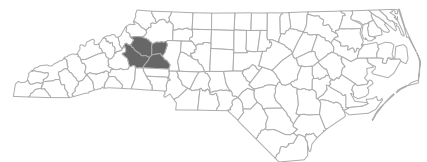


The Economic Value of Lenoir-Rhyne University



Lenoir-Rhyne University (LRU) creates a significant positive impact on the business community and generates a return on investment to its major stakeholder groups—students and society—along with substantial benefits to taxpayers. Using a two-pronged approach that involves an economic impact analysis and an investment analysis, this study calculates the benefits received by each of these groups. Results of the analysis reflect fiscal year (FY) 2022-23.



The Unifour, North Carolina

Economic impact analysis

In FY 2022-23, LRU added **\$113.6 million** in income to the Unifour* economy, a value approximately equal to **0.7%** of the region's total gross regional product (GRP). Expressed in terms of jobs, LRU's impact supported **1,935 jobs**.

* For the purposes of this analysis, the Unifour is comprised of Alexander, Burke, Caldwell, and Catawba Counties.

Operations spending impact

- LRU employed 503 full-time and part-time faculty and staff. Payroll amounted to \$29.1 million, much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. The university spent another \$26.9 million on its expenses related to facilities, supplies, and professional services.
- The net impact of the university’s operations spending added **\$35.5 million** in income to the regional economy in FY 2022-23.

Visitor spending impact

- Thousands of out-of-region visitors attracted to the Unifour for activities at LRU brought new dollars to the economy through their spending at hotels, restaurants, gas stations, and other businesses in the region.
- Visitor spending added approximately **\$1.2 million** in income to the Unifour economy.

Student spending impact

- Around 59% of students attending LRU originated from outside the region. Most of these students relocated to the Unifour. In addition, some in-region students, referred to as retained students, would have left the Unifour for other educational opportunities if not for LRU. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.
- The expenditures of relocated and retained students in FY 2022-23 added **\$6.1 million** in income to the Unifour economy.

Alumni impact

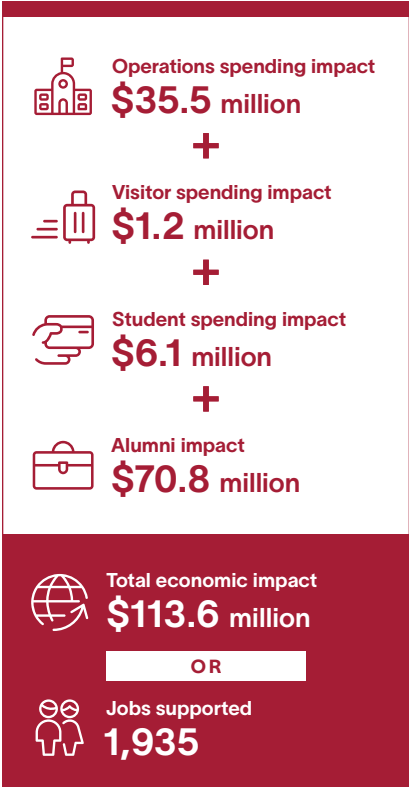
- Over the years, students have studied at LRU and entered or re-entered the workforce with newly acquired knowledge and skills. Today, thousands of these former students are employed in the Unifour.
- The net impact of LRU former students currently employed in the regional workforce amounted to **\$70.8 million** in added income in FY 2022-23.

 Investment analysis

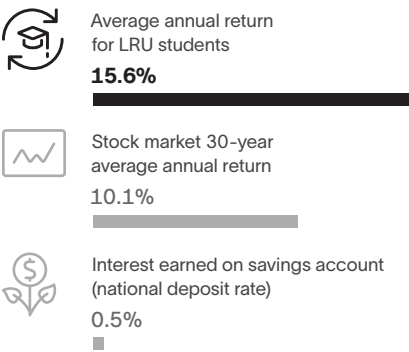
Student perspective

- LRU FY 2022-23 students paid a present value of **\$32.0 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent a value of **\$25.4 million** in time and money had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of **\$206.8 million** in increased earnings over their working lives. This translates to a return of **\$3.60** in higher future earnings for every dollar students invest in their education. Students’ average annual rate of return is **15.6%**.

Impacts created by
LRU in FY 2022-23



Students see a high rate of return
for their investment in LRU






Source: Forbes’ S&P 500, 1994-2023;
FDIC.gov, March 2023

Taxpayer perspective

- LRU is a private university and receives no local or state government funding, yet North Carolina taxpayers still receive a substantial amount of benefits from LRU. They will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$49.1 million**. A reduced demand for government-funded services in North Carolina will add another **\$18.2 million** in benefits to taxpayers.
- In total, North Carolina taxpayers will receive **\$67.3 million** in present value benefits—the present value sum of the added tax revenue and public sector savings—over the course of LRU students' careers.

Social perspective

- In FY 2022-23, LRU and its students invested **\$86.8** in higher education. This includes the university's expenditures, student expenses, and student opportunity costs, which together represent social costs. In turn, the North Carolina economy will grow by **\$568.1 million**, over the course of students' working lives. Society will also benefit from **\$93.4 million** of public and private sector savings.
- For every dollar invested in LRU in FY 2022-23, people in North Carolina will receive **\$7.60** in return, for as long as LRU FY 2022-23 students remain active in the state workforce.

For every \$1...	
	Students gain in higher lifetime earnings \$3.60
	Society gains in added income and social savings \$7.60
In total...	
	State taxpayers gain in added tax revenue and public sector savings \$67.3 million

