

Economic Impact Summary - Webster University - FY 2004-05

Fiscal Year 2004-05

Estimated Economic Impact of Webster University Operations			
On the St. Louis MSA			
	Direct	Indirect & Induced	Total
Output	\$91,795,924	\$89,330,887	\$181,126,811
Employment	1604	879	2,483
On St. Louis County			
	Direct	Indirect & Induced	Total
Output	\$91,795,924	\$73,900,580	\$165,696,504
Employment	1604	727	2,331
On Webster Groves			
	Direct	Indirect & Induced	Total
Output	\$91,795,924	\$1,951,307	\$93,747,231
Employment	1604	19	1,623

Economic Impact of the Opera Theater of St. Louis			
On the St. Louis MSA			
	Direct	Indirect & Induced	Total
Output	\$6,631,140	\$7,235,741	\$13,866,881
Employment	425	92	517
On St. Louis County			
	Direct	Indirect & Induced	Total
Output	\$6,631,140	\$5,985,896	\$12,617,036
Employment	425	76	501
On Webster Groves			
	Direct	Indirect & Induced	Total
Output	\$6,631,140	\$158,055	\$6,789,195
Employment	425	2	427

Economic Impact of the Repertory Theater			
On the St. Louis MSA			
	Direct	Indirect & Induced	Total
Output	\$6,296,642	\$7,257,955	\$13,554,597
Employment	383	88	471
On St. Louis County			
	Direct	Indirect & Induced	Total
Output	\$6,296,642	\$6,004,273	\$12,300,916
Employment	383	72	455
On Webster Groves			
	Direct	Indirect & Induced	Total
Output	\$6,296,642	\$158,540	\$6,455,182
Employment	383	2	385

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Economic Impact of Webster University Student Spending			
On the St. Louis MSA			
	Direct	Indirect & Induced	Total
Output	\$25,461,759	\$16,920,149	\$42,381,908
Employment	556	163	720
On St. Louis County			
	Direct	Indirect & Induced	Total
Output	\$11,416,983	\$6,665,568	\$18,082,551
Employment	262	64	327
On Webster Groves			
	Direct	Indirect & Induced	Total
Output	\$444,097	\$259,277	\$703,373
Employment	10	3	13
Estimated Sales Tax Revenue in Webster Groves	\$4,441	\$2,593	\$7,034

Source: St. Louis Regional Chamber & Growth Association

What we mean when we say “Economic Impact”

The economic impact of a business is a measure of the amount of and the way that dollars associated with that entity circulate through the region.

The estimates are developed with a computer model called IMPLAN, which stores a profile of the St. Louis metropolitan economy in a database. The model uses production functions for each industry in the region to calculate how spending in one industry circulates through other industries in St. Louis. This economic impact can be expressed either as an annual flow of dollars, or an equivalent number of full time employees.

There are three levels of impact that we consider when we develop these figures: the direct impact, the indirect business impact, and the induced household spending impact. All three of these can be expressed in terms of an annual flow of dollars or annual full time jobs. The “Total Impact” is the sum of these three factors.

Direct Impact

This is the most basic part of an organization’s economic impact. It measures the dollars and jobs that the organization directly generates. When expressed in dollars, the direct impact is an approximation of a company’s total revenue or gross output. In this case, where we are measuring the impact of jobs the RCGA attracted to or retained in St. Louis, the direct impact is the annual average value of output associated with the given number of jobs in that industry.

Indirect Business Impact

This is a secondary measure of a business’s economic impact. It represents the dollars of revenue and jobs generated by the operating expenses of the organization. Examples might be purchase of raw material from a local supplier or the professional services of an accounting or law firm. This spending generates revenue and employment at firms that supply those goods. Every dollar that an organization spends locally to conduct its business supports another business in some way.

Induced Household Spending Impact

This is a tertiary measure of a business’s economic impact. It is a measure of the business revenue generated by the personal spending of the organization’s employees. Think of an employee at an organization spending money at Schnucks or Famous Barr. The employee’s paychecks support revenue and jobs the same way that the organization’s spending on equipment supports revenue and jobs.