

The Community and Economic Impacts of The Savannah College of Art and Design



Fiscal Year 2017

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SCAD Community Impact Study Executive Summary

The Savannah College of Art and Design exists to prepare talented students for professional careers and serves as the preeminent source of knowledge in the disciplines in which it teaches. Founded in 1978, SCAD is a private, nonprofit, accredited university, offering more than 100 academic degree programs in more than 40 majors across its locations in Atlanta and Savannah, Georgia; Hong Kong; Lacoste, France; and online via SCAD eLearning.

SCAD enrolls nearly 14,000 undergraduate and graduate students from more than 100 countries. The innovative SCAD curriculum is enhanced by advanced professional-level technology, equipment and learning resources, as well as opportunities for internships, professional certifications and collaborative projects with corporate partners. SCAD was ranked No. 1 in the U.S. in the 2017 Red Dot Design Rankings. Career preparation is woven into every fiber of the university, resulting in a superior alumni employment rate. In a study of Spring 2016 SCAD graduates, 98 percent of respondents were employed, pursuing further education or both within 10 months of graduation.

Since the time that SCAD opened its doors to students in 1979, Savannah has transformed from a place with a run-down historic district and boarded-up buildings to an international business and tourist destination. Articles in publications such as *Travel and Leisure*, *Forbes*, *The Huffington Post*, *The New York Times*, and *Architectural Digest* have highlighted Savannah and specifically noted the role of SCAD in Savannah's transformation. According to an article in *Architectural Digest*, SCAD has "reshaped the cultural and architectural landscapes of the city via its sprawling campus of lovingly restored buildings ... the SCAD-sponsored Savannah Film Festival, which attracts the likes of Liam Neeson, Isabella Rossellini, and Alexander Payne along with an audience of more than 40,000 each October, has been joined by an equally impressive book fair every February and a two-week music festival, featuring talents from mezzo-soprano Anne Sofie von Otter to the Preservation Hall Jazz Band, in March."¹ *Forbes* notes that "SCADstyle is one of Savannah's most anticipated experiences"² and *The Huffington Post* argues "The Savannah College of Art and Design (SCAD) has developed an enviable reputation for its expansive curriculum on their campuses around the world, from Hong Kong to Atlanta, and they are known for producing successful graduates who took full advantage of the variety of facilities and the distinguished faculty that inhabits the college's studios and classrooms."³

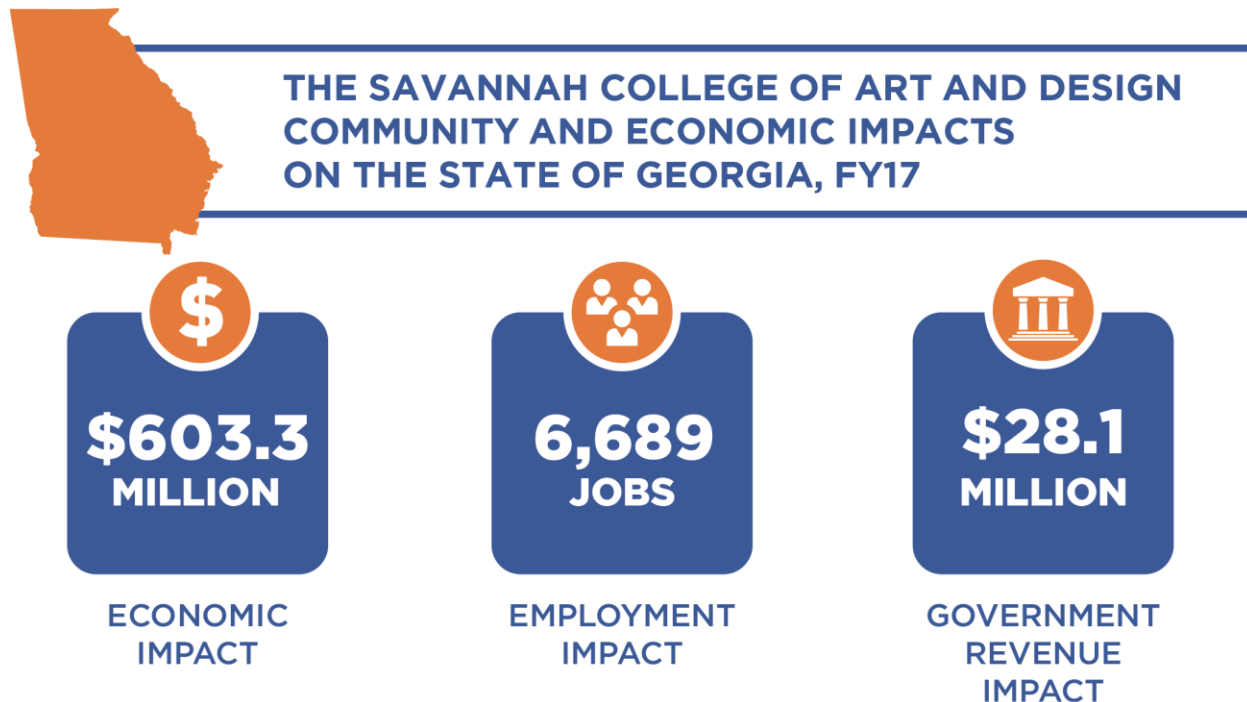
Exceptional university impact is best measured by the contributions to the quality of life in the communities it serves. For four decades, SCAD has been a powerful force shaping the economy, the culture, the physical environment and the reputation of Savannah, Atlanta and the state of Georgia. Although SCAD's primary focus is preparing students for professional careers, the university is committed to continuously enhancing the communities surrounding its campuses. To quantify the economic and social impacts generated by the university within the Savannah and Atlanta regions, and throughout the

¹ <https://www.architecturaldigest.com/story/savannah-georgia-travel-guide-article>

² <https://www.forbes.com/sites/jenniferlee/2017/08/24/how-a-week-long-event-in-savannah-ga-is-developing-the-next-generation-of-creative-thinkers/#282c57562dfb>

³ https://www.huffingtonpost.com/bruce-helander/towering-works-reflect-im_b_14372544.html

state of Georgia, SCAD retained the consulting firm Tripp Umbach⁴ to complete an economic and community impact study for SCAD's Fiscal Year 2017. Key findings from the study include the following:



- SCAD generates more than **\$603.3 million** in economic impact annually for the state of Georgia.
- SCAD supports **6,689 jobs** throughout the state of Georgia.
- Annual state and local government revenue attributable to the presence of SCAD totals more than **\$28.1 million**.
- SCAD generates more than **\$38.1 million** annually in economic impact for state and local economies due to visitor spending at SCAD events.⁵
- SCAD faculty, staff, and students generate more than **\$20.1 million** annually in donations to charitable organizations and through volunteer activities.⁶
- SCAD's acquisition, restoration, and reuse of historic buildings and homes throughout Savannah has been a driving force behind Savannah's reputation as a place of architectural and cultural significance. It has also been the ignition for neighborhood improvement and redevelopment efforts.

⁴ Tripp Umbach is a Pittsburgh-based consulting firm specializing in economic development and impact studies and has completed customized studies for colleges and universities, academic medical centers, hospitals and health systems, nonprofit organizations, research institutes, and economic development agencies, as well as arts, tourism and sports initiatives.

⁵ This number is included in the total overall impact of \$603.3 million.

⁶ Faculty, staff, and student contributions in the form of monetary donations and volunteer hours are in addition to the overall impact of \$603.3 million.

Economic Impact Study Background

In August 2017, SCAD hired Tripp Umbach to complete a comprehensive analysis of the university’s overall economic and community impacts. Impact analysis was conducted to measure the economic, employment, and government revenue impacts of the university within the Savannah and Atlanta regions⁷, and throughout the state of Georgia. The influence that SCAD has on the vitality of the economy in the region and state includes the following:

- Economic impact of the university
 - Business volume impacts (SCAD capital expenditures, operational expenditures, and payroll)
 - Spending by visitors and students
 - Construction and renovation spending
- Direct and indirect employment
- Government revenue at the local and state levels
- University alumni on the economy (wage premiums, job creation, etc.)
- Faculty, staff, and student volunteerism and charitable giving
- Community and cultural impacts in the region

STUDY OVERVIEW

KEY IMPACT FINDINGS PROVIDED FOR:

- THE SAVANNAH COLLEGE OF ART AND DESIGN
- SCAD ALUMNI AND WORKFORCE
- CULTURAL ENRICHMENT AND EVENTS
- COMMUNITY CONTRIBUTIONS

FINDINGS REPORTED FOR THE FOLLOWING GEOGRAPHIES:

- STATE OF GEORGIA
- SAVANNAH REGION
- ATLANTA REGION

IMPACT FINDINGS REPORTED FOR FISCAL YEAR 2017

Methodology Employed in the Economic Impact Study

Tripp Umbach’s economic impact analysis measures the direct, indirect, and induced business volume and government revenue impacts of SCAD’s operations throughout Savannah and Atlanta, as well as throughout the state of Georgia. SCAD provided Tripp Umbach with the following primary data used to conduct the analysis: capital expenditures, operational expenditures, number of employees, payroll and benefits, and taxes paid to local and state governments. Tripp Umbach utilized IMPLAN⁸ to complete the economic impact analysis. Impact multipliers used in the analysis are derived from IMPLAN software. Visitor spending assumptions are based upon data provided by Visit Savannah and federal per diem rates.⁹

⁷ The Savannah region includes the following counties: Bryan, Chatham, and Effingham. The Atlanta region includes the following counties: Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Jasper, Lamar, Meriwether, Morgan, Newton, Paulding, Pickens, Pike, Rockdale, Spalding, and Walton. *Source: U.S. Department of Commerce Bureau of Economic Analysis; <https://www.bea.gov/regional/docs/msalist.cfm?mlist=5&Display=Display#A>*

⁸ IMPLAN (IMPact analysis for PLANning) is the industry standard economic impact methodology that utilizes classic input-output analysis in combination with regional-specific Social Accounting Matrices and Multiplier Models.

⁹ Tripp Umbach utilized visitor spending data provided by Visit Savannah to build model assumptions for the Savannah region. Federal per diem rates for Atlanta were utilized to build model assumptions for the Atlanta region. Tripp Umbach utilized a weighted average of the Savannah and Atlanta assumptions to calculate visitor spending at the state level.

Economic impact begins when an organization spends money. Economic impact studies capture the direct economic impact of an organization's spending, plus additional indirect and induced spending in the economy that results from the organization's direct spending. Visitor and student spending in the region is also a substantial component of the economic impact of an organization. Visitors and students spend money, which filters through the economy and supports local jobs, retail sales, lodging, restaurants, and other goods and services.

SCAD's total economic impact represents the dollars that are generated within the Savannah and Atlanta regions and the state of Georgia due to the presence of SCAD. This impact includes SCAD's spending on goods and services with a variety of vendors, the spending of SCAD's faculty, staff, students, and visitors, and the business volume generated by organizations within the regions and the state that benefit from the university's spending.

Not all dollars spent by an organization remain in the organization's home state. Dollars that go out of the state in the form of spending with out-of-state organizations or people are not included in the university's economic impact. The economic impact values presented in this report are generated by direct, indirect, and induced operational spending, capital spending, payroll, visitor spending, and student spending within the state of Georgia and the Savannah and Atlanta regions.

For further information on key impact terms, technical definitions and frequently asked questions related to economic impact analysis, see Appendices B, C and D.

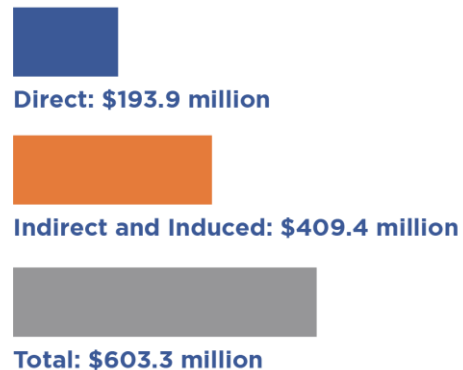
SCAD Impacts on the State of Georgia

SCAD plays an important role in the generation of economic impacts, employment and government revenue throughout the state of Georgia. With locations in Savannah and Atlanta, in addition to locations in Hong Kong and Lacoste, France, the university contributes significantly to regional and state economies. Faculty, staff, students, and visitors working and traveling in the state due to the presence of SCAD assist in creating a diverse and thriving economy across multiple sectors.

Economic Impact

In FY17, SCAD generated more than **\$603.3 million** in economic impact for the state of Georgia. This total represents the direct impact of spending in Georgia (**\$193.9 million**), as well as the indirect spending that occurs as a result of the university's presence (**\$409.4 million**).

ECONOMIC IMPACT OF SCAD ON THE STATE OF GEORGIA, FY17

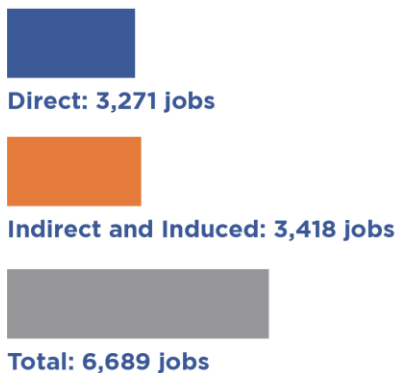


Source: Tripp Umbach findings using IMPLAN results from data obtained by The Savannah College of Art and Design

Employment Impact

In FY17, SCAD directly supported 3,271 jobs (full-time and part-time) throughout the state of Georgia. This employment makes a direct contribution to the overall workforce vitality of the state and bolsters the economy. Those directly employed individuals spend dollars in the state, and therefore, support additional employment. SCAD's spending on capital projects, development and planning projects, and suppliers support additional indirect jobs throughout Georgia. In total, the presence of SCAD supports **6,689 jobs** in the state of Georgia.

EMPLOYMENT IMPACT OF SCAD ON THE STATE OF GEORGIA, FY17



Source: Tripp Umbach findings using IMPLAN results from data obtained by The Savannah College of Art and Design

State and Local Government Revenue Impact

Because of its presence, SCAD produces sizeable state and local tax revenues. It is a common misperception that nonprofit universities do not generate tax revenue. Due to SCAD's spending with state organizations, support of jobs for university employees living in Georgia and SCAD visitor spending, the university contributes to state and local tax revenues. In FY17, SCAD generated more than **\$28.1 million** in direct and indirect/induced tax payments in Georgia for state and local governments.

SCAD Impacts in the Savannah Region

Founded in 1978, SCAD Savannah is the flagship location for the university. Since it was founded, SCAD has been committed to continuously enhancing the communities surrounding its locations.¹⁰ Faculty, staff, students, and area residents working and traveling to Savannah as a result of SCAD’s presence generate economic, employment, and tax impacts within the region. Dollars spent in Savannah translate to jobs in the area as those dollars are re-spent by residents or organizations. For the following impacts, Tripp Umbach categorized the Savannah region to include the following counties: Bryan, Chatham, and Effingham.

Economic Impact

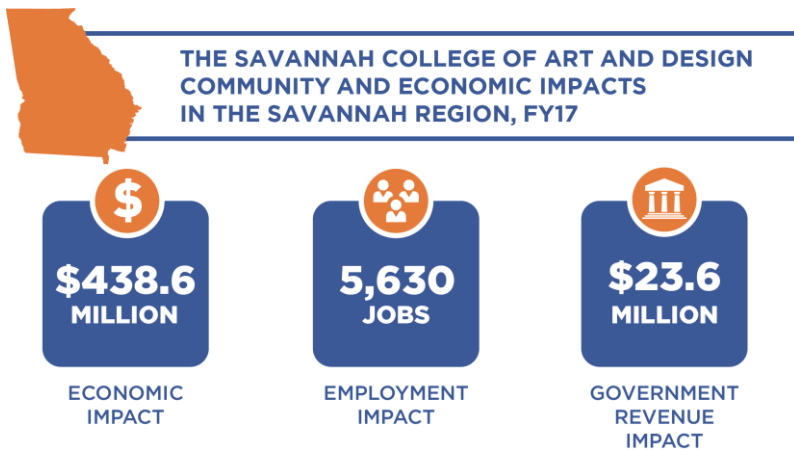
In FY17, SCAD generated more than **\$438.6 million** in total economic impact for the Savannah region. This total represents the direct impact of spending in Savannah (**\$141.2 million**) as well as the indirect spending that occurs as a result of SCAD’s presence (**\$297.4 million**).

Employment Impact

In FY17, SCAD directly supported 2,667 jobs (full-time and part-time) throughout the Savannah region. This employment makes a direct contribution to the overall workforce vitality of the region, and bolsters the economy. Those directly employed individuals spend dollars in the state, and therefore, support additional employment. SCAD spending on capital projects, development and planning projects, and suppliers supports additional indirect jobs throughout Georgia. In total, the presence of SCAD supports **5,630 jobs** in the Savannah region.

Local Government Revenue Impact

Due to SCAD’s spending with regional organizations, support of jobs for university employees living in the region, and SCAD visitor spending in the region, the university makes significant contributions to local tax revenues. In FY17, SCAD generated more than **\$23.6 million** in direct, indirect, and induced tax payments for the Savannah region.



¹⁰ Refer to Appendix A for additional community metrics not associated with economic impact.

SCAD Impacts in the Atlanta Region

SCAD Atlanta, the university's second location in the state of Georgia, opened to students in 2005. Situated in the heart of midtown, SCAD Atlanta provides students with an immersive experience surrounded by a number of opportunities, such as a cohort of Fortune 500 companies, a thriving arts scene and a vast network of opportunities for professional growth. Faculty, staff, students, area residents, and visitors working and traveling to the Atlanta region due to the presence of SCAD make significant contributions to the regional economy. For the following impacts, Tripp Umbach categorized the Atlanta region to include the following counties: Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Jasper, Lamar, Meriwether, Morgan, Newton, Paulding, Pickens, Pike, Rockdale, Spalding, and Walton.

Economic Impact

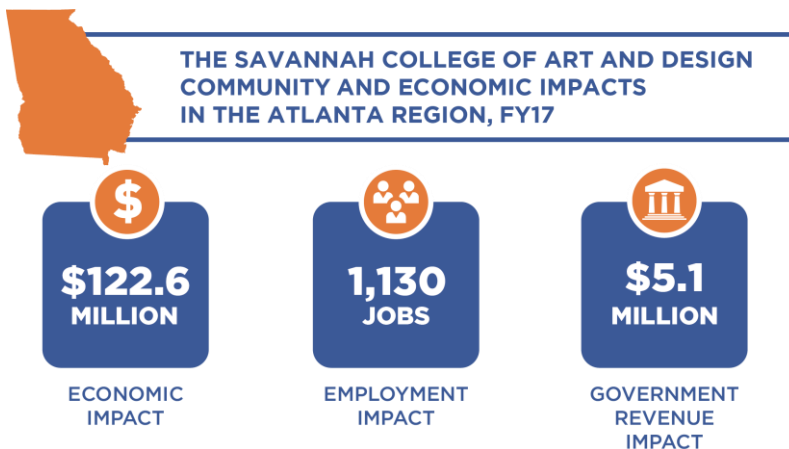
In FY17, the economic activities generated by SCAD totaled more than **\$122.6 million** in overall economic impact. This total represents the direct impact of spending in Atlanta (**\$44.8 million**), as well as the indirect spending that occurs as a result of the SCAD's presence (**\$77.8 million**).

Employment Impact

In FY17, SCAD directly supported 521 jobs (full-time and part-time) throughout the Atlanta region. This employment makes a direct contribution to the overall workforce vitality of the region and bolsters the economy. As in the Savannah region, students and individuals employed by SCAD spend dollars in the Atlanta region, and therefore support additional employment. SCAD spending on capital projects, development and planning projects, and suppliers also supports additional indirect jobs throughout the Atlanta region. In total, the presence of SCAD supports **1,130 jobs** in the Atlanta region.

Local Government Revenue Impact

Due to SCAD's spending with regional organizations, support of jobs for university employees living in the region, and SCAD visitor spending in the region, the university makes significant contributions to local tax revenues. In FY17, SCAD generated more than **\$5.1 million** in direct, indirect, and induced tax payments for the Atlanta region.



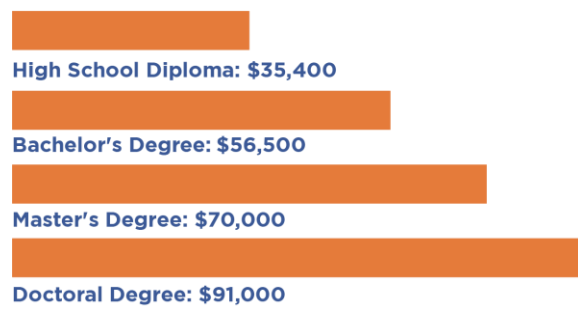
SCAD's Alumni and Workforce Impacts

SCAD is a world-renowned art and design university that contributes to and enriches society in Savannah, Atlanta, Georgia, and beyond. With nearly 40,000 alumni worldwide, the university's reach is felt by many. By producing highly educated, global citizens, SCAD continues to shape a skilled workforce that will transform and lead organizations throughout the world.

SCAD Enriches the Current and Future Workforce

SCAD conferred more than 2,400 degrees during FY17 between the Savannah and Atlanta locations. By educating students, SCAD contributes to the talent pool of human capital throughout the state. A degree from SCAD increases a graduate's value, productivity, and earning potential in the job market.

SALARY COMPARISON BY DEGREE TYPE

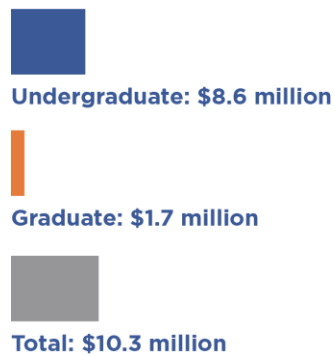


Based on data for median annual earnings, a bachelor's degree earned at a university increases a graduate's salary, compared with a graduate with only a high school diploma, by an average of about \$21,100 a year (from \$35,400 to \$56,500). A master's degree earned at a university increases a graduate's salary, compared with a graduate with only a bachelor's degree, by an average of about \$13,500 a year (from \$56,500 to \$70,000 for a master's degree).¹¹

Source: CollegeBoard. Education Pays 2013.

In academic year 2016–2017, SCAD awarded 1,858 undergraduate degrees. Historically, 22 percent of SCAD graduates remain in the state to work after completing their degrees. For the undergraduate class of 2017, the increased earning power in their first year of employment equates to the creation of \$8.6 million in salary for these students. A similar analysis applied to the 583 advanced degrees awarded in the same academic year equates to another \$1.7 million of value created for these students' first year of employment. Therefore, on an annual basis, SCAD creates **\$10.3 million of additional earning power for members of each graduating class**. This impact is in addition to the impact of the university's operations. This increased earning power translates to increased spending by alumni in the state of Georgia.

ANNUAL SALARY IMPACTS OF SCAD GRADUATES ON THE STATE OF GEORGIA



Source: Tripp Umbach findings using IMPLAN results from data obtained by The Savannah College of Art and Design

¹¹ College Board. Education Pays 2013: The Benefits of Higher Education for Individuals and Society. Trends in Higher Education Series.

Alumni Continue to Generate Impact Every Day

The contributions of SCAD graduates are important to the economic vitality of the state of Georgia. The nearly 40,000 SCAD alumni reside throughout the world. Historically, 22 percent of SCAD alumni stay in Georgia after graduating, approximately 7,700 SCAD alumni are living, working, and generating impact within the state.

Over a lifetime of employment (assuming 40 years of employment), SCAD undergraduate alumni who remain in Georgia increase earning potential by **\$3.5 billion** that would otherwise have been unachieved had these students not pursued an undergraduate degree. Likewise, over a lifetime of employment, SCAD graduate alumni who remain in the state increase earning potential by more than **\$707 million** that would otherwise not have been achieved had these students not pursued a graduate degree.¹²

In total, all SCAD alumni currently living in the state of Georgia have increased earning power of **\$4.2 billion over 40 years.**

Alumni Success

SCAD alumni have established more than 50 businesses in Savannah. These businesses generate additional economic activity for the region, attract tourists, and create jobs for residents. Companies started by SCAD alumni include the following:

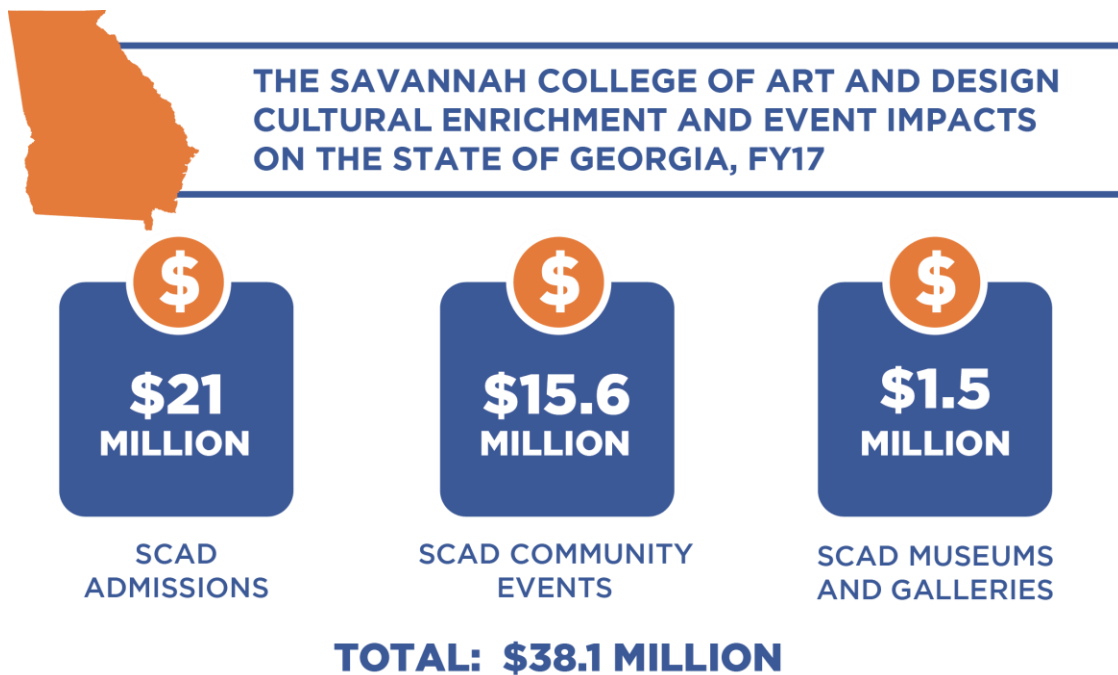
ALUMNI BUSINESSES LOCATED IN SAVANNAH

<i>13 Bricks Clothing</i>	<i>Elope to Savannah</i>	<i>Lowcountry Paper Co.</i>
<i>98 Productions</i>	<i>ELVAINE</i>	<i>Measure: a fabric parlor</i>
<i>Access Design Group</i>	<i>Fabrika Fine Fabrics</i>	<i>Obscura Photoworks</i>
<i>Anne Hagerty Interiors</i>	<i>Foxy Loxy Café</i>	<i>One Thirty One Photo</i>
<i>ArtNet</i>	<i>The Future on Forsyth</i>	<i>Paprika Southern</i>
<i>Artsy's Gallery</i>	<i>Galerie 124</i>	<i>Paragon Design Group</i>
<i>Artsy's Gallery Frame Shop</i>	<i>Gauge Interactive</i>	<i>Planet Fun</i>
<i>Atelier Galerie</i>	<i>GoDesign Inc.</i>	<i>Prospector Co.</i>
<i>Bahama Joe's</i>	<i>Haberdashery</i>	<i>Salacia Salts</i>
<i>BlueLime Studio</i>	<i>Ivory & Beau</i>	<i>Satchel</i>
<i>Carroll Construction</i>	<i>Izzy Hudgins Photography</i>	<i>Savannah Pedals</i>
<i>Civvies</i>	<i>Jessica Duthu Professional Makeup Artistry</i>	<i>Scribble Art Studio</i>
<i>Clark Creative</i>	<i>Kalin Asenov</i>	<i>Sottile & Sottile</i>
<i>The Coffee Fox</i>	<i>Kellperr</i>	<i>Spudnik</i>
<i>Creative Approach</i>	<i>Kristen Baird Fine Jewelry</i>	<i>Stitch</i>
<i>The Design House</i>	<i>Laney Contemporary Gallery</i>	<i>Strawberry Moth</i>
<i>Digital Doc</i>	<i>LeeLoo Studio</i>	<i>Sulfur Studios</i>
<i>Digital Envy</i>	<i>Lily Bay Studio + Bazaar</i>	<i>Tiffani Taylor Gallery</i>
<i>Ellsworth+Hallett LLC</i>		

¹² Accounting for forgone income while attending the university, future periods of unemployment, time out of the labor force for child rearing, and other life events, total earning power over 40 years of employment was adjusted down by 80 percent.

Cultural Enrichment and Events

SCAD provides significant cultural enrichment for Savannah, Atlanta, and the state of Georgia. Additionally, the university is a key community partner and plays an essential role in advancing the economic effects of tourism and area visitors each year. SCAD generates these benefits through prospective student admission events, community events, and museum visitors. During FY17, the economic impact associated with spending by visitors to SCAD admissions, cultural, and community events totaled more than **\$38.1 million** in the state of Georgia, which is included in the overall impact of the university throughout the state.



SCAD Admissions

Each year, SCAD receives thousands of applications from students living around the world. Admission activities and campus visits provide an added benefit to SCAD's economic impact footprint in the state of Georgia. As students and their families visit SCAD locations, they spend money in state and regional economies. In FY17, the economic impact associated with SCAD admission events and campus visits totaled **\$21 million** for the state of Georgia.

SCAD Community Events

SCAD has a reputation for offering world-renowned cultural events throughout the year. People across the world travel to experience the events, and in turn, contribute significantly to state and regional economies. During FY17, the economic impact associated with SCAD community event visitors totaled **\$15.6 million** for the state of Georgia. Signature SCAD events include:

- **aTVfest** – Hosted by SCAD, aTVfest is an international gathering in Atlanta focused on design, creativity, and innovation in television and media production. The festival brings together professionals from all spheres of content production – broadcast, cable, web, social media, music

videos, and advertising – for panels, workshops, and screenings to discuss current industry trends and showcase the best work in each field.

- **deFINE ART** – Created in 2010, SCAD deFINE ART is an annual festival that celebrates and highlights emerging and established artists and visionaries around the world.
- **SCAD Savannah Film Festival** – The SCAD Savannah Film Festival is an annual event that celebrates the many genres of film and those who make it possible. The festival highlights work from award-winning professionals to emerging student filmmakers.
- **SCADstyle** – SCADstyle is an annual, international event that showcases and highlights the creative work and business principles across design industries. The event hosts contemporary leaders from multiple disciplines (architecture, fashion, interior design, etc.) to discuss and learn about successful emerging ideas.
- **Sidewalk Arts Festival** – As one of the oldest community arts programs provided by SCAD, the Sidewalk Arts Festival brings together SCAD students and their families, alumni, and high school students to create vibrant works of chalk art in Forsyth Park. The festival’s tradition of connecting the university with the community is a highly anticipated event each year.

SCAD Museums and Galleries

SCAD owns and operates a number of museums and galleries throughout the state of Georgia. These venues provide students, alumni, and faculty a place to showcase their talents and display their artwork. Additionally, individuals from around the world travel to Georgia to visit these museums and galleries to appreciate and enjoy the cultural offerings. In FY17, the economic impact associated with SCAD museum visitors totaled more than **\$1.5 million** in the state of Georgia.

SCAD operates two high-profile museums in the state – SCAD Museum of Art (Savannah) and SCAD FASH Museum of Fashion + Film (Atlanta). Additionally, the university manages a number of notable galleries in each region.¹³

- **SCAD Museum of Art¹⁴** – The SCAD Museum of Art showcases work by acclaimed artists, providing opportunities for students from all majors to learn from art-world luminaries and expand their artistic points of view. Mounting more than 20 exhibitions each year, the museum has presented renowned artists from across the globe. The museum’s permanent collection includes the Walter O. Evans Collection of African American Art, the Modern and Contemporary Art Collection, the Earle W. Newton Collection of British and American Art, the 19th- and 20th-century Photography Collection and the SCAD Costume Collection.

The museum building itself is a work of art, demonstrating the university’s ongoing commitment to historic preservation and adaptive reuse. Constructed in 1853, the original walls feature handmade Savannah gray bricks, forming the oldest surviving antebellum railroad depot in the country. In 2011, this National Historic Landmark was transformed into an award-winning, modern museum building by architect Christian Sottile, a SCAD alumnus and former dean of the SCAD School of Building Arts.

¹³ <https://www.scadmoa.org/art/scad-museums-and-galleries#>

¹⁴ <https://www.scadmoa.org/about/about-museum>

- **SCAD FASH¹⁵** – SCAD FASH Museum of Fashion + Film celebrates fashion as a universal language, garments as important conduits of identity, and film as an immersive and memorable medium. Located in Atlanta, SCAD FASH focuses on the future of fashion design, connecting conceptual to historical principles of dress, and welcomes visitors of all ages to engage with dynamic exhibitions, captivating films, and educationally enriching events. Fortified by the university's strong global presence and worldwide connections to renowned contemporary fashion designers, filmmakers, and creative professionals all over the world, SCAD FASH is an integral part of the SCAD educational experience.

SCAD FASH offers diverse exhibitions, films, installations, performances, and events to enliven and inspire the greater community year-round. Each program is designed to engage and appeal to visitors with varied backgrounds and interests. The museum brings a dynamic and distinct schedule of fashion-focused exhibitions and compelling films, having recently offered exhibitions by Oscar de la Renta, Carolina Herrera and Guo Pei, to name just a few. SCAD FASH promotes valuable career-building connections and continues this rich tradition by affording students and professors across all disciplines the opportunity to celebrate works of wearable art and remarkable filmmaking, and to interact with the renowned and emerging visionary professionals who create them.

In addition to the world-class museums mentioned above, SCAD owns and operates a number of art and cultural galleries. These facilities provide students, employees, alumni, and the community an opportunity to showcase their talents and learn about new art. SCAD galleries in Georgia include:

- Alexander Hall Gallery
- Gallery 1600
- Gulfstream Gallery
- Gutstein Gallery
- Pei Ling Chan Gallery
- Pinnacle Gallery
- Trois Gallery

¹⁵ <http://www.scadfash.org/about>

SCAD Community Contributions and Engagement

SCAD provides unparalleled opportunities for students, faculty, and staff to connect with the greater surrounding communities in which they reside. SCAD employees and students engage with community members through volunteer work and charitable donations. Tripp Umbach estimates that SCAD

COMMUNITY IMPACT OF SCAD ON THE STATE OF GEORGIA, FY17



Donations: \$3.6 million



Volunteer Hours: \$17.1 million



Total: \$20.7 million

Source: Tripp Umbach findings using IMPLAN results from data obtained by The Savannah College of Art and Design

employees and students generate more than **\$20.7 million** annually in charitable donations and volunteer services across the state of Georgia.¹⁶ These benefits are in addition to the more than \$603.3 million in economic impact that SCAD generates for the state.

SERVE functions as SCAD's student-led community service initiative. SCAD students work with local agencies in a spirit of cooperation while learning the importance of networking, recruiting, project planning, decision-making, promotion, and delegating responsibilities. In FY17, Tripp Umbach estimates that SCAD employees and students provided the equivalent of \$17.1 million in volunteer hours in local communities. Examples of these organizations include the following¹⁷:

- **Alternative Spring Break** – This is a community-service road trip during SCAD's spring break during which SCAD students volunteer their time to help meet needs in local communities.
- **Book Buddies** – This program is offered as a mentoring and reading program in which SCAD students meet weekly with children from local elementary schools.
- **Habitat for Humanity** – In conjunction with the Coastal Empire chapter, SCAD students help provide needed services to offer safe and affordable housing to low-income families.
- **H.E.Art (Healing and Education Through Art)** – The H.E.Art program volunteers work with cancer survivors at the Anderson Cancer Institute at Memorial Health in Savannah. The project allows students to spend time with patients by engaging them in arts and crafts projects to liven their day and ease their anxieties while at the hospital.
- **Kids Café** – Through this community-service program, students visit charitable organizations to engage in art projects with local children.
- **Pet Project** – Offered in Savannah, Pet Project volunteers visit the Humane Society of Greater Savannah to socialize with dogs and cats in order for the animals to be more easily adopted by future pet owners.

¹⁶ Tripp Umbach calculated the total community benefit of employees by using the combined impacts of employees' and students' monetary donations to organizations and the value of a volunteer hour in Georgia (\$24.39 per hour). https://www.independentsector.org/volunteer_time

¹⁷ <https://www.scad.edu/life/student-involvement/community-service>

- **Special Events** – Throughout the year, SCAD offers students opportunities to volunteer throughout the Savannah community in a variety of nontraditional ways. These opportunities include bagging groceries for the elderly and cleaning up the streets of Savannah and Tybee Island.
- **Sustainability** – SCAD’s sustainability program offers students the chance to volunteer in various events on campus and around Savannah with environmental and sustainable initiatives. Some of the events include cleaning up Tybee Beach, planting trees with the Savannah Tree Foundation, and helping at the Savannah Wildlife Refuge.

Appendix A: Savannah – Then and Now

Urban neighborhoods are the foundations for the cultural and social identity of a city. These neighborhoods preserve rich foundations for friends, family and out-of-town visitors. Each neighborhood is perceived to be unique, with a sense of authentic cultural identity that cannot be fully replicated elsewhere.

Since SCAD's inception in 1978, the City of Savannah has undergone a dramatic transformation. SCAD has played a major role in the development and success of the city.

Tourism in Savannah

As noted in a report released by the Savannah Area Chamber of Commerce¹⁸, in 2015, a record number of visitors traveled to Savannah and spent a record amount of money. The report, outlining findings from analysis conducted by the University of Georgia Terry College of Business and Armstrong State University, states that tourism will continue to be one of the most important and fastest growing sectors of Savannah's economy. Additionally, the report indicates that the typical Savannah tourist is well-educated and has above-average income.

Leisure and hospitality is positioned as the region's largest economic sector, employing more than 27,000 people. Industries included in the sector cover accommodations, food services, arts, entertainment, and recreation.

In 2015, more than 13.7 million tourists visited Savannah and contributed over \$2.67 billion to the local economy. Although it is difficult to determine the precise impact of SCAD on tourism, "visiting historic places" is listed by the Savannah Area Chamber as one of the primary reasons Savannah has such a vibrant tourism industry. SCAD's acquisition, restoration, and reuse of historic buildings and homes throughout Savannah has been a driving force behind Savannah's reputation as a place of architectural and cultural significance.

Starting with the location of SCAD's first class in the Savannah Volunteer Guard Armory, nearly 70 historic buildings throughout the city have been purchased and restored by the university. Renovated in 2011, the SCAD Museum of Art is an internationally recognized facility that originally existed as the oldest surviving antebellum railroad depot in the country.

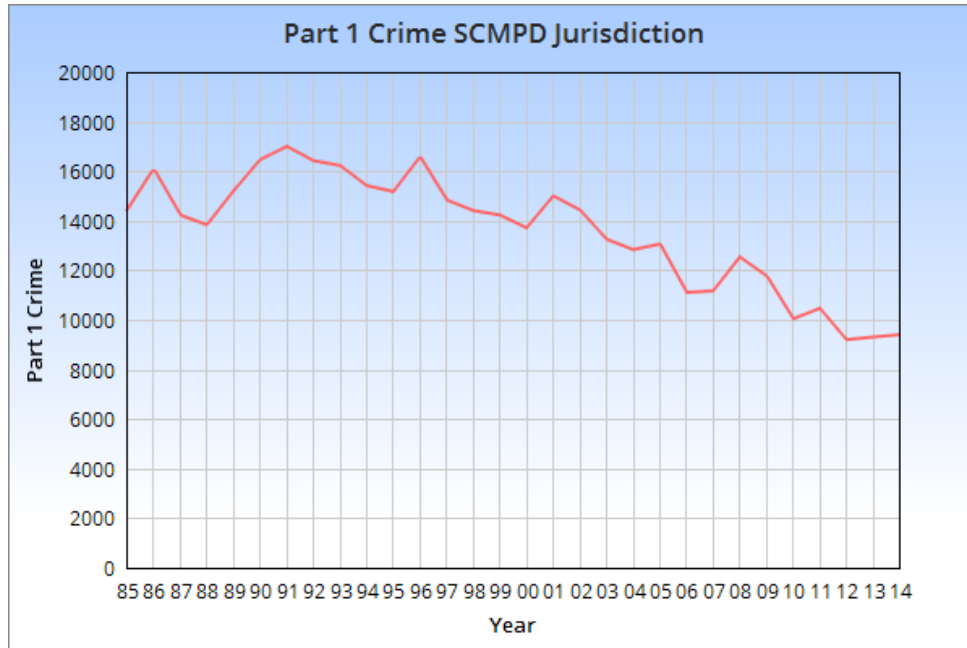
In addition to the SCAD Museum of Art, SCAD enhances regional tourism by providing many cultural events for visitors. The SCAD Savannah Film Festival, SCADstyle, SCAD deFINE ART, and the Sidewalk Arts Festival draw thousands of visitors to Savannah each year.

¹⁸ Savannah Area Chamber of Commerce. *Savannah 2017 Economic Trends*. By Jeffrey M. Humphreys; <http://savannah.uberflip.com/i/775179-2017-savannah-economic-trends>.

Crime and Safety in Savannah

SCAD's presence in Savannah has made a positive impact on crime and safety. In addition to SCAD's role in the transformation of the Savannah economy, SCAD's security efforts provide valuable support to the Savannah-Chatham Metropolitan Police Department.

According to data provided by the city of Savannah, violent and property crimes totaled 16,088 in 1986.¹⁹ Although Savannah's population has increased significantly since that time, violent and property crimes totaled 9,433 in 2014, a decrease of 41%.



SCAD's public safety strategy in the City of Savannah include the following²⁰:

- Active 24/7 patrols at SCAD locations, including bike patrols in Savannah
- Partnership with local police department to utilize SCAD's ShotSpotter technology²¹
- Continuous crime trend analysis to maximize safety
- The deployment of the LiveSafe communication tool and other notification systems
- The strategic installation of security cameras that are monitored continuously
- Safety-awareness programs for students, faculty, and staff
- An extensive shuttle service offered in Savannah to assist students with getting to and from SCAD facilities
- Visible uniforms on SCAD officers, which act as crime deterrents
- Security officers posted at many SCAD buildings to check IDs and log in visitors

¹⁹ According to city records, 1986 is the earliest year for this data.

²⁰ It is important to note that these strategies are also used at the Atlanta location.

²¹ SCAD was the first university in the U.S. to use ShotSpotter technology. This technology places sensors inside and outside campus buildings to identify sounds of gunfire, then sends that information to police.

- Hand-activated emergency call boxes strategically located throughout SCAD in Savannah and Atlanta, where students can automatically signal a 24-hour security dispatcher
- Strong ongoing partnerships with local, state, and federal agencies

Savannah's Home and Property Values

As with the university's impact on tourism, both the physical environment and the cultural opportunities provided by SCAD influence the decision of many individuals and businesses to locate in Savannah. Cultural opportunities are especially important to retirees, a growing segment of the Savannah population that tends to be more affluent.

SCAD's impact on property values throughout the Savannah region is significant. Often the first indication that a Savannah neighborhood will become a more desirable place to live, shop, and work is the purchase and renovation of a building in the neighborhood by SCAD.

Although information for real estate values before SCAD was founded is not available, the average real estate value in Savannah was \$114,378 in 1999.²² By 2017, the average real estate value had risen to \$276,840, an increase of 142 percent.²³ This equates to an average annual increase of approximately 5 percent. By comparison, the average real estate value in the U.S. increased by an average of only 2.8 percent each year between 1999 and 2017.²⁴ Tripp Umbach believes that the main reason that Savannah's real estate values increased at a significantly greater rate than average is due to the presence of SCAD.

²² Earliest available data records are for 1999.

²³ According to data provided by the City of Savannah's Community and Economic Development Bureau.

²⁴ Average U.S. home price increase determined using a calculator developed by CNN (available at money.cnn.com) using data from the Case-Shiller National Index.

Appendix B: Definition of Terms

Study Year	Fiscal year is defined as FY17, July 1, 2016 – June 30, 2017
Total Industry Output	The total industry output of an organization includes its spending, labor income expenditures, and the value-added to the economy as a result of the organizational spending.
Total Economic Impact	The total economic impact of an organization is a compilation of the direct impact, indirect impact, and induced impact generated in the economy as a result of the organization.
Direct Economic Impact	Direct economic impact includes all direct effects the organization has on the region due to the organization's operations. These include direct employees, organizational spending, employee spending, and spending by students and visitors to the organization.
Indirect Economic Impact	The indirect economic impact includes the impact of local industries buying goods and services from other local industries. The cycle of spending works its way backward through the supply chain until all money is spent outside of the local economy, either through imports or by payments to value added.
Induced Economic Impact	The response by an economy to an initial change (direct effect) that occurs through respending of income received by a component of value added. IMPLAN's default multiplier recognizes that labor income (employee compensation and proprietor income components of value added) is not lost to the regional economy. This money is recirculated through household spending patterns causing additional local economic activity.

Multiplier Effect	<p>The multiplier effect is the additional economic impact created as a result of the organization’s direct economic impact. Local companies that provide goods and services to an organization increase their purchasing by creating a multiplier.</p>
Government Revenue	<p>Revenue that is collected by governmental units in addition to those paid directly by an organization, including taxes paid directly by employees of the organization, visitors to the organization, and vendors who sell products to the organization.</p>
Direct Employment	<p>Total number of employees, both full-time and part-time, at the organization based on total jobs.</p>
Indirect Employment	<p>Indirect employment is the additional jobs created as a result of the organization’s economic impact. Local companies that provide goods and services to an organization increase their number of employees as purchasing increases, thus creating an employment multiplier.</p>

Appendix C: Technical Appendix

IMPLAN Methodology Definitions

The economic impact of SCAD was estimated using IMPLAN (IMpact Analysis for PLANning), an econometric modeling system developed by applied economists at the University of Minnesota and the U.S. Forest Service. The IMPLAN modeling system has been in use since 1979 and is currently used by over 500 private consulting firms, university research centers, and government agencies. The IMPLAN modeling system combines the U.S. Bureau of Economic Analysis' Input-Output Benchmarks with other data to construct quantitative models of trade flow relationships between businesses and between businesses and final consumers. From this data, one can examine the effects of a change in one or several economic activities to predict its effect on a specific state, regional, or local economy (impact analysis). The IMPLAN input-output accounts capture all monetary market transactions for consumption in a given time period. The IMPLAN input-output accounts are based on industry survey data collected periodically by the U.S. Bureau of Economic Analysis and follow a balanced account format recommended by the United Nations.

IMPLAN's Regional Economic Accounts and the Social Accounting Matrices were used to construct state- and regional-level multipliers, which describe the response of the economy to a change in demand or production as a result of the activities and expenditures of SCAD. Each industry that produces goods or services generates demand for other goods and services, and this demand is multiplied through a particular economy until it dissipates through "leakage" to economies outside the specified area. IMPLAN models discern and calculate leakage from local, regional, and state economic areas based on workforce configuration, the inputs required by specific types of businesses, and the availability of both inputs in the economic area. Consequently, economic impacts that accrue to other regions or states as consequences of changes in demand are not counted as impacts within the economic area.

The model accounts for substitution and displacement effects by deflating industry-specific multipliers to levels well below those recommended by the U.S. Bureau of Economic Analysis. In addition, multipliers are applied only to personal disposable income to obtain a more realistic estimate of the multiplier effects from increased demand. Importantly, IMPLAN's Regional Economic Accounts exclude imports to an economic area, so the calculation of economic impacts identifies only those impacts specific to the economic impact area. IMPLAN calculates this distinction by applying Regional Purchase Coefficients (RPC) to predict regional purchases based on an economic area's particular characteristics. The RPC represents the proportion of goods and services that will be purchased regionally under normal circumstances, based on the area's economic characteristics described in terms of actual trade flows within the area.

Employment Definitions

IMPLAN analysis is conducted to measure jobs/positions (part-time or full-time), not full-time equivalents (FTEs). Full-time and part-time employees generate impact in the economy and support additional indirect and induced employment throughout the state of Georgia. Employment data for SCAD was provided as an output of all individuals who receive a paycheck from the organization. This includes all full-time and part-time employed faculty, staff, and students.

Government Revenue Impact Definition

Government revenue impacts generated in the current, FY17 study included all taxes paid by SCAD to the state of Georgia and the Savannah and Atlanta regions (e.g., payroll, property, sales, unemployment, income, and any other taxes paid to the state and local government). Any federal taxes paid by SCAD were not included in the government revenue impacts (e.g., FICA payments).

Visitor Definitions

Impact analysis looks to quantify the impact of the attraction of “fresh” dollars to a region. Therefore, when including visitor spending in the impact analysis of a university, the analysis will only include those visitors coming to a region from outside of said region. Visitors to events who also live in the region would have spent their dollar in that region otherwise; therefore, this dollar was not attracted to the region as a result of the organization being analyzed.

For SCAD, the impact analysis looked at impacts to the state of Georgia and the Savannah and Atlanta regions. Visitors to SCAD were only counted if they were from outside of said region being analyzed.

Community Benefits

Community benefits provided in this report outline two forms of impact — monetary donations made by employees and students to local nonprofits as well as volunteer hours that are assessed at a monetary value.

- Tripp Umbach has conducted survey research to estimate the amount of monetary donations a student, staff member, and faculty member will spend in a year. This amount differs per individual but ranges from \$500 to \$700. Tripp Umbach also understands that not all individuals donate; therefore, this is adjusted as well.
- The value of a volunteer hour has been quantified by Independent Sector to be \$24.39 per individual per hour. Tripp Umbach utilized this value (along with data from survey research) to determine the value of the average number of hours faculty, staff, and students engage in volunteer activities (estimated 100 hours per year, for 50 percent of the employees and students).

Appendix D: FAQs Regarding Economic Impact Assessment

What is economic impact?

Economic impact begins when an organization spends money. Economic impact studies measure the direct economic impact of an organization's spending, plus additional indirect spending in the economy as a result of direct spending. Economic impact has nothing to do with dollars collected by organizations, their profitability, or even their sustainability, because all operating organizations have a positive economic impact when they spend money and attract spending from outside sources.

Direct economic impact measures the dollars that are generated within a geographic region as a result of the presence of an organization. This includes not only the organization's spending on goods and services with a variety of vendors within the region and the spending of its employees and visitors, but also the economic impact generated by businesses within the region that benefit from the spending of the organization. It is important to remember that not all dollars spent by an organization stay in the geographic region of study. Dollars that "leak" out of the region in the form of purchases from out-of-area vendors are not included in the economic impact that an organization has on the region.

The total economic impact includes the "multiplier" of spending from companies that do business with an organization. Support businesses may include lodging establishments, restaurants, construction firms, vendors, temporary agencies, etc. Spending multipliers attempt to estimate the ripple effect in the economy where the spending occurs. For example, spending by an organization with local vendors provides these vendors with additional dollars that they respend in the local economy, causing a "multiplier effect."

What is the multiplier effect?

Multipliers are a numeric way of describing the secondary impacts stemming from the operations of an organization. For example, an employment multiplier of 1.8 would suggest that for every 10 employees hired in the given industry, eight additional jobs would be created in other industries, such that 18 total jobs would be added to the given economic region. The multipliers used in this study range from 1.8 to 2.0.

The Multiplier Model is derived mathematically using the input-output model and Social Accounting formats. The Social Accounting System provides the framework for the predictive Multiplier Model used in economic impact studies. Purchases for final use drive the model. Industries that produce goods and services for consumer consumption must purchase products, raw materials, and services from other companies to create their product. These vendors must also procure goods and services. This cycle continues until all the money is leaked from the region's economy. There are three types of effects measured with a multiplier: direct, indirect, and induced. The direct effect is the known or predicted change in the local economy that is to be studied. The indirect effect is the business-to-business transactions required to satisfy the direct effect. Finally, the induced effect is derived from local spending on goods and services by people working to satisfy the direct and indirect effects.

- **Direct effects** take place only in the industry immediately being studied.

- **Indirect effects** concern inter-industry transactions: Because an organization is in business, it has a demand for locally produced materials needed to operate.
- **Induced effects** measure the effects of the changes in household income: Employees of an organization and suppliers purchase from local retailers and restaurants.
- **Total Economic Impacts** are the total changes to the original economy as the result of the operations of an organization, e.g., Direct effects + Indirect effects + Induced effects = Total Economic Impacts.

What methodology was used in this study?

IMPLAN (IMpact analysis for PLANning) data and software. Using classic input-output analysis in combination with regional specific Social Accounting Matrices and Multiplier Models, IMPLAN provides a highly accurate and adaptable model for its users. The IMPLAN database contains county, state, ZIP code and federal economic statistics that are specialized by region, not estimated from national averages, and can be used to measure the effect on a regional or local economy of a given change or event in the economy's activity.

What is employment impact?

Employment impact measures the direct employment (staff, faculty, administration) plus additional employment created in the economy as a result of the operations of an organization.

Indirect and induced employment impact refers to other employees throughout the region who exist because of an organization's economic impact. In other words, jobs related to the population — city services (police, fire, EMS, etc.), employees at local hotels and restaurants, employees at local retail establishments, and residents employed by vendors used by the organization.

What is the difference between direct and indirect taxes?

Direct tax dollars include sales taxes and net corporate income taxes paid directly by the organization to the state, while indirect taxes include taxes paid to the state by vendors that do business with an organization and individuals.

Is this a one-time impact, or does the impact repeat each year?

The results presented in this economic impact study are generated on an annual basis. The economic impact in future years can be either higher or lower based on number of employees, students, capital expansion, increases in external research and state appropriations.

What are Tripp Umbach’s qualifications to perform economic impact analysis?

Tripp Umbach is the national leader in providing economic impact analyses to leading health care organizations, universities, and academic medical centers. Since 1990, Tripp Umbach has completed more than 300 economic impact studies for such clients as Boston University, Indiana University, Michigan State University, The Pennsylvania State University, The Ohio State University, University of Connecticut, the University at Buffalo, University of Arizona, University of Michigan, University of Minnesota, The University of Pittsburgh, the University of Vermont, the University of Virginia, The University of Washington, and The University of Alabama at Birmingham.

