels comparable to other college graduates and higher than the average non-college graduate.

Serving a Diverse Population – 81 percent of graduates in Evergreen’s Class of 2011 belonged to at least one traditionally under-served population (low income, students of color, students with disabilities, veterans, first-generation college students, older than average students). Including its entire undergraduate student population, **Evergreen leads Washington’s public baccalaureates (Evergreen, CWU, EWU, UW, WSU, WWU) in shortest time to degree (3.98 years) and ranks second in four-year graduation rates.**⁸ Just as importantly, **52 percent of Evergreen degree recipients in 2010-11 graduated without any loan history and those with debt graduated with a debt load well below the national average (\$17,545 compared to the national average of \$26,600⁹ and a Washington average of \$22,244¹⁰).**

2. **Increasing the number of college graduates in Thurston County and the state, thus increasing the capacity of the regional economy to promote local economic wellbeing.** The share of a region’s population with a college degree strongly affects regional economic performance. Regions with more college graduates are more productive and have a higher quality of life. These factors lead to higher average wages (even for non-college graduates) and faster employment growth in regions with more college educated people.

Since Evergreen was founded, Thurston County has experienced a 17.9 percent increase in the share of people over age 25 with bachelor’s degrees. This change was larger than the change in over 75 percent of all metropolitan areas in the U.S., and was larger than one might expect based solely on metropolitan areas characteristics in 1970.

- a. Evergreen contributes to the share of people in the region with college degrees by directly creating them. **Thurston County is home to 7,827 Evergreen alumni. That’s 15 percent of all college graduates in the county.**
 - b. Evergreen also contributes by helping to attract college graduates from elsewhere (college graduates are attracted to regions with colleges and universities for a variety of reasons).
3. **Evergreen alumni create businesses and run community organizations that contribute to the prosperity of the region.** The Evergreen Alumni Entrepreneurs Association lists 535 businesses created by Evergreen alumni. Over half of these (265) are located in Washington, and over 100 of these businesses are in Thurston County. Looking at the career networking site LinkedIn, about 1,350 of the approximately 11,000 Evergreen alumni participating (which includes nearly 6,000 in the greater Seattle area) characterize their work as “entrepreneurship.”¹¹ In addition, approximately one-third of alumni responding to a 2012 ECONorthwest survey (about 1000 respondents) reported serving on at least one community organization board, and half of those who serve report that they serve on more than one board.

⁸ State of Washington, Office of Financial Management

⁹ <http://projectonstudentdebt.org/files/pub/classof2011.pdf>

¹⁰ Ibid

¹¹ www.linkedin.com referenced 1-14-2013

4. **Evergreen contributes to its community and society more broadly through faculty and student research.** Over the past six years, the college and its faculty brought in more than \$3 million in research grants (the college has garnered more than 30 National Science Foundation grants in the past decade). Some of the areas of research included HIV and related retroviruses, biodegradable plastics and polymers, climate change and its impact on insect diversity, computer science programming for environmental applications, and the use of microphages for disease prevention and treatment. Over the same period, the college was awarded an additional \$28 million in grants to promote college attendance, support research centers, etc.¹²

5. **Evergreen operates four public service centers: the Center for Community-Based Learning and Action (CCBLA), the Longhouse Education and Cultural Center, the Washington Center for Improving the Quality of Undergraduate Education, and the Washington State Institute for Public Policy. These centers extend the knowledge and expertise of the college, its faculty, staff and students into the community, across the state and, in some cases, across the globe.**
 - a. The CCBLA connects students with businesses, government entities and social service organizations for internship and service learning opportunities, providing critical experience for students and productive staffing for partner organizations. In 2011-12, Evergreen students provided **12,540 volunteer hours to 92 partner organizations** (with an estimated value of \$21.79 per hour¹³ or approximately \$273,000) and the CCBLA facilitated **940 student internships**.¹⁴ These service opportunities and internships not only helped students augment their education with hands-on experience, they also brought significant value to the organizations and businesses that partnered with Evergreen to provide them.

 - b. The Longhouse promotes Native American and indigenous art on a regional, national and international scale through its innovative work with artists, tribes and foundations. It also shares these resources and experiences with the wider regional community.

 - c. The Washington Center for Improving the Quality of Undergraduate Education promotes innovative teaching and learning on a regional and national basis. Just three examples include its work to: increase pathways for students from remediation to degree completion, share Evergreen's pioneering experience and success with the Learning Communities model of higher education on a national basis, and introduce its nationally-acclaimed Curriculum for the Bioregion program to campuses across the state and beyond.

 - d. The Washington State Institute for Public Policy plays a vital supportive role for the Washington Legislature, providing non-partisan research on critical policy issues, including analyses of the effectiveness of current programs and enacted or proposed legislation. Typical areas of work include analyses of policies and issues related to child welfare, criminal justice, education, health care, government, and the state economy.

"Evergreen got me involved in local government through its internship at the Capitol. It helped me realize politics and law were my passion and that public service needed to be an integral part of my life."

¹² The Evergreen State College Academic Grants Office

¹³ http://www.independentsector.org/volunteer_time

¹⁴ <http://www.evergreen.edu/communitybasedlearning/docs/2011-12%20Annual%20Report.pdf>

1 Introduction

The Evergreen State College (“Evergreen”) commissioned ECONorthwest to evaluate the impacts associated with the college. Economists have developed several approaches to measure the impacts of colleges and universities. In this report, we apply the following two complementary approaches. Each adds important and useful information about the college’s linkages with the local and state economies.

- The most common approach measures the **short-run** economic and fiscal impacts associated with the college’s current operations and capital spending, as well as spending by students and visitors. These short-run impacts are measured for Evergreen’s 2012 fiscal year.¹⁵
- A second approach measures the **long-run** impacts associated with educational attainment. For individuals, this investment in “human capital” leads to increases in productivity, earnings, and tax payments. For communities, this investment is correlated with economic growth and development, and other important non-economic benefits.

We consider the impacts at two geographic levels. Our emphasis will be on Evergreen’s impacts on the Thurston County economy, where they are the most direct and immediate. We also examine Evergreen’s statewide impacts.

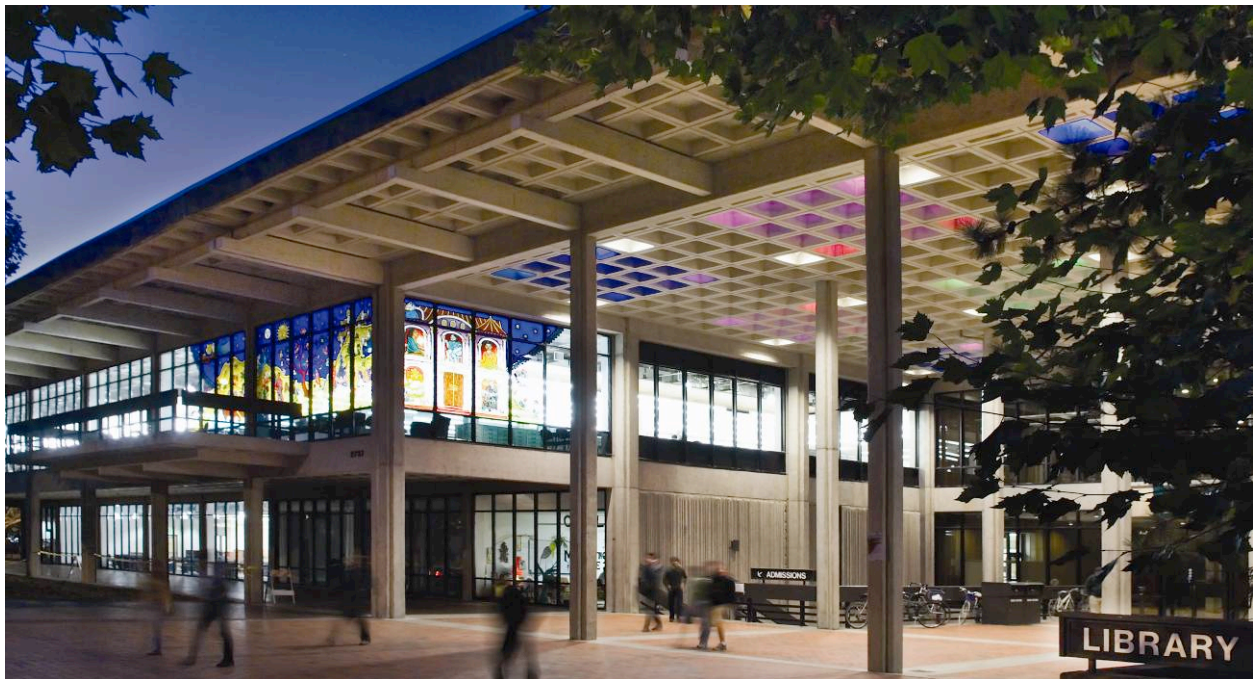
Section 2 of this report provides additional background on The Evergreen State College. Section 3 covers the short-run impacts of the college and begins with our approach, terms, and definitions. Section 3 then fully explores the spending, activities, and impacts associated with Evergreen’s operations, capital spending, student spending, and visitor spending. Section 3 concludes by looking at the combined impacts of the college in Thurston County and the state of Washington. Section 4 presents long-run impacts of The Evergreen State College.

¹⁵ Evergreen’s 2012 fiscal year runs from July 1, 2011 through June 30, 2012. Accordingly, it consists of the summer and fall quarters in 2011, and the winter and spring quarters in 2012. In this report, 2012 refers to fiscal year 2012 unless stated otherwise.

2 The Evergreen State College

Thinking Beyond the Ordinary...

Since its inception, Evergreen has demonstrated an ability to move beyond the confines of convention, emphasizing the power of creativity, collaboration and innovation to help students achieve their personal and career goals. Evergreen stands out not primarily for what it teaches—students have access to a wide range of subject areas and specialties available at other well-respected schools—but for how it teaches, how students learn, and how they apply their knowledge.



2.A. About the College

The Washington legislature chartered The Evergreen State College in 1967 and Evergreen opened its doors to students in 1971. Since that time, the college has produced nearly 40,000 graduates. Evergreen was created with a mandate for innovation. At its founding, Governor Daniel J. Evans declared the need for a “flexible and sophisticated educational instrument,” as opposed to the “vast and immobile establishment,” and expressed the need to “unshackle our educational thinking from traditional patterns.”

“It was not the intent of the Legislature that this would be just another four-year college,” explained Senator Gordon Sandison, Chairman of the Advisory Council that helped create Evergreen: “[rather the college would be] a unique opportunity to meet the needs of the students today and the future because the planning would not be bound by any rigid structure of tradition as at the existing colleges...”

Even then, curriculum planning assumed that students would change their career paths at least three times in their adult lives. The thought was that what students learned, and how they approached learning, should serve them through these transitions. Today, when the expectation is that Americans may experience five or

more career changes in their adult lives, students are preparing not just for their first careers, but for multiple future careers, many of which have not yet been imagined. Evergreen was designed, and continues to thrive, with this type of forward thinking in mind.

2.B. Mission Statement

As an innovative public liberal arts college, Evergreen emphasizes collaborative, interdisciplinary learning across significant differences. The academic community engages students in defining and thinking critically about their learning. Evergreen supports and benefits from a local and global commitment to social justice, diversity, environmental stewardship and service in the public interest.

2.C. Distinctive Approach to Education

Evergreen's five fundamental educational principles include: interdisciplinary education, linking theory and practice, teaching and learning across significant differences, personal engagement in learning, and collaborative learning.

At Evergreen, students can take just one 16-credit, team-taught, interdisciplinary program per quarter, instead of four or five disconnected classes, studying with the same students and faculty for up to a year and building community as well as skills and knowledge. Students design their own academic pathways, working closely with faculty to chart their progress with narrative evaluations instead of letter grades, and shape their studies to support personal, academic, and career goals.

The college is known for outstanding academics (*US News, Princeton Review Top 377 Colleges*), exceptional value (*Fiske Guides Best Buy*—one of just 20 public institutions cited), leadership in sustainability (*Sierra, Princeton Review*), and a supportive environment for veterans (*Military-Friendly Schools*) and transfer students.

According to the 2012 National Survey of Student Engagement, an assessment of characteristics that lead to deep and effective learning, Evergreen students are as engaged in the following activities as those at the top 10 percent of all colleges and universities participating in the survey (595 total): amount of reading, amount of writing, number of assigned texts, time spent preparing for class, time spent analyzing and synthesizing information (vs. memorizing), engagement with faculty and fellow students outside of class, working on projects with fellow students, and making presentations.

Evergreen offers its students the opportunity to develop a variety of skills required for success in a wide range of careers. In addition to the arts, media, social sciences and humanities, the liberal arts curriculum includes a significant emphasis on physical, natural, health and environmental sciences as well as math and computer science. The undergraduate offerings on the main Olympia campus are complemented by a 200-student upper-division Tacoma program, an upper-division Reservation-Based Community Determined program serving Native American communities, a weekend program in Grays Harbor, three graduate programs enrolling about 250 students (Master of Environmental Studies, Master in Teaching, Master of Public Administration, including a Tribal Governance concentration), and four public service centers (The Longhouse Education and Cultural Center, the Center for Community-Based Learning and Action, the Washington Center for Improving the Quality of Undergraduate Education, and the Washington State Institute for Public Policy).

Evergreen students are learning the skills of innovation and management: creative and critical thinking, the ability to address issues in context and at a strategic level, strong written and verbal communication skills,

and team participation and leadership skills. They also apply their learning to real-world issues and extend it through internships, field studies, laboratory work, clinical assignments, and volunteer work.

Evergreen is one of six public baccalaureate institutions in Washington. It is Washington's only dedicated public liberal arts and sciences institution and is among a handful of such institutions in the nation. The college is fully accredited as a baccalaureate and graduate degree granting institution by the Northwest Commission on Colleges and Universities. Evergreen offers interdisciplinary bachelor of arts and bachelor of science degrees. It also offers individual classes and part-time programs through Evening and Weekend Studies to complement its full-time academic programs, so students have even more choices to meet their needs.

In addition to active recreation and club sports programs, Evergreen sponsors nine intercollegiate athletic teams: men's and women's soccer, basketball, track and field, and cross country, and women's volleyball. The college is a member institution of the National Association of Intercollegiate Athletics (NAIA).

2.D. Serving a Diverse Population

Evergreen's estimated annual average student enrollment for 2012-13 is 4,270. About 1,000 students live on the Olympia campus. More than 76 percent of Evergreen students are from Washington.

Eighty-one percent of graduates in Evergreen's Class of 2011 belonged to at least one traditionally underserved population (low income, students of color, students with disabilities, veterans, first-generation college students, older than average students).

Across all student categories, 23 percent are students of color, 7 percent have a reported disability, 47 percent are low income and nearly 4 percent are veterans. Among undergraduates, 29 percent are first-generation baccalaureate students and 59 percent of the entering class is comprised of transfer students from other institutions.

Working While Going to School – In a spring 2011 survey of students on Evergreen's Olympia campus, just over 50 percent reported that they were employed while also going to school. Of those that were employed, 37 percent were working 20 hours or more per week.¹⁶ In the same period, 59 percent of students in Evergreen's Tacoma program reported that they were employed. Of those, 63 percent were working 20 hours or more per week.¹⁷

In addition to its full-time, daytime curriculum, Evergreen offers flexible evening and weekend programs for working adults, as well as partnerships with Grays Harbor College, South Puget Sound Community College and Centralia College to assist students in completing their bachelor's degrees. Evergreen has more than 35 articulation agreements with other educational institutions in Washington to help facilitate a smooth transition to the college and a faster and more efficient road to degree completion.

Including its entire undergraduate student population, the college leads Washington's public baccalaureates (Evergreen, CWU, EWU, UW, WSU, WWU) in shortest time to degree (3.98 years) and is second in four-year graduation rates.¹⁸

¹⁶ <http://www.evergreen.edu/institutionalresearch/pdf/Surveys/eses/2011survey/olympia/oly11.pdf>

¹⁷ <http://www.evergreen.edu/institutionalresearch/pdf/Surveys/eses/2011survey/tacoma/tac11.pdf>

¹⁸ State of Washington, Office of Financial Management

Just as importantly, 52 percent of Evergreen degree recipients in 2010-11 graduated without any loan history and those with debt graduated with a debt load well below the national average (\$17,545 compared to the national average of \$26,600¹⁹ and a Washington average of \$22,244²⁰).

2.E. The Evergreen Difference

The Evergreen State College	Other Colleges and Universities
Full-time, interdisciplinary programs based on a theme	Separate, disconnected classes
Students choose or create their academic pathways with support from faculty	Requirements dictate most course choices
Students have an opportunity to work with one group of students and faculty for up to a year	Isolated coursework with classmates and faculty changing every term
Collaborative learning	Competition for grades
Lively small-group seminars	Many large, lecture-based classes
Classes taught by faculty	Many classes taught by graduate students
Hands-on learning and projects	Emphasis on memorization and multiple-choice tests
Detailed narrative evaluations	All work reduced to a letter grade
Small classes at every level	Smaller classes often only in junior or senior year
Opportunities for undergraduate research	Research often restricted to graduate students
Faculty focused primarily on teaching	Faculty often focused on research and publications

2.F. Distinguished Alumni

Scores of Evergreen alumni have built distinguished careers in a wide range of fields. As a reflection of Evergreen's creative and entrepreneurial spirit, many have gone on to found, own or lead innovative commercial and non-profit enterprises and excel in public service. The following is just a small sampling of notable Evergreen alumni.

In Washington

- **John Calambokidis ('79)**, author, senior research biologist and co-founder of the Cascadia Research Collective, a non-profit research organization. John has directed long-term research on the status, movements, and underwater behavior of blue, humpback, and gray whales.
- **Kim Gaffi ('97) and Blue Peetz ('95)**, co-founders of **GRuB**, an Olympia non-profit that partners "with youth and people with low-incomes to create empowering individual and community food solutions."
- **Tim Girvin ('75)**, **Girvin Strategic Branding and Design**, national leader in strategic marketing and branding.
- **Denny Heck ('73)**, former state legislator, founder of TVW, entrepreneur, **US House of Representatives**.
- **Jackie Heinricher ('86)**, founder of **Booshoot Gardens, LLC**, scientist, entrepreneur, and pioneer in mass propagation of bamboo for a wide range uses, "harnessing the power of private enterprise for maximum public benefit."
- **Nikki McClure ('91)**, a **nationally recognized artist** known for her intricate hand-cut paper images.

¹⁹ <http://projectonstudentdebt.org/files/pub/classof2011.pdf>

²⁰ Ibid

- **Pam Oates ('86)**, general manager and co-owner of **Budd Bay Café** in Olympia.
- **Dan Pacholke ('08)**, Assistant Director Prisons Division, **Washington State Department of Corrections**, a key proponent of the Sustainability in Prisons Project, a nationally recognized partnership with The Evergreen State College.
- **Christine Quinn-Brintnall ('76)**, judge, **Washington State Court of Appeals**.
- **Rhys Roth ('87, '90)**, co-founder and director of strategic innovations, **Climate Solutions**, an organization that promotes the proposition that “clean energy and broadly-shared economic prosperity can go hand-in-hand” and “builds a powerful constituency for local, regional, and national action on climate and clean energy.”
- **Kirstin Rowe-Finkbeiner ('91)**, author, speaker, and co-founder and Executive Director/CEO of **MomsRising.org**, a grassroots organization that advocates on behalf of women, children, and families.
- **Erica Schisler ('91)**, **recently retired from Adobe Systems** as Director of Advanced Product Development for Dynamic Media (there since 1994); **currently Executive Producer, Carnage & Rouge Productions** (a motion picture production company).
- **Nancy Stevens, MD, MPH ('73)**, professor of family medicine and adjunct professor of epidemiology, **University of Washington**, teaches and trains family physicians to be medical school faculty.
- **Ed Zuckerman ('77)**, Senior Vice President for State Capacity Building, **League of Conservation Voters**.

Beyond Washington

- **Patricia Beckmann, PhD ('78)**, biotechnology researcher, inventor, holder of 40 patents, former president and executive director of the **Oregon Translational Research and Drug Development Institute**.
- **Lindsay Bolger ('91)**, Director of Coffee Sourcing and Relationships, **Green Mountain Coffee Roasters**, Waterbury, VT, the world's largest purchaser of Fair-Trade Certified coffee in 2011.
- **Joe Dear ('76)**, Chief Investment Officer, **CalPers**, the nation's largest public pension fund.
- **Matt Groening ('77)**, Creator of **The Simpsons** (the longest running primetime television program in history), **Futurama**, and **Life in Hell**.
- **Jeff Hardesty ('79)**, Senior Advisor for Strategy and Conservation Business Planning at **The Nature Conservancy**, the world's largest environmental group.
- **Christy Holz ('78) and Tim Ball ('80)** – **Co-founders and Managing Partners, Mainstream Energy Corporation**, one of the largest consolidated downstream solar companies in the U.S.
- **Audrey Marrs ('99)**, **Academy Award winning film producer (Inside Job)**, Chief Operating Officer, **Representational Pictures, Inc.**
- **Matthew Jacobson, PhD ('81)**, Professor of American Studies and History, **Yale University**.
- **John Stocks ('81)**, Executive Director, **National Education Association**, the largest labor organization in the US.
- **Dan Tishman ('77)**, Chairman & CEO, **Tishman Construction Corporation**, construction managers for One World Trade Center and other reconstruction at Ground Zero; Chair, Board of Trustees, **Natural Resources Defense Council**.
- **Lynda Weinman ('76)**, co-founder and Executive Chair of **lynda.com** a leading provider of online video training for major software programs.

3 Evergreen's Short-Run Impacts

This section of the report begins with a complete description of the modeling framework that was used to measure the **short-run** economic and fiscal impacts associated with the college's current operations and capital spending, as well as spending by students and visitors. These short-run impacts are measured for Evergreen's 2012 fiscal year. Section 3 then fully explores the spending, activities, and impacts associated with the college, and concludes by looking at the combined impacts of the college in Thurston County and the state of Washington.

3.A. Approach, Methods, Terms, and Definitions

Measurement of the short-run impacts of colleges and universities on the communities in which they operate focuses on institutional spending on payroll, goods and services, and capital projects, as well as local spending by students and visitors.²¹ This method is often referred to as the "expenditure approach."

Typically, the expenditure approach is conducted within an input-output modeling framework. Input-output models provide a comprehensive picture of the economic activities in a given area using mathematical relationships that describe the interactions of local industries with each other, with households as suppliers of the factors of production, with industries outside of the region, and with final users of goods and services.

Input-output models that rely on survey or primary source data are expensive to construct and are generally not available for state and regional economies. As a result, special modeling techniques have been developed to estimate the necessary empirical relationships from a combination of national technological relationships, and state- and county-level measures of economic activity. These modeling techniques and data have been packaged into the IMPLAN (for IMPact Analysis for PLANning) modeling software. This is the modeling system ECONorthwest used in this analysis.

3.A.1. The IMPLAN Economic Impact Model

IMPLAN has been developed and distributed by the Minnesota IMPLAN Group, Inc., since 1993. Currently there are over 1,500 public and private users of the IMPLAN modeling software. The IMPLAN model is widely used and well respected. The United States Department of Agriculture (USDA) recognized the IMPLAN modeling framework as "*one of the most credible regional impact models used for regional economic impact analysis*" and, following a review by experts from seven USDA agencies, selected IMPLAN as its analysis framework for monitoring job creation associated with the American Recovery and Reinvestment Act (ARRA) of 2009.²²

Two important points about IMPLAN as they relate to this analysis:

1. The IMPLAN model is based on a well-structured, input-output modeling framework that relies on government-vetted data for Thurston County and the state of Washington. This analysis uses 2010 baseline IMPLAN data—the most current year available.
2. IMPLAN provides both the structure and flexibility necessary to incorporate primary source data into the economic impact model. This is particularly important in this analysis where

²¹ The expenditure approach was first developed by the American Council on Education in 1971 (Caffrey and Isaacs).

²² See excerpts from an April 9, 2009 letter to MIG, Inc., from John Kort, Acting Administrator of the USDA Economic Research Service, on behalf of Secretary Vilsack, at www.implan.com.

ECONorthwest used detailed payroll, non-payroll operating costs, capital spending, and student spending data provided by Evergreen to build custom expenditure functions of their operations. Called “Analysis-by-Parts,” this detailed expenditure approach allows for customization of the inputs that go into the IMPLAN model and, as a result, provides the most reliable estimate of economic and fiscal impacts.

3.A.2. Types of Impacts

Economic impact analysis employs specific terminology to identify the different types of economic impacts. The **direct** impacts include the output (basically operating expenditures), payroll, and jobs associated with Evergreen, as well as spending by students and visitors. In order to provide educational services, Evergreen employs faculty, administrators, professional staff, and classified staff working in clerical, technical, service, and maintenance positions. These employees and their incomes represent the largest single segment of the direct impacts of the college. To this, we must add the sales, jobs, and income at local businesses that provide goods and services to students and visitors.

Indirect impacts occur as businesses or institutions buy from other businesses. Evergreen, for example, will purchase electricity, water and sewer services, facilities maintenance and construction repair services, and a host of other goods and services necessary to operate. The construction contractor will, in turn, purchase fuels and lease equipment. These purchases of goods and services by businesses from other businesses *indirectly* generate sales, jobs, and income for others.

Induced impacts result from the increased income and purchasing power of households that are either directly or indirectly affected by Evergreen spending. The college faculty member, for instance, will take her family to dinner or purchase health care services for her children. Employees of the construction contractor who repairs Evergreen facilities will spend their income in much the same way. This spending *induces* sales, jobs, and income for workers and businesses in other sectors of the economy.

3.A.3. Impact Measures

The following measures of impacts are included in this report:

- **Output** represents the value of goods and services produced, and is the broadest measure of economic activity. (Income is a subset of output and the two should not be added together.)
- **Income** (or labor income) consists of employee compensation and proprietary income.
 - Employee compensation (wages) includes workers’ wages and salaries, as well as other benefits such as health, disability, and life insurance; retirement payments; and non-cash compensation.
 - Proprietary income (business income) represents the payments received by small-business owners or self-employed workers. Business income would include, for example, income received by private business owners, doctors, accountants, lawyers, etc.
- **Jobs** include both full- and part-time employment.
- **State and local taxes and fees** include production business taxes; personal income taxes; business and personal property taxes; sales taxes; social insurance (employer and employee contributions) taxes; and various other taxes, fines, licenses and fees paid by businesses and households.

3.A.4. Gross vs. Net Economic Impacts

The economic impacts of a college, such as Evergreen, can best be explored by posing the following

hypothetical question:

How would economic activity in Thurston County and Washington change if The Evergreen State College did not exist?

One answer would be to assess the impacts associated with Evergreen's expenditures, regardless of what would happen to its faculty, staff, and students if the college did not exist. These *gross* impacts represent an upper bound estimate of the economic activity that can be traced back to the college, but do not necessarily reflect or measure the creation of new jobs or income. It could be the case, for instance, that some of the college's students would have gone to another university in Washington. In this case, Evergreen may have diverted economic activity away from other Washington businesses (in economics, this is referred to as a "substitution effect").

The impacts in this analysis include only the economic activity that is truly attributable to the existence of Evergreen. Implicit in this analysis is the assumption that all of the spending associated with the college would be lost to the Thurston County economy if Evergreen did not exist, i.e., most of the faculty, staff, and students would relocate outside of Olympia to work or study. This assumption is reasonable, given that there are limited options for obtaining bachelor's and advanced degrees in Thurston County.

So, to answer the question as it relates to Evergreen in Thurston County,

The Evergreen State College brings new spending to the community that "but for" the college would accrue elsewhere. In this regard, the economic contributions of the college represent net gains to the Thurston County economy.

The answer to this question is much different at the state level. In the absence of the college, many Evergreen students could and likely would find educational opportunities at other universities in Washington. Although this possible substitution effect is moderated by the unique educational opportunities at Evergreen—that are not replicated elsewhere in Washington—this analysis takes a conservative approach based on the following data.

While Evergreen draws about 23 percent of its entering students from out of state, 40.1 percent of students indicated in a 2010 survey that they applied to another college outside of Washington.²³ So in addition to non-resident students that came to Washington specifically for what Evergreen had to offer, at least a portion of Washington residents that applied to both Evergreen and a college out of state would likely have left the state but for the availability of Evergreen as a college option. It is our professional judgment that the 23 percent is too conservative a "but for Evergreen" assumption regarding student attendance, and that the true figure is likely closer (if not higher) than 40.1 percent. For the purposes of estimating net economic impacts at the state level, ECONorthwest adopted the 40.1 percent adjustment factor to convert gross impacts into net impacts.

3.B. Evergreen Spending and Activities

Evergreen operates its main campus in Olympia and additional programs in Tacoma and Grays Harbor. It also offers a unique bachelor of arts degree program on various Tribal reservations in western Washington. For these reasons, we consider the impacts at two geographic levels. Our emphasis will be on the impacts of Evergreen on the Thurston County economy, where they are the most direct and immediate. We also

²³ See <http://www.evergreen.edu/institutionalresearch/nss2010results.htm>, especially questions 16 and 17.

examine Evergreen’s statewide impacts, however, these impacts are reported separately due to different counterfactual spending assumptions.

This analysis shows the impacts associated with the following four major expenditure categories:

1. **Operating expenditures** include college payroll and purchases of goods and services.
2. **Capital expenditures** consist of building renovations, new construction, and seismic stabilization.
3. **Student spending** consists of all non-college, non-tuition spending.
4. **Visitor spending** includes spending at cultural and athletic events; academic events and graduation; and other events. Visitor spending also includes spending by foreign students who attend the Education First International Language School (“EF International”), a program operating on Evergreen’s Olympia campus, but not part of the college itself.

ECONorthwest obtained direct spending estimates for the first two expenditure categories from Evergreen for their 2012 fiscal year. Evergreen maintains detailed records of spending broken out by hundreds of types of goods, services, capital, and payroll expenditures. The detailed records provided by Evergreen allowed for a highly accurate estimate because each item purchased has a distinct effect on the local and state economies. ECONorthwest calculated student expenditures by combining enrollment data with student spending data provided by the Evergreen Office of Financial Aid. Finally, Evergreen provided information on conferences, athletic events, the EF International Language program, and other visitor attractions, which we combined with visitor spending data from the State of Washington’s Department of Community, Trade and Economic Development, to estimate the impacts associated with visitors.

Table 1 summarizes the major activities and expenditures associated with Evergreen.

Table 1: Evergreen Spending and Activities, 2012

Type of Activity	Thurston County	Total Washington
Operations		
Permanent full- and part-time jobs	716	730
Payroll (by campus location)	\$54,597,000	\$55,664,400
Non-payroll operating costs	\$16,139,000	\$16,980,000
Total operating costs	\$70,736,000	\$72,644,400
Capital Spending	\$7,996,000	\$7,996,000
Student Spending		
Number of students, academic year	4,344	4,575
Number of students summer term	1,458	1,553
Total non-tuition student spending	\$51,884,000	\$55,107,000
Visitor Spending		
Day and overnight visitor-days	39,072	39,072
EF student-months	10,108	10,108
Total visitor spending (gross)	\$8,491,700	\$8,491,700
Total spending	\$139,107,700	\$144,239,100

Sources: Evergreen with additional research and calculations by ECONorthwest.

In 2012, Evergreen is linked to \$139.1 million in spending in Thurston County, and \$144.2 million in spending statewide. The college’s direct expenditures on employee payroll and operating costs (\$70.7 million) represent about 51 percent of the total 2012 spending, while off-campus spending by students (\$51.9 million) comprises 37 percent of total spending. The college’s capital outlays and spending by visitors

each amount to 6 percent of total spending in 2012.

3.B.1. Operations

The economic and fiscal impacts associated with Evergreen's day-to-day operations are attributed to the college's staff and payroll, and purchases of goods and services. Table 2 provides an overview of Evergreen's employment and operating expenditures in 2012. (Capital spending is considered in the next section of this report.) In 2012, Evergreen's operating expenses totaled \$72.6 million, with \$70.7 million in spending (97.4 percent of total operating costs) attributed to its main campus in Olympia and \$1.9 million in spending supporting the college's programs in nearby communities and programs at Tribal reservations.

Table 2: Summary of Evergreen Operations, All Locations, 2012

Operating Parameter	
Jobs	
Permanent Jobs	730
Temporary Jobs	492
Operating Expenditures	
Payroll	
• Wages	\$43,077,900
• Benefits	\$12,586,500
Total Payroll	\$55,664,400
Purchasing	\$16,980,000
Total Operating Expenditures	\$72,644,400
Percent in Thurston County	59%
Percent in Washington State	83%

Source: Evergreen Business Services Office

Note: Evergreen employees' Federal income and payroll taxes are not included in local and state spending.

The largest portion of Evergreen's operating expenditures is compensation for its most valuable assets—its people. Almost 80 percent of direct operating expenditures went towards payroll for faculty, staff, temporary workers, and student workers. In 2012, Evergreen employed 730 permanent full- and part-time and 492 temporary staff and faculty, and had a total payroll of \$55.7 million, including \$43.1 million in wages and \$12.6 million in payroll taxes and benefits.²⁴ Almost all of this employment (716 of the 730 permanent jobs statewide) is attributed to Evergreen's main campus in Olympia, and are the direct wages in Thurston County. Perhaps more importantly, approximately **77 percent of Evergreen employees live and spend money in Thurston County**, and **all of Evergreen's employees live in the state of Washington**.²⁵

Many Evergreen employees reside in neighboring counties and spend a portion of their incomes in those regions. **Employees residing in Pierce County earned over \$2.3 million in 2011, while King and Mason County residents earned over \$1.6 million respectively.** Although these employee's wages are categorized as direct personal income in Thurston County, because they live in surrounding counties a portion of their spending would generate induced impacts in their county of residence.

²⁴ Evergreen also provided 1,057 student jobs during 2012. Some of these jobs may have accrued to the same student during the year. Nonetheless, employed students gained nearly 250,000 hours of work experience and earned approximately \$2.7 million in 2012. Student wages are considered an operating expense, and are included in both direct output and direct income. However, student wages are not included as a modeling input in this section of the analysis as student spending and related impacts are considered separately.

²⁵ Before inputting Evergreen payroll data into the IMPLAN model, gross payroll figures were reduced to account for taxes and other deductions.

To put Evergreen's FY2012 employment into perspective, **excluding public employers, Evergreen would rank as the fourth largest employer in Thurston County** (using 2011 private sector employment for comparison).

Employment Stability

Figure 1 provides historical context by comparing monthly unemployment rates in Thurston County, Washington, and the U.S. over the most recent recession and subsequent slow-growth recovery period. At no time during this 70-month period did Thurston County have a higher unemployment rate than the state of Washington and the nation.

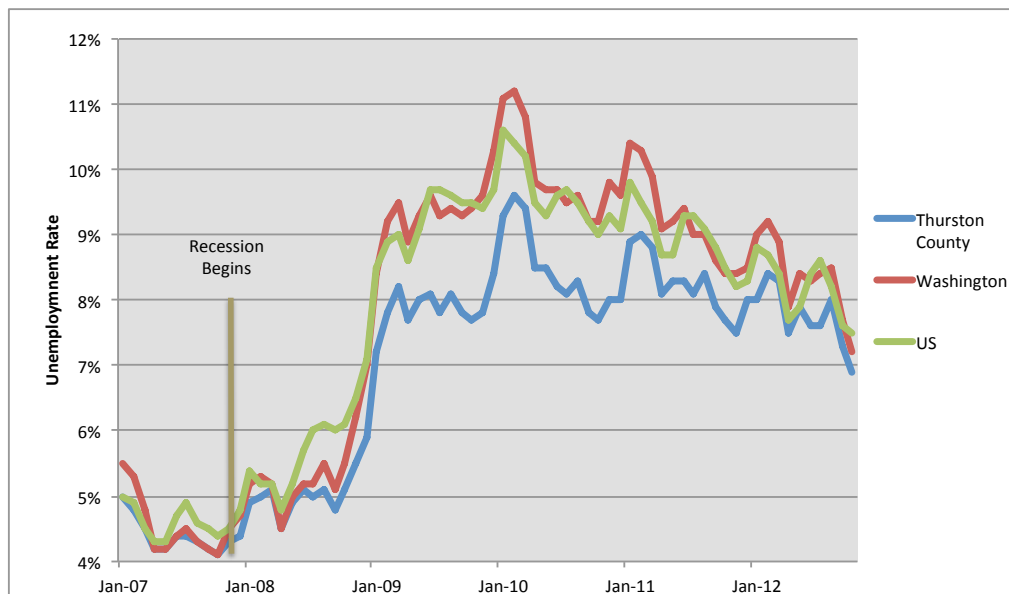
Evergreen and the Top Fifteen Private Employers in Thurston County, 2011

Evergreen had 716 permanent employees in Thurston County during the 2012 fiscal year. If it were a private employer, it would rank 4th on the list below (noted with an asterisk).

1.	Providence St. Peter Hospital	2,285
2.	ACS/Xerox	1,011
3.	Safeway Stores	758
	The Evergreen State College*	716
4.	Lucky Eagle Casino	650
5.	Great Wolf Lodge	646
6.	Nisqually Red Wind Casino	610
7.	WSECU	515
8.	Fred Meyer	511
9.	Capitol Medical Center	500
10.	Costco	471
11.	Wal-Mart	450
12.	Group Health Cooperative	422
13.	Panorama Corporation	400
14.	St. Martin's University	400
15.	Cabela's	373

Source: Thurston County Economic Development Council

Figure 1: County, State, and National Monthly Unemployment Rates, January 2007–October 2012



Sources: Washington State Employment Security Department Labor Market and Economic Analysis Branch, and the U.S. Bureau of Labor Statistics.

In addition to its employment of faculty for teaching, Evergreen also requires staff with a wide variety of technical, professional, and other skills. There are 378 different job titles at the college, with positions ranging from electrician and police officer to admissions counselor and registered nurse. This translates

into a broad range of opportunities for both entry-level positions and career advancement at Evergreen.

In addition to payroll, **Evergreen purchased almost \$17.0 million in goods and services in 2012.** According to detailed Evergreen budget information, about **\$5.4 million (32 percent of total non-labor operating expenses) accrued to Thurston County businesses, and another \$5.9 million (35 percent) benefited businesses elsewhere in Washington.** In total, therefore, approximately two-thirds of Evergreen's non-labor operating expenses benefited businesses and workers in the state of Washington. Table 3 reports Evergreen's non-labor operating expenditures by spending category, in descending order. Expenditures on contract services, facility support and maintenance services, and professional services have a particularly potent effect on local and state economies, as these services are generally labor intensive and dependent on local labor and resources.

Table 3: Top Operating Expense Categories, by Vendor Location, 2012

Rank	Thurston County		Rest of Washington	
	Spending Category	Amount	Spending Category	Amount
1	Food Services	\$2,208,673	Electricity	\$1,216,003
2	Other contract services	\$628,222	Building Rentals	\$862,348
3	Sewer and water	\$314,542	Natural Gas	\$532,636
4	Insurance	\$236,813	Maintenance supplies and materials	\$420,806
5	Building Rentals	\$206,181	Repair and Maintenance Services	\$416,765
6	Maintenance equipment and materials	\$204,507	Other contract services	\$229,123
7	Repair and Maintenance Services	\$180,192	Other services	\$174,456
8	Attorney General services	\$170,167	Printing off-campus	\$123,953
9	Facilities services	\$130,064	Office Supplies	\$119,329
10	Postage	\$118,569	Architecture and Engineering	\$106,078
	All Other	\$992,236	All Other	\$1,699,422
Total Thurston County		\$5,390,166	Total rest of Washington	\$5,900,920

Source: The Evergreen State College

Table 4 reports the local economic and fiscal impacts associated with Evergreen's operations in 2012.

Table 4: Impacts of Evergreen Operations, Thurston County, 2012

Impact Measure	Direct	Indirect	Induced	Total
Output	\$70,439,500	\$6,180,200	\$24,152,600	\$100,772,300
Income	\$54,300,700	\$2,604,000	\$8,379,900	\$65,284,600
Jobs	716	74	247	1,037
State and Local Taxes	\$300,300	\$168,200	\$2,026,800	\$2,495,300

Sources: ECONorthwest using Evergreen detailed operating expenses and the IMPLAN model.

Notes: Direct state and local taxes and fees do not include sales taxes paid as a result of Evergreen's purchases of goods and services. These would be included as the first round of indirect impacts.

3.B.2. Capital Expenditures

In 2012, Evergreen spent approximately \$8 million on capital projects, with all of this spending benefiting the Olympia campus.²⁶ Table 5 summarizes recent major capital projects. In addition, over the last five

²⁶ Evergreen rents its facility in Tacoma and, therefore, has minimal capital expenses at that location.

years, Evergreen has been investing for the future, with nearly \$77.6 million in building maintenance, renovation, and new construction since 2007.

Table 5: Recent Major Capital Projects

Project Name	Project Description
College Activities Building Renovation	Renovation of existing 112,238 sq. ft. building and addition of 4,650 new sq. ft.
Laboratory & Art Annex Renovation	Complete renovation of a 30,000 sq. ft. academic space for various art and science programs
Sustainable Agriculture Lab	Construction of a new 2,000 sq. ft. building that provides lab space for the college's various agriculture and food science programs
Clock Tower Seismic Retrofit	Seismic stabilization of the college's iconic clock tower
Communications Building Renovation	Complete renovation of the 3rd floor, and lesser renovations on the 1st and 2nd floors with the addition of an intermediate floor in 2-story tall spaces approximating 7,000 new sq. ft. of space to serve major academic needs in arts and communications programs
Residence Hall Seismic Retrofit	Seismic stabilization of a 10-story residence hall
Lab 1, 2 nd Floor Renovation	Renovation of 12,000 sq. ft. of lab and lab support space

Source: The Evergreen State College

Table 6 reports the local economic and fiscal impacts associated with Evergreen's capital spending in 2012. Given that Evergreen's primary mission is to educate students, there are no direct impacts associated with Evergreen's capital spending in that this spending facilitates, rather than directly generates, output. Thus, capital expenditures enter the IMPLAN models as indirect impacts that then work their way through the economy.

Table 6: Impacts of Evergreen Capital Spending, Thurston County, 2012

Impact Measure	Direct	Indirect	Induced	Total
Output	N/A	\$7,735,700	\$1,811,300	\$9,547,000
Income	N/A	\$2,700,100	\$519,100	\$3,219,200
Jobs	N/A	65	16	81
State and Local Taxes	N/A	\$154,400	\$135,800	\$290,200

Sources: ECONorthwest using Evergreen detailed capital budgets and the IMPLAN model.

In 2012, Evergreen capital spending and subsequent rounds of spending by building contractors, material suppliers, providers of engineering and architectural services, and others generated indirect impacts totaling over \$7.7 million in output, \$2.7 million in income, and 65 full- and part-time jobs in Thurston County. The local construction sector captured 83 percent of these indirect job impacts. **In total, Evergreen's capital spending is associated with \$9.5 million in economic activity, including \$3.2 million in income and 81 full- and part-time jobs in Thurston County in 2012.**

3.B.3. Student Spending

This section of the analysis looks specifically at off-campus student spending under the assumption that spending on tuition and other college fees represent revenues for the college that are used to partially finance Evergreen payroll, purchases, and capital spending. Off-campus spending by students will vary depending on the living arrangements of students. Students who live off-campus are expected to spend more off-campus. According to the Evergreen Financial Aid Office, students living off-campus are estimated to spend \$4,087 per quarter on off-campus living expenses, while students living on-campus are expected to spend \$1,087 per quarter on off-campus living expenses.

Table 7: Summary of Off-Campus Student Spending Per Quarter, by Student Living Arrangements

Type of Spending	Students Living Off-Campus	Students Living On-Campus
Books & Supplies	\$111	\$111
Room & Board	\$3,000	\$0
Transportation	\$408	\$408
Misc. & Personal	\$568	\$568
Total	\$4,087	\$1,087

Source: Evergreen Financial Aid Office.

Note: It is estimated that 1/3 of student spending on books and supplies will occur outside of the college bookstore.

Evergreen enrolled an average of 4,575 students (4,545 full-time equivalents or “FTE”) during the 2011-2012 academic school year. Approximately 95 percent of these students were enrolled at Evergreen’s main campus in Olympia. In addition, 1,553 students were enrolled during the summer term. Using the quarterly spending estimates reported in the previous table, **ECONorthwest estimates that Evergreen students spent approximately \$51.9 million in Thurston County, and \$55.1 million statewide in 2012.** Table 8 summarizes Evergreen student enrollment and off-campus spending in 2012.

Table 8: Evergreen Student Enrollment and Off-Campus Student Spending, 2012

Living Arrangements	Thurston County		Washington State	
	Number of Students	Total Spending	Number of Students	Total Spending
Academic Year On-Campus	815	\$2,658,802	815	\$2,658,802
Academic Year Off-Campus	3,529	\$43,266,004	3,760	\$46,101,360
Total Academic Year	4,344	\$45,924,806	4,575	\$48,760,162
Summer Off-Campus	1,458	\$5,958,846	1,553	\$6,347,111
Total FY2012	5,802	\$51,883,652	6,128	\$55,107,273

Source: Student enrollment and student spending data from Evergreen Financial Aid Office.

Note: Student totals for the academic year represent the average of fall, winter, and spring quarters.

Table 9 reports the local economic and fiscal impacts associated with off-campus spending by Evergreen students.

Table 9: Impacts from Evergreen Off-Campus Student Spending, Thurston County, 2012

Impact Measure	Direct	Indirect	Induced	Total
Output	\$29,007,900	\$4,672,000	\$6,427,600	\$40,107,500
Income	\$9,082,400	\$1,238,000	\$1,842,800	\$12,163,200
Jobs	298	35	56	389
State and local taxes	\$3,311,900	\$257,900	\$481,400	\$4,051,200

Sources: ECONorthwest using Evergreen enrollment and student spending data, and the IMPLAN model.

In 2012, off-campus student spending *directly* generated \$29 million in economic activity, including \$9.1 million in income, and almost 300 full- and part-time jobs. The main beneficiaries of off-campus student spending are owners of real estate, restaurant/food and beverage establishments, and retailers. The direct output

Top 5 Sectors Benefiting from Off-Campus Student Spending

1. Restaurant/food and beverage - 90 jobs
2. Real estate establishments – 66 jobs
3. Grocery and food retailers – 51 jobs
4. Gasoline stations – 14 jobs
5. Health care services – 13 jobs

reported in Table 9 represents 56 percent of the total non-tuition student spending. This is because some of the initial goods and services purchased by students are provided by businesses located outside of Thurston County.

3.B.4. Visitor Spending

Many visitors come to Evergreen to attend their child's graduation, root for Geoduck teams, and participate in conferences. Evergreen Conference Services provided detailed visitation data by event, length of stay, and residence of visitors. Most visitors in 2012 came to the college for a day, but thousands also attended multi-day events. In order to accommodate possible substitute spending, this analysis only includes non-local visitor spending.²⁷ ECONorthwest estimates that 80 percent of local visitor spending comes from visitors with origins outside the local region.²⁸

Table 10 reports total visitation and summarizes events with the greatest attendance. For day visitors, the biggest draw was the 2012 commencement. For night visitors, the three-day, WIAA State 2A Volleyball tournament brought the largest number of visitors.

Table 10: Day and Overnight Visitors, by Event, 2012

Event	Number of Visitors
Day	
• Graduation	4,070
• Community users	3,728
• Club and high school swim meets	2,700
• Campus tours	2,025
• Interagency Committee of State Employed Women Conference	650
• All other day visits	2,692
Total day visits	15,865
Overnight	
• WIAA State 2A Volleyball Tournament	2,080
• Graduation	1,730
• Football passing academy	1,158
• Campus tours	1,117
• Athletic events	628
• All other overnight visits	1,626
Total overnight visits	8,339

Source: The Evergreen State College

In addition to events sponsored or held by the college, many international students come to Evergreen to study English. The Education First International Language School ("EF International") uses Evergreen's facilities to run their program. The students stay for a period of time ranging from 2 to 52 weeks. Three types of living situations are available to these students, including: 1) living on their own, 2) staying with host families, or 3) living in Evergreen campus housing. On average, there were 842 participating EF International students each month in 2012.

ECONorthwest combined Evergreen visitation data with visitor expenditure data from the State of Washington Department of Community, Trade and Economic Development.²⁹ ECONorthwest estimates that non-local visitors to Evergreen spent about \$3.3 million on lodging, food, gas and retail items in Thurston County in 2012. Not included in this spending are sales by Evergreen departments, such as on-

²⁷ For example, Thurston County residents attending an Evergreen event would spend money in the county regardless of whether the event had taken place or not. With the event, restaurants in Olympia would see more activity, while Lacey restaurants see less; the spending has no net impact on the local economy. Similarly, when a visitor from Seattle eats at local restaurants, they bring new money to the local economy that, but for the event, would have been spent in King County.

²⁸ The number of non-local visitors is determined by both the origin of the visitors and definition of the relevant study area. By definition, a smaller study area, such as Thurston County, will have a larger number of non-local visitors than a larger study area, such as the state of Washington. As a result, the economic impacts for a smaller study area will likely be greater than those of a larger study area.

²⁹ In particular, this analysis uses average daily expenditure data, by type of visitor. Dean Runyan Associates, "Washington State Statewide Travel Impacts & Visitor Volume, 1991-2010P," prepared for the State of Washington Department of Community, Trade and Economic Development, 2010 and "Washington State Statewide Travel Impacts & Visitor Volume, 2001-2011P".

campus housing, food services and the bookstore, which partially fund college spending described in the previous sections.

EF International students also spend money in the local economy. (They are categorized as visitors because they are not directly enrolled at Evergreen.) Based on information provided by the EF International program, ECONorthwest estimated average monthly off-campus spending at local retailers, restaurants, and other service providers. Additionally, host families receive stipends for participating in the program, and this additional income would be spent on increases in food, utility, and transportation expenses associated with housing another person. ECONorthwest estimates that off-campus spending by EF International students was approximately \$4.3 million in 2012.

In all, visitors from outside of the local region spent \$7.6 million in 2012. Table 11 reports the local impacts from visitor spending in 2012.

Table 11: Impacts from Visitor Spending, Thurston County, 2012

Impact Measure	Direct	Indirect	Induced	Total
Output	\$4,732,300	\$781,500	\$1,314,300	\$6,828,100
Income	\$1,785,600	\$224,000	\$376,700	\$2,386,300
Jobs	70	6	11	87
State and local taxes	\$520,900	\$41,500	\$98,500	\$660,900

Source: ECONorthwest using visitation data from Evergreen Conference Services, visitor expenditure data from Dean Runyan, and the IMPLAN model.

The direct output of \$4.7 million, reported in Table 11, is less than the total visitor spending because many of the goods that local retailers sell are manufactured outside of Thurston County. Hence, only the retail, wholesale, and transportation margins are captured by local businesses.

3.B.5. Combined Impacts

The combined impacts associated with Evergreen's day-to-day operations and capital spending, as well as spending by students and visitors, are reported in Table 12. The **direct impacts** of Evergreen are based on the spending, payroll, and jobs at the college, and spending by students and visitors in the local community. The direct impacts consist of **\$104.2 million in output, including \$65.2 million in income and 1,080 jobs.** (As discussed previously, 716 permanent jobs are at the college. Thus, **student and visitor spending directly support just over 360 local jobs.**)

Evergreen's purchases of goods and services from other businesses will generate **indirect or "supply-chain" impacts** for local businesses and workers locally. In 2012, the local indirect impacts amounted to **\$19.4 million in sales, \$6.8 million in income, and 180 jobs.** These impacts benefited a wide range of local industries, including: real estate, construction, utilities, insurance, food services, and wholesalers.

Induced or "consumption-driven" impacts are attributed to the income and purchasing power of employees who are directly or indirectly affected by Evergreen. The combination of Evergreen's labor-intensive operations (a characteristic of higher education in general), the wage distribution of its employees (based on the types of jobs, skills, and training required), and the fact that its employees work and live locally tends to enhance the induced impacts. **The induced impacts in Thurston County amount to \$37.8 million in economic activity, including \$11.1 million in income and 330 jobs.**

Table 12: Evergreen's Combined Impacts, Thurston County, 2012

Impact Measure	Direct	Indirect	Induced	Total
Output	\$104,179,700	\$19,369,400	\$37,763,200	\$161,312,300
Income	\$65,168,700	\$6,766,100	\$11,118,500	\$83,053,300
Jobs	1,080	180	330	1,590
State and local taxes	\$4,133,100	\$622,000	\$2,742,500	\$7,497,600

Sources: ECONorthwest using Evergreen data and the IMPLAN modeling software.

Evergreen's total economic impacts in Thurston County consist of \$161.3 million in economic activity, including \$83.1 million in income and 1,590 jobs. As the preceding discussion indicates, spending that is directly attributed to Evergreen starts a chain reaction of additional spending that supports sales, incomes, and jobs in every sector of the Thurston County economy. The total economic impacts are reported by major industry sector in Table 13.

Table 13: Evergreen's Combined Impacts by Major Industry Sector, Thurston County, 2012

Industry Sector	Output	Income	Jobs
Natural resources	\$128,400	\$33,900	1
Construction	\$6,863,700	\$2,371,200	57
Manufacturing	\$1,110,400	\$211,600	3
Transportation, information, utilities	\$6,208,000	\$1,584,900	30
Trade	\$12,492,600	\$7,701,600	212
Service	\$60,918,500	\$15,245,600	554
Government	\$73,590,800	\$55,892,500	738
Total all industries	\$161,312,300	\$83,053,300	1,590

Sources: ECONorthwest using Evergreen data and the IMPLAN modeling software.

As the preceding discussion indicates, spending associated with Evergreen has a multiplier effect that benefits workers and business owners in other sectors of the local and state economies. In essence, economic multipliers provide a shorthand way to better understand the linkages between an activity and other sectors of the economy, i.e., larger economic multipliers suggest greater interdependence between an entity or activity—in this case, The Evergreen State College—and the rest of the economy.

In this analysis, multipliers are calculated by dividing the total economic impacts by the direct spending, payroll, and employment at the college. Implicitly, this assumes that Evergreen is responsible for leveraging direct spending by students and others, in addition to downstream supply-chain and consumption-driven spending. The multipliers associated with Evergreen spending include:

- **Evergreen's output multiplier is 2.3.** This means that every million dollars in direct spending by Evergreen generates another \$1.3 million in local spending elsewhere.
- **Evergreen's income multiplier is 1.5.** This means that every million dollars in direct income paid by Evergreen is linked to another \$500,000 in income for workers in other sectors of the local economy.
- **Evergreen's employment multiplier is 2.2.** This means that every ten direct jobs at Evergreen are linked, on average, to another 12 local jobs. This includes 7.8 jobs in the local service sector and 3.0 jobs in the local wholesale and retail trade sector.

The economic activity associated with Evergreen also generates tax and fee revenues for state and local

governments in Washington. Table 14 presents the tax and fee revenues that are directly or subsequently linked to economic activity attributed to the college.

Table 14: Tax and Fee Revenues, by Major Category, from Evergreen Activities in Thurston County, 2012

Type of Tax or Fee	Direct	Indirect	Induced	Total	% Of Total
Corporate	\$169,900	\$32,800	\$144,700	\$347,400	4.6%
Property	\$1,013,000	\$150,700	\$709,600	\$1,873,300	25.0%
Sales	\$2,377,200	\$306,900	\$1,466,000	\$4,150,100	55.4%
Other	\$301,000	\$43,000	\$196,900	\$541,000	7.2%
Fines, fees, licensing	\$236,200	\$66,400	\$188,800	\$491,300	6.6%
Social insurance	\$35,700	\$22,200	\$36,500	\$94,500	1.3%
Total	\$4,133,000	\$622,000	\$2,742,500	\$7,497,600	100.0%
% Of Total	55.1%	8.3%	36.6%	100.0%	

Sources: ECONorthwest using Evergreen data and the IMPLAN modeling software.

3.C. State Impacts

As discussed previously, this analysis assumes that all of the spending associated with the college would be lost to the Thurston County economy if Evergreen did not exist, i.e., most of the faculty, staff, and students would relocate outside of Olympia to work or study. This assumption is reasonable, given that there are limited options for obtaining bachelor's and advanced degrees in Thurston County.

For the state of Washington, it is likely that many Evergreen students could and likely would find educational opportunities at other universities in Washington if The Evergreen State College did not exist. Based on the residential status of students and their revealed next best college alternative, this analysis employs a 40.1 percent adjustment factor to convert gross impacts into net impacts. The gross and net impacts of The Evergreen State College are reported for the state of Washington in Table 15.

Table 15: Evergreen's Combined Total Gross and Net Impacts, Washington, 2012

Impact Measure	Gross	Net
Output	\$247,786,000	\$102,207,000
Income	\$106,329,000	\$43,531,000
Jobs	2,105	875
State and local taxes	\$11,816,000	\$4,942,000

Sources: ECONorthwest using Evergreen data and the IMPLAN modeling software.

Though Evergreen's activities are concentrated in Thurston County, the college has a larger gross impact at the state level due to additional secondary spending that is captured elsewhere in Washington. In addition, even after including possible substitution effects, **Evergreen is a major net contributor to the Washington economy. Indeed, Evergreen's total net impacts in Washington consist of \$102.2 million in economic activity, including \$43.5 million in income, 875 jobs, and \$4.9 million in state and local tax and fee revenues in 2012.**

The impacts reported in Table 15 are due to spending attributed to Evergreen in 2012. **The nearly 22,000 Evergreen alumni living in the state of Washington also contribute to the fiscal health of the state.** We do not have sufficient data to precisely calculate the full fiscal contributions of Evergreen alumni to

Washington state and local governments; however, the basic calculation described below provides a simple approximation.

Return on Investment

ROI for the State ~ State appropriations to Evergreen in 2012 totaled nearly \$26 million. That included \$18.4 million for operations and \$7.5 in capital appropriations. The Evergreen State College, through its operating and capital expenditures, and student and visitor spending, creates a net economic impact to the state of \$102 million. This represents a **return of nearly \$4 for every dollar of state investment**. It is important to note that **the state's return on investment accounts for net impacts to Washington, and as discussed above, are impacts that but for the college would have left the state**. It does not count economic activity that would have likely shifted to other colleges and universities within the state.

Furthermore, the average Evergreen alumnus living in Washington earns approximately \$22,600 more per year than the average high school graduate in the same age group and the same sex living in Washington.³⁰ Adjusting for the share of alumni who do not work (including those who are retired, those who do not work by choice as part of their family roles, and those currently unemployed), **Evergreen alumni earn approximately \$433 million more each year than they would have had they not attended college**. If we consider enhanced earnings of receiving a degree from Evergreen, the state return for every dollar spent rises to \$20.63.

Additionally, according to the Institute on Taxation and Economic Policy, households earning between \$37,000 and \$62,000 (a range that includes the average Evergreen alum's earnings) pay 10.8 percent of their income in state and local taxes. Thus, **relative to similar individuals who do not attend college, Evergreen alumni pay approximately \$47 million more in state and local taxes in Washington**.

ROI for Students ~ The average overall cost of attendance for four years at Evergreen—based on estimated 2013-14 tuition, fees, books and anticipated living expenses—is about \$84,000 for a Washington resident (with tuition and fees making up approximately \$32,000 of that figure). So **it would take less than four years of higher average earnings (\$22,600 more per year as noted above) to provide the payback for the investment** compared to not having attended any college.

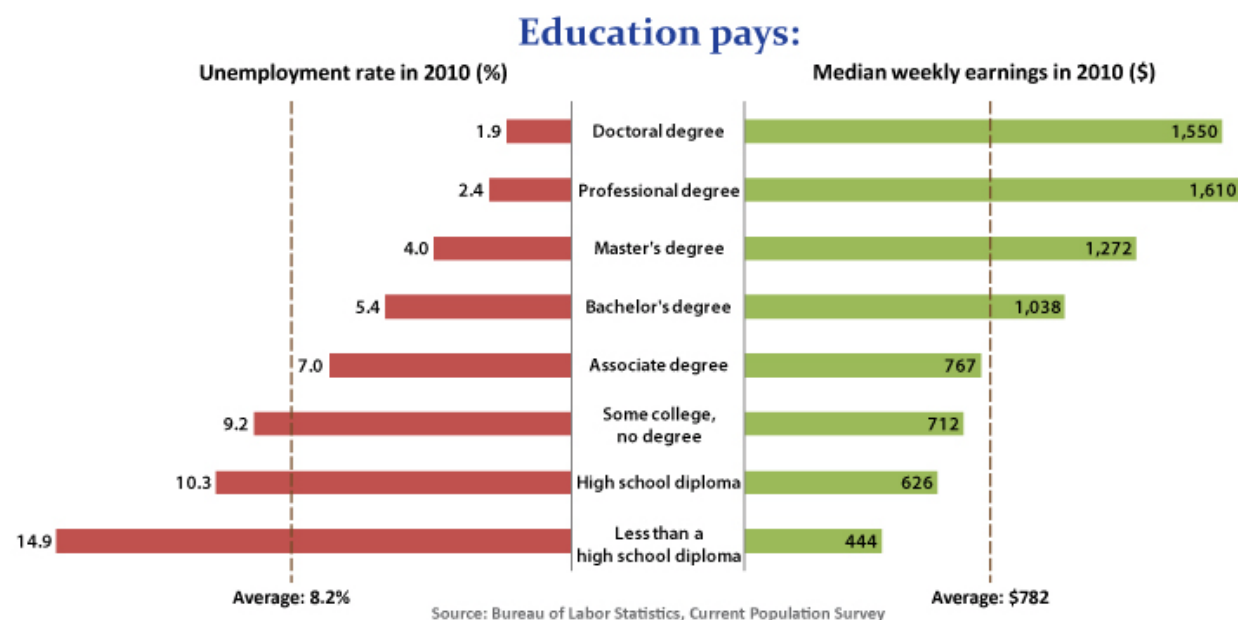
³⁰ We calculated the average wage for Evergreen alumni by age group and sex and compared these to the average wages for Washington residents with only a high school degree who were the same sex and age. We then weighted the differences by the share of Evergreen alumni in each sex-age category and adjusted to reflect the fact that, according to our survey, 87 percent of Evergreen alums were currently employed (e.g. some are retired, some are not seeking employment and some are unemployed). This estimate may overstate the effects of Evergreen due to the fact that many Evergreen alumni likely would have attended a different college had they not attended Evergreen; however, we have no basis to compare the returns to Evergreen relative to the returns to some alternative college.

4 Evergreen Long-Run Impacts

The previous sections describe the spending, and short-run economic and fiscal impacts attributable to Evergreen. Evergreen, however, does not exist primarily to generate economic activity, or to simply employ people or resources. Rather, the spending, jobs, and incomes attributable to the college are a byproduct of its larger mission. Evergreen exists to educate students and create knowledge. These activities directly increase the economy's capacity to create prosperity over the long run. In this section, we describe how Evergreen's teaching, research, and related activities contribute to individual, community, and social prosperity.

4.A. Evergreen Contributes to the Prosperity of its Alumni and Their Communities

A large body of economic research confirms that individuals benefit from attending college. Attending college increases earnings, reduces unemployment (see "Education pays" below), improves health, increases life satisfaction, leads to better child health, etc.³¹ One economist estimates that higher earnings from a bachelor's degree alone generate an 11-13 percent rate of return on the investment of private (time and expenses) and public (institutional and financial aid) resources.³² Over the course of a lifetime, a college degree is expected to boost earnings by approximately \$1 million.³³ Consistent with this estimate, as noted previously in section 3.C, Evergreen alumni living in Washington earn approximately \$433 million more each year than if they had not attended college.



Source: Washington State Office of Financial Management³⁴

³¹ Psacharopoulos, G. and H. A. Patrinos. 2004. "Returns to Investment in Education: A Further Update," *Education Economics*, 12, 111-134; Oreopoulos, P., & Salvanes, K. G., 2009. *How large are returns to schooling? Hint: Money isn't everything* (No. w15339). National Bureau of Economic Research.

³² McMahon, W.W., 2009. *Higher Learning, Greater Good, Private and Social Benefits in Higher Education*. Johns Hopkins University Press.

³³ Carnevale, A.P, S.J. Rose, B. Chaeh, 2011, *The College Payoff: Education, Occupations, Lifetime Earnings*. Georgetown Public Policy Institute.

³⁴ http://www.ofm.wa.gov/performance/plans/2012_Statewide_Summary.pdf

Higher earnings are not the only benefit of a college degree. One economist argues that higher earnings (what he refers to as the private market benefits) represent only one-third of the total social benefits generated by obtaining a bachelor's degree. He argues that private non-market benefits (e.g., better health, better spousal and child health, better child cognitive development, better household management) equal 120 percent of the private market benefits and that social benefits (e.g., improved civic institutions, lower crime, lower pollution) equal 88 percent of private non-market benefits.

A different economist, focusing only on economic development benefits (e.g., increased income and output) estimates that one additional bachelor's degree holder generates economic development benefits equal to \$375,912 (in present discounted value) and that a one percentage point increase in the share of young people who obtain a bachelors degree increases a state's long-run earnings by 0.45 percent.³⁵ Different economists generate different estimates, but most economists agree that, on average, a college education generates significant benefits for individuals and society.³⁶

"As an older student and a single mother, personally, Evergreen offered me the opportunity for self-reliance and freedom from dependency. Professionally, what I learned at Evergreen was the foundation on which I built my business."

A 2012 survey of nearly 3,000 Evergreen alumni conducted by ECONorthwest confirms that Evergreen contributes to the career and personal successes of its alumni.³⁷ Nearly 53 percent of Evergreen alumni attend graduate school, and 83 percent of those who attend graduate school complete a graduate degree (master's, doctoral or professional). The graduate degrees earned by Evergreen alumni cover a wide range of fields (as noted in Table 16 below).

Table 16 Top Post-Graduate Fields of Study for Evergreen Alumni

Field of Study	Percent
Education Administration and Teaching	17.4%
Medical and Health Sciences and Services	9.7%
Public Affairs, Policy, and Social Work	9.4%
Psychology	8.8%
Environment and Natural Resources	7.9%
Social Sciences	7.6%
Biology and Life Sciences	7.4%

³⁵ Bartik, T.J., 2011. *Investing in Kids: Early Childhood Programs and Local Economic Development*. W.E. Upjohn Institute for Employment Research.

³⁶ The returns to college vary across both individuals and colleges, so the returns for any particular individual attending a particular college will likely differ from the various estimates cited here. E.g., Carneiro, P., Heckman, J. J., & Vytlačil, E. J., 2010. *Estimating marginal returns to education* (No. w16474). National Bureau of Economic Research; Dale, S. B., & Krueger, A. B., 1999. *Estimating the payoff to attending a more selective college: An application of selection on observables and unobservables* (No. w7322). National Bureau of Economic Research.

³⁷ ECONorthwest conducted an online survey of Evergreen alumni in concert with The Evergreen State College in fall 2012. This survey focused on obtaining information about labor market outcomes (employment, occupation, income, etc.), demographics, graduate education, health and wellbeing, volunteer activities, and perceptions of Evergreen's contributions to individuals and its community. ECONorthwest staff distributed an email link to the online survey to a list of approximately 14,000 alumni with active email addresses. In total, 2,965 people responded to the survey. The differences in the respondent population compared to the sample population appear slight, thus the sample appears to be nearly representative of the list of alumni we were provided.

Business	7.2%
Law	6.9%
Fine Arts	6.5%
Other	42.6%

Evergreen alumni also work in a wide variety of occupations. While the career mix varies depending on the age of the alumni, **Evergreen graduates tend to be employed at higher than average levels in the following sectors and job types:**³⁸

- Education, Training, Library
- Arts, Design, Entertainment, Sports, and Media
- Computer and Mathematical (for older graduates)
- Science - Life, Physical and Social
- Legal (for older graduates)
- Farming, Fishing, and Forestry

The earnings of Evergreen graduates are comparable to those of other Washington college graduates employed in these sectors and job types, and significantly more than non-college graduates employed in those sectors.

Of course, as noted above, higher incomes represent only a fraction (and perhaps less than half) of the individual benefits of a college education. Higher incomes should not be the only metric by which one assesses a college's contributions to its students. As outlined in the economic literature as well as the quotes from the alumni cited at the start of this section, college attendance improves students' lives in a variety of ways. For instance, college may make individuals healthier or more satisfied with their lives.³⁹

Nearly 90 percent of Evergreen alumni report being in excellent or good health. This is greater than the 70 percent of non-college graduates and on par with the 86 percent of college graduates who reported the same health condition in the 2010 General Social Survey. Similarly, 92 percent of Evergreen alumni report being satisfied or very satisfied with their lives, this is equivalent to the share of college graduates who report being very happy or pretty happy and greater than the share of non-college graduates who report being very happy or pretty happy in the General Social Survey.⁴⁰

Finally, Evergreen contributes to its students' wellbeing by providing a distinctive educational experience focused on helping them identify and meet their personal, academic, and career goals. The college's interdisciplinary curriculum and student-centered approach provide a learning opportunity unlike any other in the state and rare on the national level as well.

"Evergreen allowed me to go to and complete college. I bought into the notion of self-driven education, and didn't/couldn't do that at (a large public research university) as an undergrad. When I was done at Evergreen, I knew how to learn, and I was able to go on and complete medical school."

4.B. Evergreen Contributes to the Prosperity of its Community

Since Evergreen opened its doors to students in 1971, Thurston County (aka the Olympia Metropolitan Statistical Area) has experienced solid growth. Its population more than doubled and grew faster than 93

³⁸ The only job categories in which Evergreen graduates were under-represented by more than five percentage points (below statewide college graduate averages) were: architecture and engineering, "sales and related," and management, according to the 2012 Alumni Survey.

³⁹ McMahon 2009, Oreopoulos and Salvanes 2009.

⁴⁰ The Evergreen alumni survey's life satisfaction question differs from the General Social Survey's happiness question, but research suggests that these two measures are highly correlated, e.g., Blanchflower, David G., and Andrew J. Oswald, 2004. "Well-being over time in Britain and the USA." *Journal of Public Economics* 88(7): 1359-1386.)

percent of other metro areas.⁴¹ Personal income per capita in Thurston County grew at a pace roughly equal to all metro areas in the country (while Thurston County grew more slowly than other metro areas in the 1980s, it outpaced other areas in the 1990s and 2000s, so the total change over the whole period is roughly the same).⁴²

Economists agree that colleges increase a region's capacity to grow through a variety of means. In line with this presumption, **Evergreen has contributed to community prosperity by increasing the share of the population with college degrees, by creating entrepreneurs, innovators, and civic leaders, and by supporting research and innovation.**

"All the best aspects of Olympia have some connection to Evergreen."

First, colleges increase the share of students in the area with college degrees, and research indicates that increasing the share of individuals with college degrees in an area generates a wide variety of benefits. **A greater share of people with college degrees leads to higher wages throughout the region (even for individuals who do not attend college).** One estimate finds that a 1 percentage point increase in the percent of people with bachelor's degrees in a region raises the average wages for people with a high school education or less by 1.6-1.9 percent.⁴³ A different study estimates that a 10 percent increase in the share of a region's population with a college degree increases employment growth by 0.8 percent (60 percent of this effect is due to the fact that college graduates increase regional productivity and 40 percent is due to the fact that they improve quality of life).⁴⁴ Other studies similarly report the positive effects of concentrations of the college educated for regional economies.⁴⁵ In part, the positive outcomes surrounding concentrations of college educated people reflect the fact that colleges create and attract creative entrepreneurs and the fact that colleges create and attract community minded individuals who devote their free time to bettering their communities.⁴⁶ Finally, colleges increase growth by supporting research and innovation—which frequently leads to the development of new products and processes, new firms and industries, and improved public services.⁴⁷

"Cutting edge speakers come to the campus and community in much greater numbers than if the college wasn't here."

⁴¹ ECONorthwest analysis of U.S. Census data.

⁴² ECONorthwest analysis of U.S. Bureau of Economic Analysis data.

⁴³ Moretti, Enrico, 2004a. "Human capital externalities in cities," Handbook of Regional and Urban Economics, in: J. V. Henderson & J. F. Thisse (ed.), Handbook of Regional and Urban Economics, edition 1, volume 4, chapter 51, pages 2243-2291; Moretti, Enrico, 2004b. "Estimating the social return to higher education: evidence from longitudinal and repeated cross-sectional data," Journal of Econometrics, Elsevier, 121(1-2): 175-212;

⁴⁴ Shapiro, Jesse M. 2006. "Smart Cities: Quality Of Life, Productivity, And The Growth Effects Of Human Capital," *Review of Economics and Statistics*. 88(2): 324-335

⁴⁵ Glaeser, E.L. & A. Saiz, 2003. "The Rise of the Skilled City," NBER Working Papers 10191.; Glaeser, E. L., Ponzetto, G. A., & Tobio, K., 2011. *Cities, skills, and regional change* (No. w16934). National Bureau of Economic Research; Glaeser, E. L., & Resseger, M. G., 2010. "The complementarity between cities and skills". *Journal of Regional Science*, 50(1), 221-244; Winters, J. V. 2010. "Human Capital Externalities and Employment Differences across Metropolitan Areas of the U.S." MPRA Working Paper No. 22434; Rauch, J. E. 1993. "Productivity Gains from Geographic Concentration of Human Capital: Evidence from the Cities," *Journal of Urban Economics*, 34: 380-400.

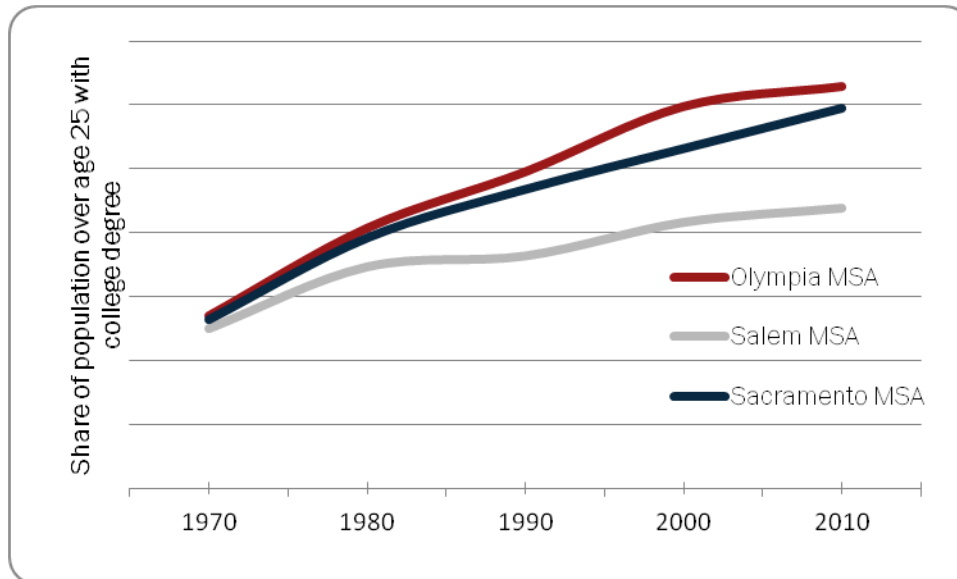
⁴⁶ E.g., see Moretti 2004b and Glaeser, Ponzetto, and Tobio 2011.

⁴⁷ Jaffe, Adam B. (1989) "Real Effects of Academic Research," *The American Economic Review*, 79(5): 957-970; Salter, Ammon J. and Ben R. Martin, 2001. "The economic benefits of publicly funded basic research: a critical review." *Research Policy* 30: 509-532; "Academic research and industrial innovation: An update of empirical findings." Edwin Mansfield. 19 August 1997; L. Zucker, M. Darby, and J. Armstrong, "Geographically Localized Knowledge: Spillovers or Markets?" *Economic Inquiry* 36 (1998), pp.65-86.; L. Zucker, M. Darby, and J. Armstrong, "Commercializing Knowledge: University Science, Knowledge Capture, and Firm Performance in Biotechnology," *Management Science* 48 (2002), pp.138-53; "University Innovation, Local Economic Growth, and Entrepreneurship." Hausman, Naomi, Harvard University. 15 September 2011.

4.C. Evergreen Increases the Share of People with College Degrees

Since 1970, the share of people 25 or older with a bachelor's degree or higher in Thurston County increased from 13.5 percent to 31.4 percent. **Thurston County's 17.9 percent increase in the share of people with bachelor's degrees was larger than the change observed in the other Pacific state capitol cities** (see Figure 2), larger than the change in over 75 percent of all metro areas, and faster than one might expect based solely on metro area characteristics in 1970.⁴⁸

Figure 2: Change in Share of Population Over Age 25 with College Degree Since 1970 for Pacific State Capitol Regions



Source: The U.S. Census Bureau

Evergreen helps increase the share of people in the region with college degrees in two ways. First, Evergreen directly increases the population with bachelor's degrees by attracting students to the region who remain after they graduate. Since 1971, Evergreen has produced 39,174 graduates, including 7,827 who currently reside in Thurston County (about 15 percent of all college graduates in the county) and 21,866 who currently live in Washington. In the absence of Evergreen, some of these individuals might have ended up in Thurston County anyway, however, research indicates that many people remain where they went to college after they graduate.⁴⁹ As such, Evergreen likely increases the share of people with college degrees in Thurston County.

"Evergreen brought me to Olympia, which has been my home ever since."

Second, Evergreen may help attract other college graduates to Thurston County. Research indicates that the presence of a college or university in a community may help to attract other college graduates to that

⁴⁸ The share of people with a bachelor's degree in Olympia is approximately 3 percent higher than expected based on a regression analysis that regresses the share with a bachelor's in 2010 on the share with a bachelor's in 1970, median household income in 1970, median home value in 1970, average January and July temperatures, and the share of people working in FIRE, business services, and public administration in 1970.

⁴⁹ Hickman, Daniel C. 2009. "The Effects of Higher Education Policy on the Location Decision of Individuals: Evidence from Florida's Bright Futures Scholarship Program." *Regional Science and Urban Economics*, 39:553-562; Blackwell, Melanie, Steven Cobb, and David Weinberg. 2002. "The Economic Impact of Educational Institutions: Issues and Methodology," *Economic Development Quarterly*, 16: 88-95; Groen, Jeffrey A. 2004. "The Effect of College Location on Migration of College-Educated Labor," *Journal of Econometrics*, 121:125-142;

community.⁵⁰ This occurs for several reasons. Some people and firms prefer to locate near colleges because they want to enjoy the amenities and resources offered by the college. Some people and firms choose to locate near colleges and universities because they want to live in the diverse and tolerant communities that frequently grow around colleges. Finally, some people and firms choose to locate near colleges and universities because of the high wages paid by the innovative firms and industries that frequently interact with, rely upon a workforce from, or spin off of college campuses. Thurston County likely enjoys many of these benefits by having one of the state's six public baccalaureate institutions located in the county.

4.D. Evergreen Creates Entrepreneurs, Innovators, and Civic Leaders

Some of the benefits of having more college-educated people in a community may stem from having more creative entrepreneurs and civic leaders. As such, Evergreen also contributes to its community by creation of entrepreneurs and civic leaders. A voluntary list of entrepreneurs maintained by Evergreen's Alumni Entrepreneurs Association indicates that Evergreen alumni have created at least 535 businesses. Over half of these, 265 to be specific, are located in Washington, and over 100 of these businesses are in Thurston County. Consistent with the occupation data described above, many of these firms are in the arts, design, sports, entertainment, and recreation industry (100 firms) and community and social services (59 firms), but many other industries are represented, e.g., sales (47 firms), healthcare (27 firms), computer/technology/web (26 firms), and environmental services (22 firms). Many of these firms employ others and otherwise contribute to the health of the regional economy.

As further illustration of the entrepreneurial contributions of Evergreen graduates, in looking at the career networking site LinkedIn, about 1,350 of the approximately 11,000 Evergreen alumni participating (which includes nearly 6,000 in the greater Seattle area) characterize their work as "entrepreneurship."⁵¹

Evergreen's alumni also contribute to their communities through their voluntary activities and civic engagement. **Seventy-five percent of the alumni respondents to our survey indicate that they volunteered at least once during the past 12 months.** The median respondent volunteered 4 times. Nearly 20 percent volunteered 20 times, and 10 percent volunteered more than 50 times in the past year. Evergreen alumni are also very likely to serve on the boards of community organizations. **Approximately one-third of alumni report serving on at least one board, and half of those who serve report that they serve on more than one board.** Given that nearly 22,000 Evergreen alumni live and work in Washington, including nearly 8,000 in Thurston County, this active volunteerism and community leadership has a positive impact locally and across the state.

4.E. Evergreen Faculty and Staff Conduct Research and Operate Public Service Centers

Finally, Evergreen contributes to its community (and society more broadly) through faculty research and the operation of its various public service centers. While it can be difficult to quantify these contributions, any broad discussion of Evergreen's contributions to the economy would be incomplete without including them. Over the past six years, Evergreen faculty members were awarded nearly \$3 million in research grants (the college garnered more than 30 National Science Foundation grants in the past decade). Some of the areas of research included HIV and related retroviruses, biodegradable plastics and polymers, climate change and its impact on insect diversity, computer science programming for environmental applications, and the use of microphages for disease prevention and treatment.

⁵⁰ Florida, R., Gates, G., Knudsen, B., & Stolarick, K. (2006). Universities and the creative economy. *Internet: http://creativeclass.com/rfcgdb/articles/University_andthe_Creative_Economy.pdf* (Stand: 14.8. 2008).

⁵¹ www.linkedin.com referenced 1-14-2013

Rough estimates of the social rate of return on academic science research indicate that society reaps a 28 percent return on investments in academic research.⁵² Applying this rate of return to the \$3 million in grants awarded Evergreen faculty (and the true rate may be higher or lower), Evergreen faculty research may have generated nearly \$1 million in net social benefits over this period.

In total, Evergreen was awarded over \$31 million in grants between 2007 and 2012.⁵³ In addition to funding research, these grants helped Evergreen implement college preparatory programs for traditionally underserved youngsters and fund the work of Evergreen's public service centers.

Evergreen's four public service centers—the Center for Community-Based Learning and Action (CCBLA), the Longhouse Education and Cultural Center, the Washington Center for Improving the Quality of Undergraduate Education, and the Washington State Institute for Public Policy—each makes contributions that extend well beyond the campus.

The CCBLA connects students with businesses, government entities, and social service organizations for internship and service learning opportunities, providing critical experience for students and productive staffing for partner organizations. In 2011-12, Evergreen students provided 12,540 volunteer hours to 92 partner organizations (with an estimated value of \$21.79 per hour⁵⁴ or approximately \$273,000) and facilitated 940 student internships.⁵⁵ These service opportunities and internships not only helped students augment their education with hands-on experience, they also brought significant value to the organizations and businesses that partnered with Evergreen to provide them.

The Longhouse promotes Native American and indigenous art on a regional, national, and international scale through its innovative work with artists, tribes, and foundations. It also shares these resources and experiences with the wider regional community.

The Washington Center for Improving the Quality of Undergraduate Education promotes innovative teaching and learning on a regional and national basis. Just three examples include its work to: increase pathways for students from remediation to degree completion, share Evergreen's pioneering experience and success with the Learning Communities model of higher education on a national basis, and introduce its nationally-acclaimed Curriculum for the Bioregion program to campuses across the state and beyond.

The Washington State Institute for Public Policy plays a vital supportive role for the Washington Legislature, providing non-partisan research on critical policy issues, including analyses of the effectiveness of current programs and enacted and proposed legislation. Typical areas of work include analyses of policies and issues related to child welfare, criminal justice, education, health care, government, and the state economy.

⁵² Mansfield, E., "Academic Research and Industrial Innovation." *Research policy*, 20(1), 1-12, 1991.

⁵³ The Evergreen State College Academic Grants Office

⁵⁴ http://www.independentsector.org/volunteer_time

⁵⁵ <http://www.evergreen.edu/communitybasedlearning/docs/2011-12%20Annual%20Report.pdf>

Conclusion

As we noted at the outset, spending that is directly attributed to Evergreen starts a chain reaction of additional spending and economic activity that supports sales, incomes, and jobs in every sector of the Thurston County economy and extends beyond the county as well. Our analysis indicates that **The Evergreen State College has *total* direct, indirect and induced economic impacts in Thurston County consisting of \$161.3 million in economic activity, including \$83.1 million in income and 1,590 jobs.** The college also delivers a significant net economic impact both in Thurston County and elsewhere in the state and a range of social benefits as well. **Evergreen provides a strong economic and social return on investment to its students, its community, and the state of Washington.**

Appendix A: Alumni Survey

In this appendix, we describe the online survey of Evergreen alumni that ECONorthwest conducted in concert with The Evergreen State College in fall 2012.

Drawing from alumni surveys ECONorthwest staff have prepared for other colleges and universities, ECONorthwest prepared an online survey using the survey website Survey Monkey. This survey focused on obtaining information about labor market outcomes (employment, occupation, income, etc.), demographics, graduate education, health and wellbeing, volunteer activities, and perceptions of Evergreen's contributions to individuals and its community.

Evergreen provided ECONorthwest a list of approximately 14,000 alumni with active email addresses and 19,000 with basic demographic information. The active email list formed the sample population for this study. We do not know the extent to which the sample population is representative of all Evergreen alumni (however we note that the list appears to contain close to half of all Evergreen alumni).

Alumni were informed of the survey via email from Evergreen staff. Shortly thereafter, ECONorthwest staff distributed an email link to the online survey. Non-respondents were distributed a second link via email approximately two weeks following the initial email.

In total, 2,965 people responded to the survey. Though the respondent population appeared to be slightly more female, more white, and more nonresidents of Washington State than the sample population, these differences appear slight, thus the sample appears to be nearly representative of the list of alumni we were provided.