

ROCKFORD
UNIVERSITY
— 1847 —

2024 Rockford University Economic Impact Analysis



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This report has been prepared by the Region 1 Planning Council Community Impact Team

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Executive Summary

As a key private university in the Northern Illinois region, Rockford University (RU) plays a critical role in supporting the local regional economy. Serving principally as an institution of higher education, RU's primary economic benefit comes from providing students a return on their educational investment, an idea that is conceptualized and quantified in the *Student ROI Analysis* section of this report. The analysis shows that an RU undergraduate education has a net benefit-cost ratio of 1.191 compared to a high school graduate, and 1.153 compared to an individual with some college experience or an associate degree. This means an RU undergraduate degree is expected to provide additional lifetime compensation ranging between 15.3% and 19.1% compared to those two groups. Collectively, each graduating class is also projected to generate, on average, an additional \$1.8 million in regional personal income each year.¹

The university also provides direct monetary benefit to the local economy due to its position as a major employer and purchaser of goods and services, which is further quantified in the University Operations section. Additionally, the university attracts students to the region who then spend money on goods and services while completing classes. Finally, the university hosts many events, such as athletic games, performing arts shows, and campus tours that bring in-state and out-of-state visitors to the region. This economic activity is estimated to generate an additional \$43.3 million in direct spending to the region. Considering the additional spillover effects of this spending as it is multiplied throughout the economy, the actual macroeconomic benefit is estimated to be between \$78.3 million and \$133.5 million.

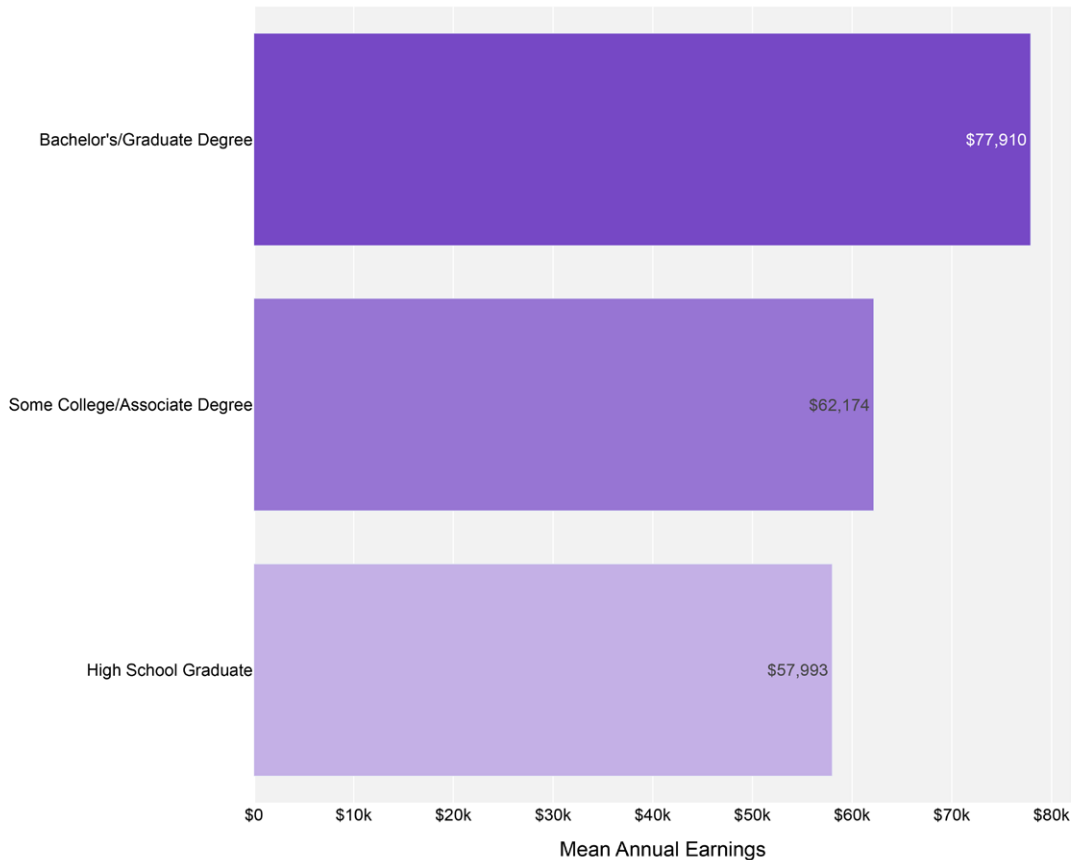
Lastly, to examine the overall macroeconomic footprint the university has on the region, this report quantifies the question: *"What would happen to the local economy if Rockford University did not exist?"* Examining this scenario illustrates how the university contributes to major economic indicators such as employment, population, and gross domestic product (GDP). Moreover, an alternative macroeconomic model explores a more optimistic scenario, envisioning the potential impact of Rockford University's expansion. A baseline scenario, examining the impact one year of university operations has on the regional economy, provides a foundation for comparing these different scenarios. An analysis of the baseline scenario demonstrates that the economic activity generated by RU in a single year has a cumulative impact, supporting 687 jobs and attracting or retaining 859 residents over a multi-year period as the effects ripple through the local economy.

1 Note that all figures and statistics presented in this report are in nominal 2024 dollars, unless otherwise specified, and the "region" is defined as Winnebago, Boone, Ogle, and McHenry counties.

Student Returns to Education: Return on Investment (ROI) Analysis

Rockford University is a leading provider of higher education to local, state, national, and even international students. Given an estimated 62% of RU students enter the regional workforce upon graduation, a critical insight to examine is the amount of economic benefit students receive due to their investment in an RU education.² To begin analyzing this topic, consider Figure 1.1, which depicts the region’s mean annual earnings by education level.³

Figure 1.1: Regional Earnings by Education Level⁴



Across an individual’s working life, those with a bachelor’s or graduate degree in the region earn – on average – approximately 34.3% more than a high school graduate and 25.3% more than an individual with some college experience or an associates. However, there are several additional factors to consider when determining if obtaining a degree from Rockford University is a sound investment from a regional student’s perspective:

2 Over the past five years, an average of 62% of students attending RU each year have come from the region. This percentage was used to estimate that a similar proportion of graduates would remain in the region after graduation to pursue employment.

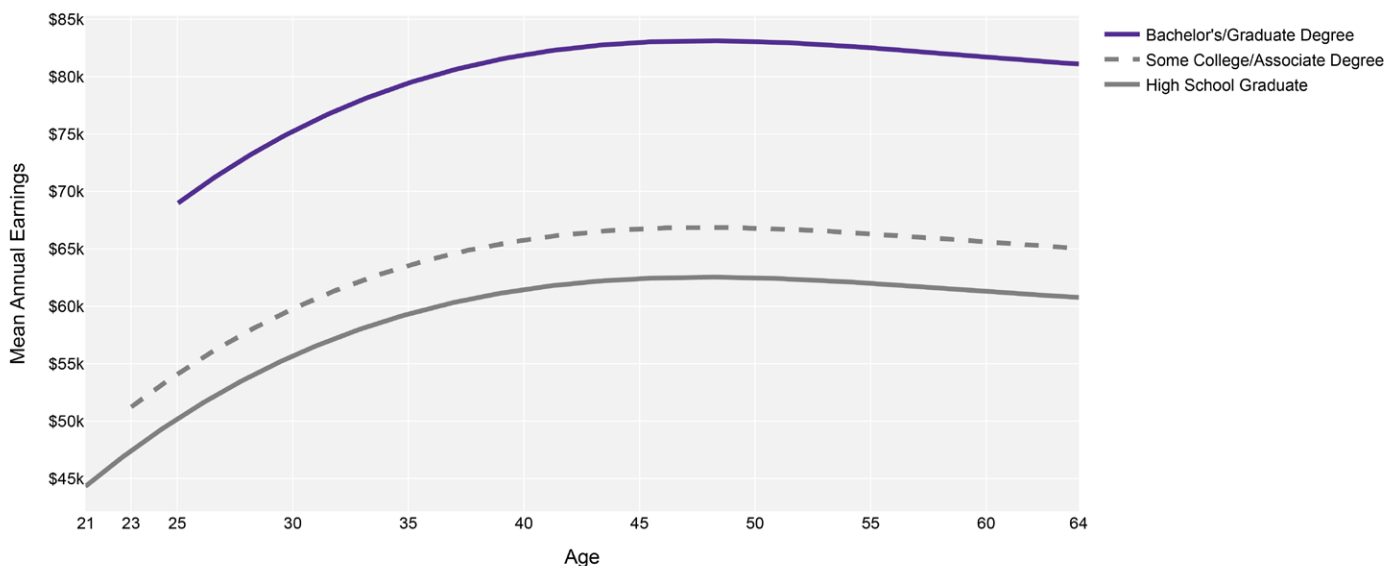
3 U.S. Census Bureau. 2024. Quarterly Workforce Indicators (1990-2024). Washington, DC: U.S. Census Bureau, Longitudinal-Employer Household Dynamics Program, accessed on December 4, 2024 at <https://qwiexplorer.ces.census.gov>.

4 Due to the availability of regional data on population-based earning estimates, Figures 1.1 and 1.2 provide estimates for individuals with a bachelor’s degree or higher. Figures 1.3 and 1.4 utilize machine learning (constrained optimization) to produce conservative estimates for undergraduate degrees.

- Obtaining a full-time, undergraduate degree from RU typically takes four years, during which time the student can expect to forgo a large proportion of potential wage earnings (an opportunity cost).
- Future wage potential is a function of many factors. At the undergraduate level, a chief factor among them is a student’s chosen major, as typical earnings for a particular field of study vary both nationally and regionally.
- Students typically take on a certain amount of debt to earn an undergraduate degree. For this study, the sticker price of a RU education is \$37,100 for the 2023-2024 academic year, including tuition and fees. Given an average financial aid award amount of \$19,800 and a locked-in tuition rate, the expected monetary cost of obtaining the degree is therefore modeled as $(\$37,100 - \$19,800) * 4 = \$69,200$. The financial aid award factors in the total amount of need-based and non-need-based scholarships and grants awarded to students in 2023-2024.
- Although students will also need to budget for life expenses such as housing, food, transportation, and supplies, individuals forgoing a college degree have similar expenditures to consider and therefore these costs are excluded from the direct ROI calculus.
- Earnings also vary considerably by age for those at all educational attainment levels, naturally leading to the question of how long it takes an RU alumnus to recoup the cost of their initial investment in education and begin seeing a net positive benefit.

To model out these factors, regional data on earnings by education level and age were utilized in the development of machine learning models that predict earnings across an individual’s career in the region. These models were further calibrated to account for both the monetary and opportunity cost of the educational investment and for variation in earnings by field of study. The models are then able to calculate the expected value, or ROI, of a Rockford University education for a “typical” RU alumnus as well as those in specific majors.⁵ Beginning with point 5 noted above, Figure 1.2 charts the earnings curve by educational level and age after a base model was fit with regional data from the US Census Bureau’s Quarterly Workplace Indicators (QWI) database.⁶

Figure 1.2: Regional Earnings by Age and Education Level⁷



5 As will later be discussed, the model estimates the “typical” RU alumnus ROI by utilizing a weighted average of the number of undergraduate degrees by major. See Figure 1.3.

6 U.S. Census Bureau. 2024.

7 Data smoothed utilizing polynomial regression and B-spline interpolation.

As noted in Figure 1.1, the mean career earnings for an individual working in the region with a bachelor’s degree or higher is \$77,910 while those with some college experience or an associate degree earn \$62,174 and those with a high school diploma earn \$57,993. The earnings curves in Figure 1.1 were calibrated to match these statistics. Furthermore, individuals with a bachelor’s or graduate degree start their careers at age 25, those with some college or an associate degree start at 23, and high school graduates start at 21, modeling out the opportunity cost of obtaining the degree.

Although derived using regional QWI data on earnings by age and educational attainment, Figure 1.2 also exemplifies the life-cycle hypothesis, which suggests that earnings generally increase gradually, peak around age 50, and then decline as individuals approach retirement. According to this theory, individuals in the model take on debt early on in their career – for example, by pursuing higher education – then build up wealth in their middle to late careers and draw down on those savings in retirement.

Using these earnings curves, the model was further calibrated to target earnings by an individual’s specific field of study. This enables analysis of the cumulative earnings RU undergraduate alumni can expect over their careers, assuming they follow a career path in their chosen major. Figure 1.3 presents the results of this modelling scenario, firstly with a weighted average across all the majors offered at RU. This weighted average uses the average number of undergraduates obtaining a degree in each respective major to construct an overall “expected value” of a Rockford University degree.

Figure 1.3: Expected Earnings of a Rockford University Education⁸

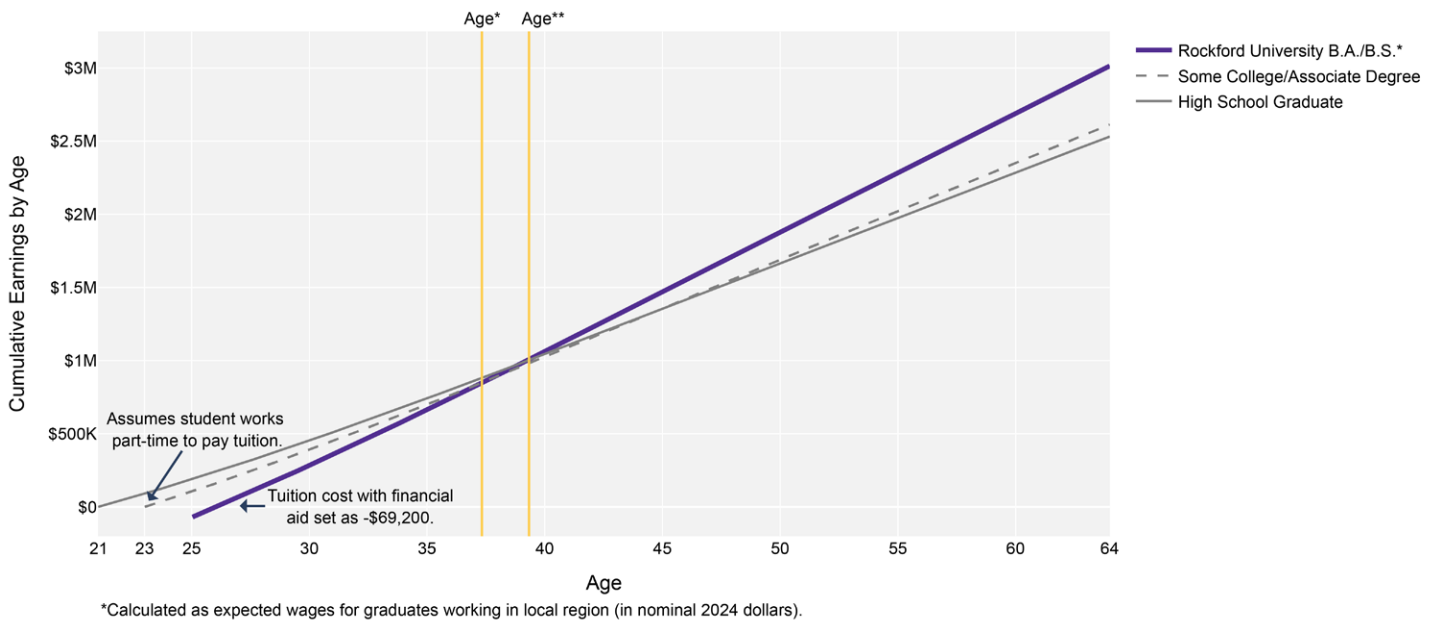


Figure 1.3 shows the expected cumulative income of an individual who has obtained an RU undergraduate degree compared to some college/associate degree and high school graduate earners. Table 1.1 summarizes the results of this figure.

8 U.S. Census Bureau. 2022. “Median Earnings in the Past 12 Months (in 2022 Inflation-Adjusted Dollars) by Age by Field of Bachelor’s Degree for First Major.” American Community Survey, ACS 5-Year Estimates Detailed Tables, Table B15014, Accessed on December 4, 2024 at <https://data.census.gov/table/ACS5Y2022.B15014?q=B15014>. Data adjusted to 2024 dollars.

Table 1.1: Cumulative Income Comparison

Education Level	Estimated Lifetime Income	Median Income Age 25-39	Median Income Age 40-64
Rockford University B.A./B.S.*	\$3,013,513	\$75,688	\$81,518
Some College/Associate Degree	\$2,613,456	\$60,677	\$66,350
High School Graduate	\$2,530,825	\$55,690	\$62,026

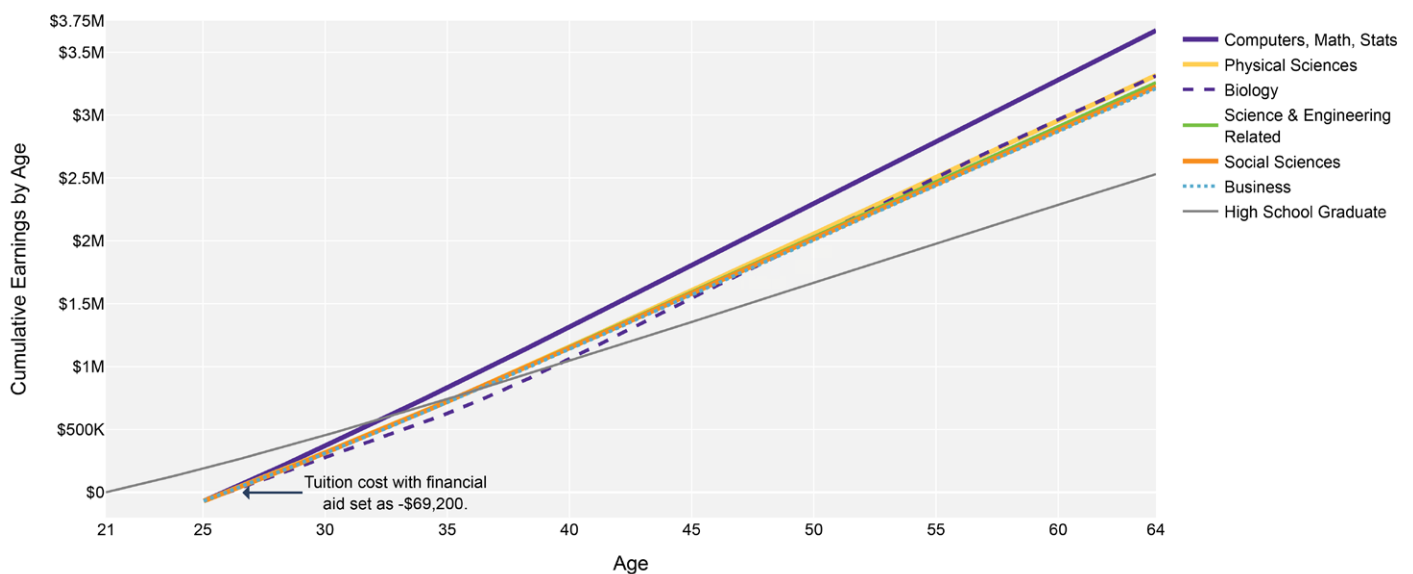
*Calculated as a weighted average of Rockford University undergraduate degrees by all majors.

The net benefit – cost ratio per student for a Rockford University graduate compared to a high school graduate is $\$3,013,513 / \$2,530,825 = 1.191$. That is, an RU graduate can expect a 19.1% increase in cumulative earnings compared to a regional high school graduate across their working careers after discounting for the cost of education and the opportunity cost of missing four years of earnings. The same ratio compared to some college/ associate degree graduates is 1.153. RU graduates also enjoy considerably higher wages throughout their careers and are anticipated to begin having higher cumulative incomes by age 37 compared to high school graduates (Age* in Figure 1.3) and age 39 compared to some college/associate degree graduates (Age**).

Given an average of about 240 undergraduates receive a degree from RU each academic year between 2019 and 2024, this equates to an additional $(\$3,013,513 - \$2,530,825) * 240 = \$115.8$ million in personal income accruing collectively to these graduates across their working lives. With an average of 62% of alumni ultimately staying in the region, this equates to an additional \$71.8 million in personal income being generated per class, or \$1.8 million per working year per class.

As mentioned in the second bullet point in the list noted above, future wage potential is also a function of an individual’s selected undergraduate major, as earnings can vary considerably by field of study. To analyze this further, Figure 1.4 graphs the cumulative earning curves for the most *profitable* RU major “categories,” which are broad fields of study defined in the US Census Bureau’s datasets on regional earnings.⁹

Figure 1.4: Expected Earnings of a Rockford University Education by Most Profitable Majors



9 Majors at Rockford University were matched to the U.S. Census Bureau’s 15-group field of degree classification system.

Although there are several different line colors included in this figure, it is clear that majors within the *Computers, Math, & Stats* category earn the most regionally while the other top major categories also earn a cumulative total of between approximately \$3.2 million and \$3.3 million, considerably more than high school graduates. Analogous to Table 1.1, Table 1.2 breaks down the quantitative results of Figure 1.4.

Table 1.2: Cumulative Income by Most Profitable Majors

Major Category	Included RU Majors	Exceeding High School Income	Estimated Lifetime Income
Computers, Math, Stats	Computer Science, Mathematics, Science & Mathematics	Age 32	\$3,673,076
Physical Sciences	Chemistry	Age 35	\$3,316,836
Biology	Biology, Biochemistry	Age 39	\$3,312,553
Science & Engineering Related Fields	Nursing	Age 35	\$3,257,368
Social Sciences	Economics, Criminal Justice, Social Sciences, Political Science, Sociology/Anthropology, International Studies	Age 35	\$3,227,586
Business	Business Administration, Accounting, Management Studies	Age 36	\$3,212,006

Along with the RU-specific majors that fit into each category, Table 1.2 details the cumulative lifetime income for each major category as well as the age at which the majors are anticipated to begin having a higher cumulative income than high school graduates. The net benefit-cost ratios compared to a high school graduate for each major category range from 1.451 (*Computers, Math, & Stats*) to 1.269 (*Business*), collectively yielding a high return on investment (ROI) across the board.

Finally, Table 1.3 summarizes the resulting analytics when considering the most popular majors at Rockford University, as suggested by the average number of students concentrated in that field between the 2019 and 2024 academic years.

Table 1.3: Cumulative Income by Most Popular Majors

Major	Average Graduates per Year	Exceeding High School Income	Estimated Lifetime Income
Nursing	53.8	Age 35	\$3,257,368
Business Administration	37.4	Age 36	\$3,212,006
Physical Education- Kinesiology	19.8	Age 45	\$2,791,073
Psychology	15.0	Not Exceeding	\$2,510,289
Computer Science	14.6	Age 32	\$3,673,076
Elementary Education	14.6	Age 57	\$2,588,740

Nursing, business administration, and computer science are among the most popular and profitable majors at Rockford University, and their modeled data points are reflected in Table 1.3. Kinesiology, psychology, and elementary education are additions to Table 1.3. Graduates with these majors generally surpass the high school graduate in terms of cumulative income at some point in their careers, except for psychology, which has a slightly lower estimate compared to the high school graduate by age 64. It is an important note that many undergraduates pursue higher education in the field, especially for professional licensing, and may obtain different salaries than what is projected in Table 1.3.

This section quantified in detail the monetary value of a degree from Rockford University, modeling earnings over an RU graduate's lifetime, with further specific modeling done for several majors offered at RU. These calculations were directly compared to lifetime earnings for those with a high school degree and some college/associates degree.

Local Economic Impact

This section analyzes spending within the region and the local economic impact of Rockford University under three separate categories: spending by the university for its own operations, spending by students attending the university, and spending by visitors traveling to the region for events at the university. This spending has the potential to multiply as it is distributed throughout the economy, an economic concept that is elaborated on further in this section. The analysis will primarily focus on the 2023-2024 academic year for RU, with some discussion of the trends from the past few years.

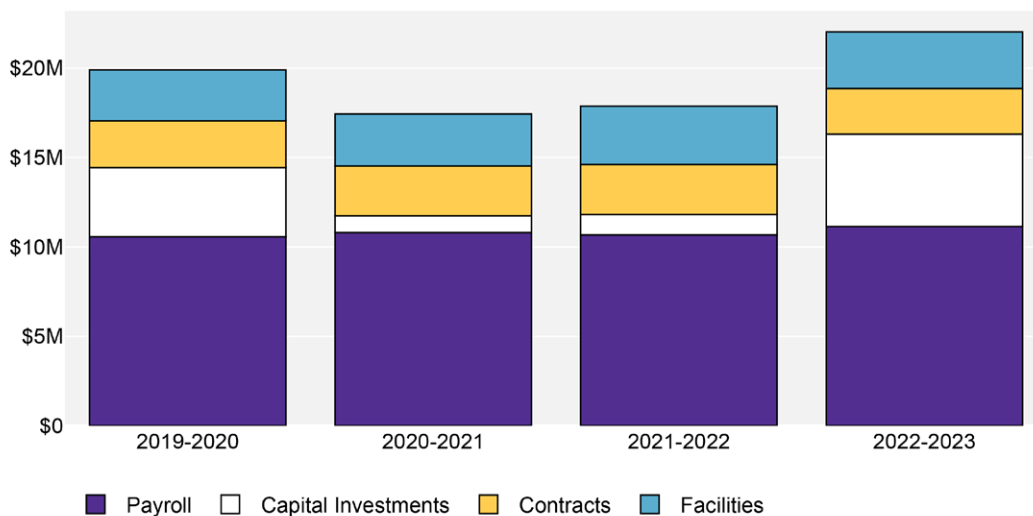
Impact of University Operations

Rockford University is a major buyer of goods in the Rockford region and is also a contractor of businesses for capital investments and essential operations such as food services and facilities maintenance. The businesses that RU contracts hire local workers, which also stimulates the economy in the region. In the past few years, RU spent several millions of dollars each year for facilities, contracts, and capital investments.

Furthermore, RU itself is an employer in the region: in 2023-2024 there were 282 full- and part-time faculty and staff, with additional student employees. The total payroll for the 2023-2024 academic year was \$11.7 million.

The stacked bar chart in Figure 2.1 shows the spending by category and total spending for university operations from the 2019-2020 academic year to 2022-2023. The university spent approximately \$20 million in total for these essential operations during each of these years. During the height of the COVID-19 pandemic, in 2020-2022, the university spent less on capital investments, but in the 2022-2023 academic year it began investing more into capital again, bumping operations spending above \$20 million.

Figure 2.1: Rockford University Operations Spending (2019-2023)



The money spent by RU for essential operations contributes to the Rockford regional economy and has the potential to be multiplied as it is distributed to employees of the university and its contractors, who then spend their earnings at local businesses, and the cycle repeats itself. This economic concept is called the multiplier effect, and the multiplier can be approximated by the following formula: $1/(1-MPC)$, where MPC is known as the Marginal Propensity to Consume. Assuming consumers save 20% of their income and spend 80%, the multiplier can be as high as 5; however, there are additional factors such as taxes (income and sales), and the fact that not all spending occurs locally. For this analysis, multiplier values were assumed to be 1.7 for a conservative estimate up to 3.6 for a high estimate.

Thus, these low and high estimates for the multiplier can be applied to the estimated spending for university operations to approximately quantify its local economic impact. The estimated income generated in the region after multiplier effects fell in the range of \$33.4 million-\$53.6 million.

Table 2.1: Estimated RU Operations Spending and Income Generated (2023-2024)

Type	Dollar Amount
Facilities	\$3.0 million
Contracts	\$2.7 million
Capital Investment	\$2.8 million
Payroll ¹	\$11.7 million
Total Estimated Spending	\$20.2 million
Multiplied (Conservative Estimate)	\$33.4 million
Multiplied (High Estimate)	\$53.6 million

1 Payroll was a true value for the 2023-2024 academic year, not an average from the past years.

Impact of Students Attending the University

Another large contributor to the local economy is the spending of students attending the university. The students spend in the region on food, books and supplies, other personal goods, transportation, and housing if they live independently from their relatives.

A significant portion of the university’s enrolled students during the 2023-2024 academic year had to move to the region to be closer to the university. Approximately 62% of students were from the four-county region (34% of students live in Rockford), 12% of the students were from another state, and 9% of the students were international. About 17% of students were from Illinois but outside the four-county region.

Table 2.2 summarizes the enrolled student body for 2023-2024 in terms of undergraduate and graduate students, whether they were full-time or part-time, and whether they lived on campus or off campus. The majority of students were undergraduates, and most of them attended RU full-time that year. On the other hand, most of the graduate students attended part-time. A majority of the student body, at about a 3:1 ratio, lived off campus.

Table 2.2: Summary of RU Student Body (2023-2024)

Student Type	Full-Time	Part-Time	On-Campus	Off-Campus
Undergraduate	958	90	354	694
Graduate	98	256	25	329

Similar to the local economic impact of university operations, the estimated income generated by the student body attending the university was calculated. This analysis was done with three different categories of student spending: housing and food, transportation, books, supplies, and personal expenses as one category.

Most of the information needed to calculate the cost of attendance is found on Rockford University’s website, which provides a table for the full-year cost of attendance budget.¹⁰ Some specific estimates depend on whether a student is full/part-time, on/off campus, and living with a relative or independently.

Table 2.3 summarizes the estimates of the spending by the student body in the three cost of attendance categories. For the housing and food category, the higher subtotal for the off-campus students reflects the fact that the majority of students live off campus and the wide range of budgets that exist for these students – e.g., living with a relative or roommates compared to living by oneself. The transportation category implements a weighted average using the numbers of full and part-time students to estimate commuting costs.

Table 2.3: Estimated Spending by Students Attending the University (2023-2024)

Housing and Food	
On-Campus Students	\$4.1 million
Off-Campus Students	\$7.3 million
Subtotal	\$11.4 million

Transportation	
On-Campus Students	\$590,000
Off-Campus Students	\$2.2 million
Subtotal	\$2.8 million

Book, Supplies, Personal Expenses	
Subtotal	\$7.6 million

Totals & Estimated Income Generated	
Total Estimated Spending	\$21.8 million
Multiplied (Conservative estimate)	\$43.6 million
Multiplied (High Estimate)	\$78.5 million

The amount of spending for university operations is similar to the spending by students attending the university; however, the potential for the multiplier effect was assumed to be slightly higher for the spending by the student body as the students are directly contributing their income to the local economy.

Impact of Visitors to Rockford

A smaller – but nonetheless important – contribution that Rockford University makes to the local economy is the income generated from spending by visitors. Every year, RU attracts thousands of visitors to the city of Rockford, primarily for athletics events, performing arts events, and prospective student visits. Many of these visitors come from afar and thus are more likely to spend a greater amount of money while staying in Rockford for multiple days.

In the 2023-2024 academic year, there were an estimated 6,793 visitors from outside Rockford at athletic events, 1,261 visitors for performing arts events, and 795 visitors for prospective student visits, summing to a total of 8,849 visitors from outside Rockford. It was estimated that 29% of these visitors were from another state.

10 Rockford University, “Undergraduate Tuition and Fees” Accessed at <https://www.rockford.edu/admission/tuition/undergraduate/>

To calculate the estimated spending by visitors to Rockford in the 2023-2024 academic year, an approximate budget was set for in-state and out-of-state visitors, with a higher budget for out-of-state visitors accounting for lodging.¹¹ The total estimated spending by visitors to Rockford in the 2023-2024 academic year was \$1.31 million.

Figure 2.2 shows a breakdown of this total into spending at different events in the left donut chart. Most of the spending occurred at visits for athletics events, as implied by the higher number of visitors at these events, but there was also a higher proportion of out-of-state visitors, including athletes from the visiting teams. The right pie chart shows estimated proportions of spending from in-state and out-of-state visitors.

To conclude this section, the estimated income generated in the region by visitors was calculated by applying a multiplier. Because these visitors spend a small fraction of their income for a short time during their visit, a much smaller multiplier was assumed for the estimated income generated. These estimates ranged from \$1.32 million to \$1.44 million.

Figure 2.2: Estimated Visitors Spending (2023-2024)

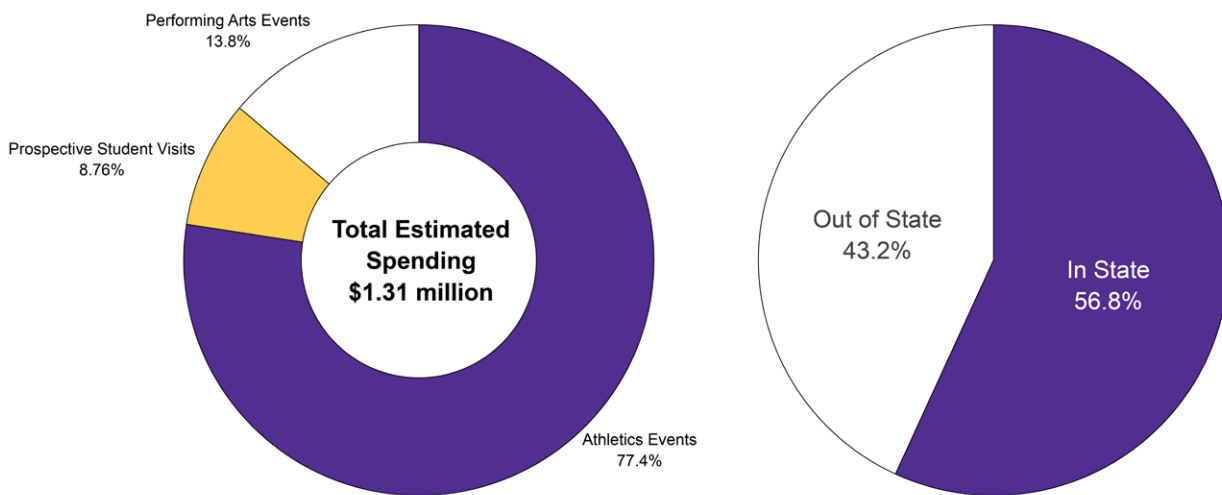


Table 2.4 summarizes the results of this section, broken down between university operations, student expenditure, and visitor expenditure. The next section will use some of these estimates in a more comprehensive macroeconomic model.

Table 2.4: Summary of RU’s Local Economic Impact (2023-2024)

Category	Spending	Multiplied (Low)	Multiplied (High)
University Operations	\$20.2 million	\$33.4 million	\$53.6 million
Students Attending the University	\$21.8 million	\$43.6 million	\$78.5 million
Visitors	\$1.31 million	\$1.32 million	\$1.44 million
Total	\$43.3 million	\$78.3 million	\$133.5 million

11 Per diem rates taken from the U.S. General Services Administration FY 2024 per diem rates for Rockford, IL

Macroeconomic Modeling and Impact

To evaluate Rockford University’s (RU) contribution to the local economy, three scenarios were analyzed using macroeconomic modeling software: the **Baseline**, the **Expansion**, and the **Counterfactual** scenarios¹². These scenarios provide insight into RU’s current economic footprint, its potential impact under an enrollment expansion, and the repercussions of its absence.

The Baseline scenario captures the economic impact of a single year of RU’s operations on the local economy. It utilizes data from the past five academic years – including average enrollment figures, student and visitor spending, capital investments, operational expenditures, faculty wages, and graduate workforce participation – to estimate the university’s contribution to employment, population, and GDP, highlighting RU’s role in shaping regional economic outcomes.

The Expansion scenario examines hypothetical growth by modeling the economic impacts if RU increased full-time enrollment to 1,500 students. The average full-time enrollment over the past five academic years is 1,059 students. This scenario projects additional contributions to employment, population, and GDP resulting from increased student spending. It also assumes a proportional rise in part-time enrollment and enhanced participation of graduates in the regional workforce.

The Counterfactual scenario examines the economic conditions that would arise if RU did not exist. This analysis considers the impacts of faculty and staff layoffs, as well as the elimination of student, university, and visitor spending. It quantifies the resulting declines in employment, population, and GDP, underscoring RU’s critical role in supporting the local economy.

Figure 3.1: Total Impact on Regional Employment by Scenario

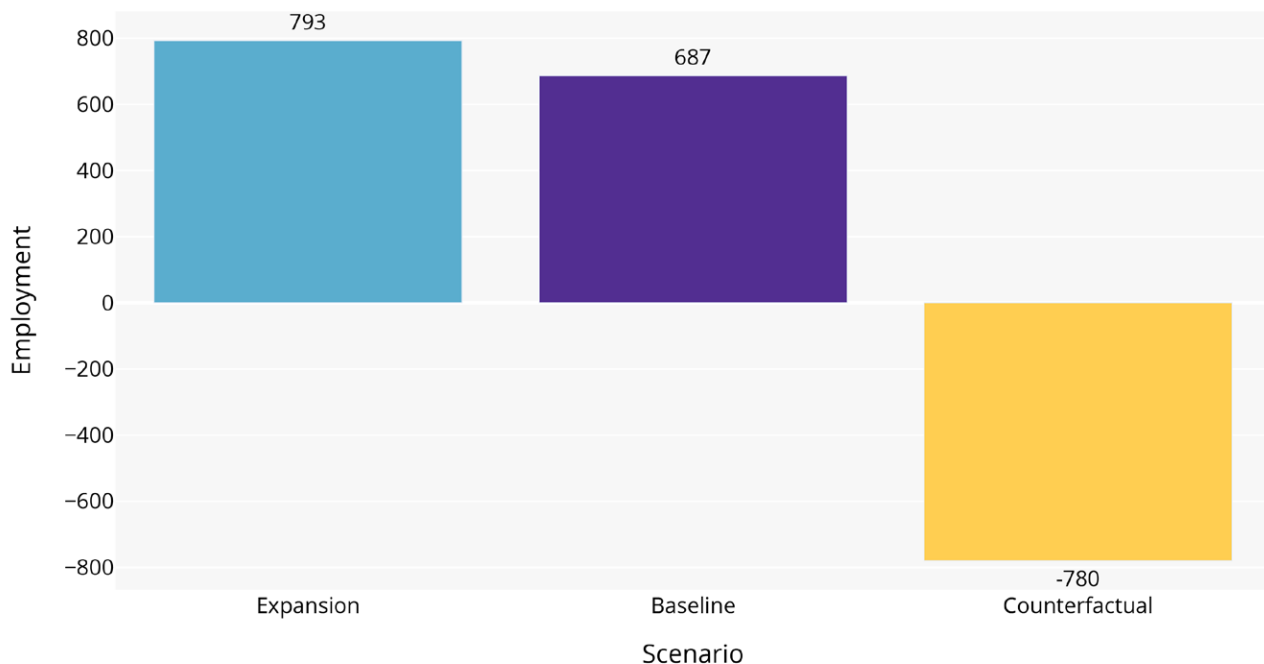


Figure 3.1 highlights the total regional employment impacts under the three scenarios.¹³ The Expansion scenario offers the most significant benefit to the local workforce, projecting the highest increase in jobs at 793 over three years. The Baseline scenario demonstrates that RU sustains 687 jobs through a combination of direct employment, approximately 202 graduates entering the regional workforce, and indirect job creation driven by consumer spending, capital investment, and other economic activities. In contrast, the Counterfactual scenario reveals the severe repercussions of RU’s absence, with a loss of 295 faculty and staff working at RU in Winnebago County, IL, and the resulting indirect economic losses from reduced spending. The negative impacts of the Counterfactual scenario, with 780 jobs lost, significantly outweigh the positive contributions shown in the Baseline scenario.

These findings emphasize RU’s critical role as an economic driver for the region. Beyond direct job creation, the university stimulates economic activity through the multiplier effect, where spending by the university, its students, and visitors supports local businesses and generates additional jobs. The Expansion scenario underscores the potential for greater economic benefits with increased enrollment, while the Counterfactual scenario highlights the vulnerability of the regional economy without RU.

Figure 3.2: Total Impact on Regional Population by Scenario

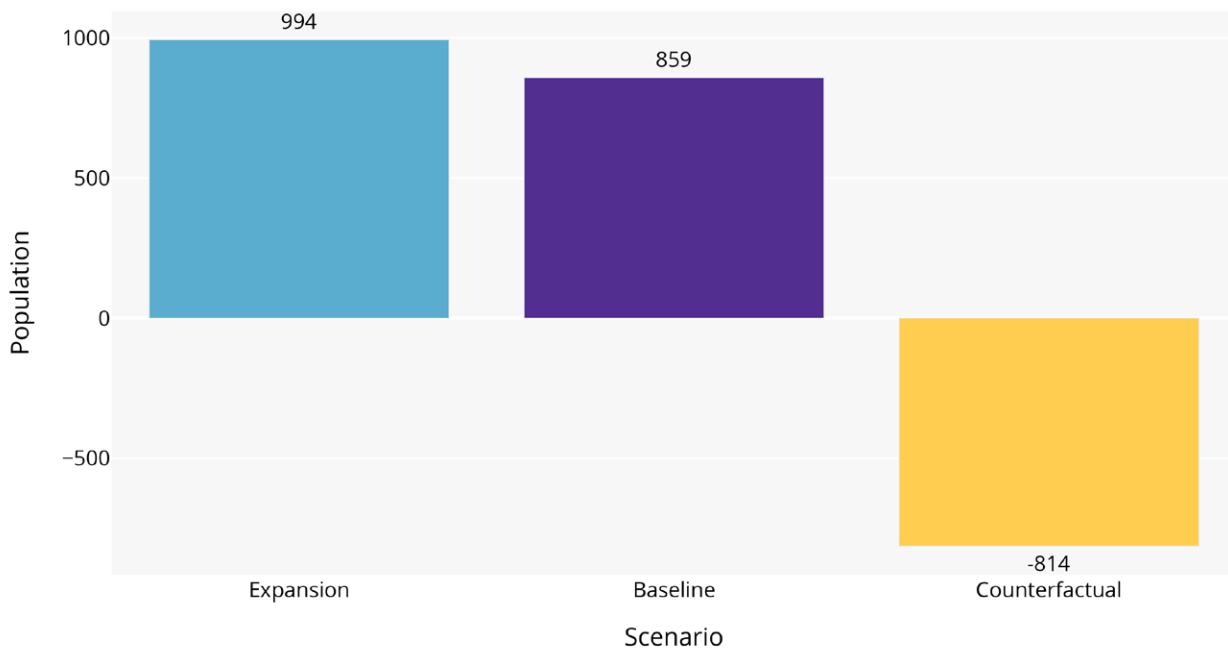


Figure 3.2 illustrates the total regional population impact across the three scenarios. The Expansion scenario projects the largest population growth, adding 994 residents, with growth sustained over 20 years from just one year of RU’s operations. Similarly, the Baseline scenario demonstrates cumulative growth, supporting 859 residents over the same period. In contrast, the Counterfactual scenario reveals the long-term negative effects of RU’s absence, resulting in a population loss of 814 residents over 18 years, underscoring the university’s vital role in sustaining regional population stability.

¹³ The “total” impacts represent a cumulative effect, meaning RU’s annual operational inputs estimated for 2025, based on historical data, when modeled, produced impacts spanning multiple years. These annual impacts were summed to account for how these effects propagate through the economy over multiple years. Employment impacts were observed over three years, population impacts spanned 18 to 20 years, and GDP impacts unfolded over a three-year period.

The population growth observed in the Baseline and Expansion scenarios can be attributed to several interconnected factors. With 62% of RU students originating from the region, a significant proportion of graduates are likely to remain locally after completing their education, contributing to workforce retention and population stability. This effect is further amplified in the Expansion scenario, where increased enrollment not only boosts the number of graduates entering the regional workforce but also enhances the economic activity generated by student and worker spending. These dynamics create a ripple effect, attracting new residents to meet the rising demand for goods and services.

In contrast, the immediate loss of 295 faculty and staff jobs in the Counterfactual scenario would force many to leave the area in search of alternative employment, initiating a domino effect on the local economy. The absence of RU would also eliminate the spending associated with students, staff, and visitors, leading to reduced demand for local businesses, potential closures, and job losses. Without RU graduates entering the workforce, the region’s ability to attract and retain talent would suffer, further accelerating population decline and weakening the economic foundation of the community. This stark contrast highlights the essential role RU plays in driving population growth and maintaining economic resilience.

Figure 3.3: Total Impact on Regional GDP by Scenario

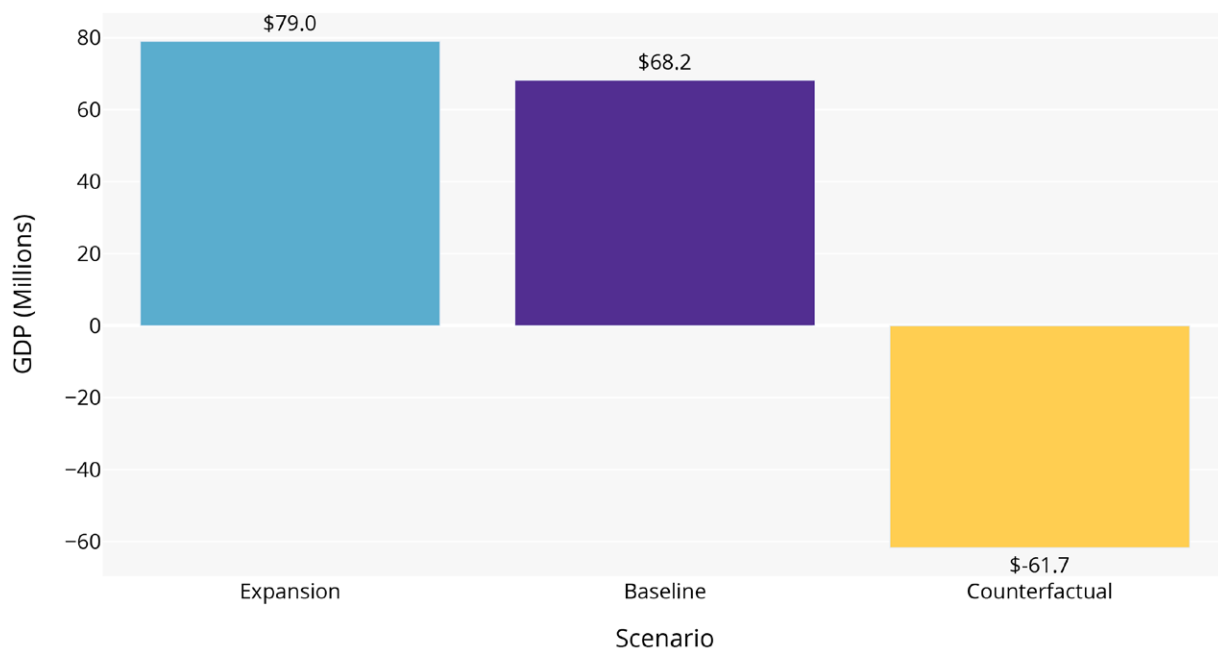


Figure 3.3 illustrates the total regional GDP impacts across the three scenarios. In the Baseline scenario, RU contributes \$68.2 million to the region’s GDP. This reflects the university’s direct economic activity, including student, university, and visitor spending, as well as the broader indirect and induced economic effects these activities generate. Approximately 90% of these GDP gains are realized the same year the inputs occur, with the remaining effects trickling out over the following two years. RU’s contributions account for 0.173% of the region’s \$39.4 billion economy predicted for 2025. While this percentage may seem small, for a single institution to sustain this share of a highly diversified economy is noteworthy.

The Expansion scenario showcases the potential for RU to enhance its economic contributions further, projecting a GDP impact of \$79.0 million. This represents an additional \$10.8 million in GDP compared to the Baseline scenario, driven by increased enrollment and resulting economic activity. In contrast, the Counterfactual scenario highlights the losses in regional GDP that would occur due to RU’s absence, with a projected loss of \$61.7 million. The immediate elimination of faculty and staff wages, visitor spending, and associated economic activity would create a significant gap in the regional economy.

Conclusion

This report quantified three major sources of economic benefit to the region stemming from Rockford University: the additional personal income gained by students from pursuing higher education; the impact of university operations, student expenditure, and visitors to the university; and the macroeconomic effects in terms of employment, population, and GDP. The net benefit-cost ratio of attending Rockford University and obtaining a bachelor's degree is 1.191 compared to a high school graduate and 1.153 compared to an individual with some college experience or an associates degree, meaning that pursuing the bachelor's is expected to be a profitable endeavor. Additionally, depending on which major students choose, the expected value of the degree can be even greater.

The economic impact resulting from university operations was estimated at \$20.2 million in direct spending, student expenditure contributed \$21.8 million, and visitor spending equaled \$1.31 million, totaling \$43.3 million. When considering the multiplier effect of this money being circulated continuously throughout the regional economy, this number ranges between \$78.3 million and \$133.5 million in total economic benefit.

Finally, utilizing regional economic modeling outputs, Rockford University is currently estimated to support 687 additional employees, 859 people, and \$68.2 million in gross GDP to the regional economy. This includes direct support to staff and faculty, as well as broader interactions with the larger economy. If Rockford University were to expand full-time enrollment from approximately 1,000 to 1,500 students, there would be an estimated increase in regional employment of 106 employees, 135 additional people, and \$10.8 million in GDP. Conversely, removing Rockford University from the regional economy would lead to an estimated decrease in employment of 780, decrease in population of 814, and loss of GDP equal to \$61.6 million.

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