



ECONOMIC IMPACT STUDY:

SCAD Savannah | September 2013

OVERVIEW AND KEY FINDINGS

Since its founding in 1978, the Savannah College of Art & Design (SCAD) has been a leader in preparing talented students for professional careers in art and design. It is also an integral member of the Savannah economy. To understand more fully the scope and magnitude of its contribution to the Savannah economy, SCAD contracted with Applesseed – a New York City-based economic-development consulting firm experienced in working with institutions of higher education – to assess the university's economic impact. This report summarizes the results of Applesseed's analysis.

Combining the impacts of spending by SCAD itself, off-campus spending by SCAD students and spending by the visitors SCAD draws to Savannah, Applesseed estimates that in fiscal year 2012¹ SCAD directly and indirectly accounted for:

- **4,413 full-time equivalent (FTE) jobs in the Savannah area;**
- **\$179 million in wages; and**
- **\$386 million in economic output.**

In addition to the impacts generated by university, student and visitor spending, SCAD has contributed to the growth of the local economy:

- By attracting and educating talented students, some of whom choose to remain in Savannah after they graduate;
- Through its continuing investment in the restoration, maintenance and re-use of historic buildings in and near the City's historic district;
- Through its sponsorship of events and programs that have helped to develop Savannah's identity as a center for culture and creative enterprise; and
- Through its community outreach and distribution of resources to help meet community needs.

RESEARCH METHODOLOGY

Applesseed specializes in economic research and analysis and local economic development planning. Since the mid-1990's, the firm has completed more than 50 economic impact analyses for colleges and universities throughout the U.S., including Harvard, Johns Hopkins, Princeton and Tulane.

Applesseed's analysis of SCAD's impact on the economy of the Savannah area is based on data drawn from several sources, including:

- Data on the economy of the Savannah area obtained from the Census Bureau, the Bureau of Labor Statistics, the Savannah Economic Development Authority and other sources;
- Data on visitor spending compiled by Visit Savannah, a division of the Savannah Area Chamber of Commerce.
- Detailed data on university revenues, expenditures, operations and programs, obtained through SCAD's Office of Institutional Effectiveness; and
- Interviews with SCAD administrators and faculty members;

The impact of university, student and visitor spending on employment, earnings and regional economic output was calculated using IMPLAN, an economic modeling system that is widely used in analyses of economic impact. IMPLAN was first developed at the University of Minnesota in the 1980's, and is revised and updated every few years. For this project, Applesseed used a version of the IMPLAN model that is specifically tailored to the economy of the three-county Savannah metropolitan area.

A more detailed report on SCAD's impact on the Savannah area and the State of Georgia will be available in the near future.

¹Fiscal year 2012 is defined as July 31, 2011 - June 30, 2012.



SCAD AS AN ENTERPRISE

Since classes first began with eleven faculty and staff and 71 students, SCAD has grown to become a major regional enterprise, contributing to the vitality of the Savannah-area economy as a major employer, a buyer of goods and services from businesses in the region, and a sponsor of construction projects. In the fall of 2011, SCAD Savannah employed 1,590 people, 72 percent of whom were residents of the City of Savannah. They included faculty members, other professionals, administrators and support staff, 84 percent of whom were employed full-time. In addition to these regular employees, SCAD also employed 467 students in a variety of part-time positions. In fiscal year 2012, SCAD paid its Savannah employees (including students) a total of \$81.2 million in salaries and wages.

As Table 1 shows, SCAD was among the largest private employers in Chatham County in 2012. It is also the region's largest educational institution, public or private.

TABLE 1: CHATHAM COUNTY'S LARGEST PRIVATE-SECTOR EMPLOYERS	
Company	Employment
Gulfstream Aerospace Corporation	8,406
Memorial Health University Medical Center	4,600
St. Joseph's/Candler Health System	3,170
SCAD	1,590
International Paper	650
SouthCoast Medical Group	601
Goodwill Industries of the Coastal Empire	560
JCB Americas, Inc.	558
Imperial Sugar	450
Brasseler USA, Inc.	400

Source: Savannah Economic Development Authority



In fiscal year 2012, SCAD spent \$31.7 million on purchases of goods and services from Savannah companies, and an additional \$3 million on purchases from companies located elsewhere in Chatham, Bryan and Effingham counties. Applesseed estimates that through these purchases, SCAD directly supported 404 full-time equivalent (FTE) jobs in the three-county area.

Through its investments in major construction projects such as the SCAD Museum of Art and Montgomery House, SCAD also creates opportunities for local contractors and construction workers. In fiscal year 2012 SCAD paid a total of \$6.1 million to Savannah-based contractors, directly supporting 56 FTE jobs in construction and related industries.

SCAD’s impact as an enterprise goes beyond the direct impact of its spending on payroll, purchasing and construction. It also includes “indirect and induced” or “multiplier” effects. Georgia companies from which the university buys goods and services use some of the money they earn from SCAD to buy goods and services from other local businesses; and those businesses in turn buy some of what they need from other Georgia companies. Similarly, SCAD’s employees (and the employees of its local suppliers) spend part of their take-home pay locally – for housing, utilities, food, child care, entertainment and other routine household needs.

The IMPLAN modeling system allows for analysis of the indirect and induced impacts of SCAD’s spending on employment, earnings and overall economic output² in specific areas. Adding these indirect and induced impacts to the direct impacts cited above, Applesseed estimates that in fiscal year 2012, SCAD’s direct spending for payroll, purchasing and construction directly and indirectly supported:

- 3,073 FTE jobs in the three-county Savannah metropolitan area;
- \$139.5 million in earnings; and
- Nearly \$250.3 million in regional economic output.

TABLE 2: DIRECT, INDIRECT AND INDUCED IMPACT OF SCAD SPENDING ON PAYROLL, PURCHASING AND CONSTRUCTION, FY 2012 (WAGES AND OUTPUT IN \$000'S)					
	Direct spending impact		Indirect and induced effects		Total Impact
	PAYROLL	PURCHASING/ CONSTRUCTION	EMPLOYEE SPENDING	CONTRACTOR AND VENDOR SPENDING	
Savannah area					
Jobs	1,590	461	794	228	3,073
Wages	\$81,191.8	\$14,051.4	\$33,904.6	\$10,380.1	\$139,527.9
Output	\$81,191.8	\$38,011.1	\$101,030.5	\$30,026.5	\$250,259.9

THE IMPACT OF STUDENT SPENDING

In addition to the impact of the university’s own direct spending, SCAD students contribute to the vitality of the local economy through their off-campus spending on housing, food, supplies, transportation, entertainment and other needs. Applesseed estimates that SCAD Savannah students’ incremental local spending in fiscal year 2012 totaled \$88 million, and that in fiscal year 2012, SCAD student spending directly and indirectly accounted for:

- 1,057 FTE jobs in the Savannah area;
- \$29.9 million in wages; and
- \$108.2 million in regional economic output.

²For purposes of economic impact analysis, output is defined as the total value of final sales by all businesses and institutions in the area being analyzed.

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SAVANNAH FILM FESTIVAL

Arnold's Ice Cream

TRUSTEES THEATER

TRUSTEES THEATER



THE IMPACT OF VISITOR SPENDING

SCAD attracts thousands of visitors to Savannah for university events such as commencement and academic conferences, and for signature events such as the Savannah Film Festival, deFine Art and the SCAD Fashion Show. Major cultural resources such as the SCAD Museum of Art also attracts visitors to the city on an ongoing basis. SCAD estimates that more than 126,000 non-SCAD-affiliated visitors came to the SCAD campus or to SCAD-sponsored events in Savannah in fiscal year 2012, of whom about 60 percent (more than 76,000) came from outside Savannah.

Appleaseed estimates that in fiscal year 2012 spending by visitors to SCAD and SCAD-related events directly and indirectly accounted for:

- 283 FTE jobs in the Savannah area;
- \$9.6 million in wages; and
- \$27.6 million in economic output.

It should be noted that these estimates do not include the impact of spending by several categories of visitors for whom data are not available, such as friends and family members who come to Savannah to visit SCAD students, and representatives of companies that do business with the university. As a result, the estimates cited above may understate the full impact of SCAD-related visitor spending on the Savannah area economy.

ADDING IT ALL UP: THE IMPACT OF UNIVERSITY, STUDENT AND VISITOR SPENDING

Combining the impacts of the university's own spending, off-campus student spending and spending by visitors, Appleaseed estimates that in fiscal year 2012 SCAD directly and indirectly accounted for the following, as noted at the top of the report:

- 4,413 FTE jobs in the Savannah area;
- \$179 million in wages; and
- \$386 million in economic output.

DEVELOPING SAVANNAH'S HUMAN CAPITAL

SCAD also contributes to the vitality of the Savannah area through its educational mission – by attracting talented students and preparing them for creative careers. Each year, some of those who graduate from SCAD choose to stay in Savannah.

In the fall of 2011, 8,271 students were enrolled either full-time or part-time at SCAD Savannah, including 6,896 undergraduates and 1,375 graduate students – 96 percent of whom came to SCAD from outside the Savannah area. Even before they graduate, these students add to the local workforce; a survey conducted by the university in the spring of 2012 found that 14 percent of all SCAD Savannah students—about 1,150 students—were at that time working in the Savannah area for employers other than SCAD³.

As of the summer of 2012 (as shown in Figure 9), among the more than 14,500 SCAD Savannah alumni with known addresses who have graduated since the fall of 2001, 14 percent (2,022) were residents of the City of Savannah. An additional one percent lived elsewhere in the Savannah area. Based on data published by the U.S. Census Bureau, Appleaseed estimates that:

- Alumni who have graduated from SCAD since 2001 account for roughly 10 percent of all Savannah residents who have at least a bachelor's degree; and that
- These alumni account for more than one-third of the increase since 2000 in the number of college-educated adults living in Savannah.

³ SCAD Office of Institutional Effectiveness

PARTICIPATING IN THE GROWTH OF THE REGION'S CREATIVE ECONOMY

SCAD also contributes in multiple ways to the ongoing development of the creative economy in the Savannah area.

- Since its founding, SCAD has been a major partner in the revitalization of Savannah's Historic District. Starting with the purchase and renovation of the historic Savannah Volunteer Guards Armory as SCAD's first classroom and administrative building, the university has since grown to include nearly 70 historic buildings in and around the Savannah historic district.
- Through cultural resources such as the SCAD Museum of Art and its role in events such as the Savannah Film Festival – and as a leading art and design university located in (and named for) the City – SCAD continues to help build Savannah's identity and to grow its reputation as a center for culture and the arts.
- Art- and design-based enterprises started by SCAD students and alumni also contribute to the growth of the local economy.

PRESERVING A HERITAGE, BUILDING A FUTURE

Since its founding 35 years ago, SCAD has helped Savannah demonstrate that a community can be fully committed to preserving the best aspects of its heritage while at the same time remaining clearly focused on building its future. Based on its impact to date, it is likely that SCAD's contribution to the continued growth of Savannah's creative economy will be even greater during the next five to 10 years.

- With an eye on the constantly-changing art and design world, SCAD has been a leader in the development of programs that prepare students for careers in emerging industries, such as motion media design, service design and themed entertainment design, and fashion marketing and management. These and other programs can provide Savannah with an edge in attracting and developing fast-growing segments of the creative economy.
- By providing students with real-world work experiences, SCAD is continually developing a pool of talented professionals with cutting-edge skills who can help a growing number of companies in the Savannah area address strategic design challenges. This university/business collaboration will continue to reinforce Savannah's reputation as a city with a business environment that fosters innovation and growth.
- By attracting international students to Savannah, through the development of its locations in Atlanta, Lacoste and Hong Kong and its eLearning program, and through its partnerships with global companies, SCAD is building a worldwide reputation as a leader in art and design. In doing so, SCAD also helps raise Savannah's worldwide visibility as a center for the arts and for creative industries.



Arnold Hall before (left), and after (right)



For more information email SCAD at economicimpact@scad.edu or visit scad.edu.