

**The Economic Impact of
Flagler College
On the First Coast**

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EXECUTIVE SUMMARY

This report examines the Flagler College Spending, Knowledge and Local Government Impacts on the First Coast (Baker, Clay, Duval, Nassau, and St. Johns Counties) for the year of 2014.

FLAGLER COLLEGE IMPACT ON THE FIRST COAST

In 2014 Flagler College contributed \$201 million to the First Coast.

- **Spending Impact** - \$155 million from Flagler, its employees, students, and visitors in 2014.
- **Knowledge Impact** - Alumni contributed \$41 million in increased earnings and Social Benefits.
- **Local Residents Impact** - \$2.3 million in cultural, educational, labor, and recreational benefits.
- **Local Government Impact** - The City of St. Augustine treasury received a \$365,543 net benefit due to the presence of Flagler College. The St. Johns County received a \$2.1 million net benefit.

FLAGLER COLLEGE IMPACT ON SAINT JOHNS COUNTY

In 2014 Flagler College contributed \$109 million to Saint Johns County.

FLAGLER COLLEGE IMPACT ON SAINT AUGUSTINE

In 2014 Flagler College contributed \$67.5 million to Saint Augustine.

FLAGLER COLLEGE SPENDING IMPACT

Spending Impacts are the effects of outlays of the College, its employees, students, and visitors.

- **Flagler College Spending** - \$34 million
- **Employee Spending** - \$35 million
- **Student Spending** - \$41 million
- **Visitor Spending** - \$47 million
- **Jobs** - 1,583 jobs - 388 positions at Flagler College and 1,195 new jobs

FLAGLER COLLEGE KNOWLEDGE IMPACT

Knowledge Impacts are the life-long benefits from the increased earnings of Flagler alumni. and from savings due to better lifestyle choices of Flagler alumni. They come also from Community Service.

- **Alumni Increased Earnings** - \$27 million
- **Alumni Social Benefits** - \$14 million

FLAGLER COLLEGE IMPACT ON ST. AUGUSTINE RESIDENTS

\$2.3 Million in community service, cultural, education, labor, and recreation benefits.

FLAGLER COLLEGE LOCAL GOVERNMENT IMPACT

Flagler contributed 3.4% to St. Augustine City revenues and 1.9% of expenditures - a 1.5% net benefit. Flagler contributed 1.6% to St. Johns County revenues and 0.7% of expenditures - a 0.9% net benefit.

EXHIBIT 1
FLAGLER SPENDING IMPACT

DIRECT SPENDING BY FLAGLER IN METRO JACKSONVILLE		
College Spending	\$14,827,267	
Employee Spending	\$15,125,420	
Student Spending	\$17,127,985	
Visitor Spending	\$20,509,000	
	\$67,589,672	
SECONDARY SPENDING IN METRO JACKSONVILLE		
Secondary Spending by Flagler	\$19,144,967	
Secondary Spending by Employees, Students and Visitors	\$68,126,816	
	\$87,271,783	\$154,861,455
FLAGLER KNOWLEDGE IMPACT		
INCREASED EARNINGS OF ALUMNI	\$27,592,289	
SOCIAL BENEFIT IMPACT		
Reduced Absenteeism	\$1,545,200	
Reduced Alcoholism	\$496,646	
Reduced Crime Victim Cost	\$594,000	
Reduced Incarceration	\$1,813,505	
Reduced Smoking	\$772,284	
Reduced Unemployment	\$4,662,080	
Reduced Welfare Expenditures	\$3,703,483	
Total Flagler Social Benefit Impact	\$13,587,198	\$41,179,487
FLAGLER IMPACT ON ST AUGUSTINE RESIDENTS		
RESIDENTS IMPACT	\$2,294,756	\$2,294,756
FLAGLER LOCAL GOVERNMENT IMPACT		
Total Benefit to St. Augustine City Government	\$817,372	
Total Cost to St. Augustine City Government	-\$451,653	
Net Benefit to St. Augustine City Government	\$365,719	
SAINT JOHNS COUNTY GOVERNMENT		
Total Benefit to Saint Johns County Government	\$3,970,523	
Total Cost to Saint Johns County Government	-\$1,849,907	
Net Benefit to Saint Johns County Government	\$2,120,616	\$2,486,336
TOTAL METRO JACKSONVILLE ECONOMIC IMPACT		\$200,822,034

EXHIBIT 2
FLAGLER ECONOMIC IMPACT ON ST JOHNS COUNTY
SPENDING IMPACT

DIRECT SPENDING BY FLAGLER IN ST JOHNS COUNTY		
College Spending	\$8,917,437	
Employee Spending	\$10,756,520	
Student Spending	\$14,558,787	
Visitor Spending	\$17,432,650	
	\$51,665,394	
SECONDARY SPENDING IN ST JOHNS COUNTY		
Secondary Spending by Flagler	\$4,904,590	
Secondary Spending by Employees, Students and Visitors	\$23,511,376	
	\$28,415,967	\$80,081,362
FLAGLER KNOWLEDGE IMPACT		
INCREASED EARNINGS OF ALUMNI	\$17,777,726	
SOCIAL BENEFIT IMPACT		
Reduced Absenteeism	\$995,573	
Reduced Alcoholism	\$319,989	
Reduced Crime Victim Cost	\$382,715	
Reduced Incarceration	\$1,168,442	
Reduced Smoking	\$497,583	
Reduced Unemployment	\$3,003,781	
Reduced Welfare Expenditures	\$2,386,156	
Total Flagler Social Benefit Impact	\$8,754,239	\$26,531,966
FLAGLER LOCAL GOVERNMENT IMPACT		
Total Benefit to St. Augustine City Government	\$817,372	
Total Cost to St. Augustine City Government	-\$451,653	
Net Benefit to St. Augustine City Government	\$365,719	
SAINT JOHNS COUNTY GOVERNMENT		
Total Benefit to Saint Johns County Government	\$3,970,523	
Total Cost to Saint Johns County Government	(\$1,849,907)	
Net Benefit to Saint Johns County Government	\$2,120,616	\$2,486,336
TOTAL ST JOHNS COUNTY ECONOMIC IMPACT		\$109,099,664

EXHIBIT 3
FLAGLER ECONOMIC IMPACT ON ST AUGUSTINE
SPENDING IMPACT

DIRECT SPENDING BY FLAGLER IN ST AUGUSTINE		
College Spending	\$8,836,523	
Employee Spending	\$4,275,859	
Student Spending	\$7,707,593	
Visitor Spending	\$11,279,950	
	\$32,099,925	
SECONDARY SPENDING IN ST AUGUSTINE		
Secondary Spending by Flagler	\$2,650,957	
Secondary Spending by Employees, Students and Visitors	\$6,979,021	
	\$9,629,978	\$41,729,903
KNOWLEDGE IMPACT		
INCREASED EARNINGS OF ALUMNI	\$15,490,282	
SOCIAL BENEFIT IMPACT		
Reduced Absenteeism	\$867,474	
Reduced Alcoholism	\$278,816	
Reduced Crime Victim Cost	\$333,471	
Reduced Incarceration	\$1,018,100	
Reduced Smoking	\$433,560	
Reduced Unemployment	\$2,617,287	
Reduced Welfare Expenditures	\$2,079,132	
Total Flagler Social Benefit Impact	\$7,627,839	\$23,118,121
IMPACT ON ST AUGUSTINE RESIDENTS		
	\$2,294,756	\$2,294,756
LOCAL GOVERNMENT IMPACT		
Total Benefit to St. Augustine City Government	\$817,372	
Total Cost to St. Augustine City Government	-\$451,653	
Net Benefit to St. Augustine City Government	\$365,719	\$365,719
TOTAL ST AUGUSTINE ECONOMIC IMPACT		\$67,508,499

INTRODUCTION

This report seeks to determine the importance of Flagler College to the First Coast, St. Johns County, and St. Augustine. It represents a careful examination of the evidence available from detailed research conducted according to the best practices in the industry. Exhibit 1 on page 4 summarizes the numbers described in the report. Another summary of the Flagler impact is shown below, followed by analysis of the College's impact.

In 2014 the College contributed **\$201** million in additional spending to the First Coast:

- \$67.6 million in Direct Spending
- \$87.3 million in Secondary Business Spending
- \$27.6 million in Increased Alumni Earnings
- \$13.6 million in Social Benefits
- \$2.3 million in Benefits to St. Augustine residents
- \$2.5 million in Net Benefits to local government budgets

The College provided employment opportunities for 1,583 people:

- 388 Full- and Part-Time Jobs at Flagler College
- 1,195 other New Jobs in the wider region

These statistics were determined by tracing the dollars spent, the people employed, the assets added, the taxes affected, and the sales generated in the First Coast.

Flagler College is an export industry because outside people purchase a First Coast product: 93.5% of College revenue comes from outside the region, thus generating new money to stimulate the First Coast economy. This report counts the impact of this new money as well as the impact of alumni who reside in the First Coast.

FLAGLER COLLEGE SPENDING IMPACT

The Flagler College Spending Impact is the result of direct and secondary spending. Direct spending comes from the College, its employees, students and visitors. Secondary spending is by businesses and governments, the beneficiaries of the initial direct spending.

The Economic Impact of an organization on a region is derived from its ability to attract outside money to a region or to prevent funds from leaving it. The Economic Impact of a College comes from its ability to attract students from other parts of the country and to retain local students who would otherwise have attended college elsewhere.

“Outside money” received by a region from out-of-area sources determines the impact of a College on the local economy. For instance, tuition revenue that Flagler College receives from Tampa is different from revenue received from Orange Park. The Tampa family earned its income from outside the First Coast. When their tuition is paid to the College it is an outside injection into the economy of the First Coast. Tuition revenue from the Orange Park family comes from within the First Coast and remains

within it. Therefore local tuition revenue is not used to determine Flagler's Spending Impact, as it is "inside money," and typically would remain in the region whether Flagler College was present or not.

The share of revenues from tuition, contributions, grants, and auxiliary activities that came from outside of the First Coast in 2014 was 93.5%. These percentages were multiplied by College vendor spending and payroll in the Region to determine the Flagler Direct Spending Impact.

Flagler College made a considerable impact on the First Coast business community in 2014. The direct spending by the College, its employees, students, and visitors was \$67.6 million. This money was spent and re-spent several times in the community. Some of it was paid to local merchants or was received as income by local residents. The amount of the turnover was \$87.3 million in 2014. This is also known as the multiplier effect: That is how an infusion of revenue then echoes through an economy to stimulate additional revenue.

Of the \$67.6 million spent directly in the First Coast by the College community, Flagler College itself spent 22% of that amount, or \$14.8 million, with area businesses. College employees contributed 23% of this flow, or \$15.1 million. The College's students who came from outside the First Coast accounted for \$17.1 million, or 25%, of the total spending on food, clothing, and other goods. Visitors to the campus and College events represented \$20.5 million or 30%. Exhibit 4 below shows these figures.

EXHIBIT 4
DIRECT SPENDING BY FLAGLER COLLEGE
IN THE FIRST COAST

DIRECT SPENDING BY FLAGLER IN METRO JACKSONVILLE	
College Spending	\$14,827,267
Employee Spending	\$15,125,420
Student Spending	\$17,127,985
Visitor Spending	\$20,509,000
Total Direct Spending	\$67,589,672

COLLEGE DIRECT SPENDING

Flagler College spent \$15,858,039 in the First Coast during 2014. The share of that spending derived from income from outside the First Coast is 93.5%. When the total vendor spending is multiplied by 93.5% the result is \$14,827,267. This is the amount that can be attributed to out-of-area students who attended Flagler. Not included in this total are salaries to employees, loans and grants to students, and purchases of goods and services from organizations outside the region. If salaries to employees were included, then the total amount of College spending in the First Coast would be even more significant.

EMPLOYEE DIRECT SPENDING

In 2014 the payroll for Flagler employees living in the First Coast was \$16,176,919. The share of payroll derived from income originating outside the First Coast is 93.5%. When the payroll is multiplied by 93.5%, the result is \$15,125,420. This is the payroll which was earned from out-of-area students and spent in the First Coast.

STUDENT DIRECT SPENDING

There were 2,708 students at Flagler College during the last year. 93.5% of them came from outside the First Coast. These out-of-area students spent \$17,127,985 in the area on apartments, automobiles, food, entertainment and the like.

Revenue from these students who come from outside of the First Coast is injected into the local economy each time students go to a restaurant, purchase gasoline or other commodities at local businesses. Students from outside the First Coast stimulate the regional economy. In short, this means that the Flagler impact on the First Coast comes from non-First Coast students.

VISITOR DIRECT SPENDING

Visitors who came to Saint Augustine because of Flagler College brought more than \$20.5 million in new money to Greater Jacksonville in 2014. These visitors can be divided into Legacy visitors and Flagler-focused visitors.

Legacy visitors come for Saint Augustine's particular characteristics. The Ponce de Leon Hotel is a part of the Saint Augustine experience and contributes to the value of Saint Augustine as a destination. Flagler-focused visitors come specifically to visit Flagler College for such purposes as conferences, basketball games and visiting their children.

Hedonic demand theory is a method economists use to estimate demand or prices. "It aims to determine the relationship between the attributes of a good and its price." "In the case of housing, the characteristics may be structural, such as number of bedrooms, size of plot, presence or absence of a garage, or environmental, for instance air quality, the presence of views, noise level, crime rate, the proximity to shops or schools."¹

Similarly, the satisfaction of a vacation is related to weather, natural beauty, recreation, restaurant and hotel quality, transportation, culture and history among other things. Thus the Saint Augustine experience can include beaches and nature, history, culture, luxury and romance, attractions and golf.

Legacy Visitors

The total number of visitors to St. Johns County in 2013, (the most recent year for numbers are available), was 5,960,000. They spent a total of \$756 million. Many of these tourists came because of the presence of Flagler College. Glenn Hastings, the Executive Director of the St. Johns County Tourist Development Council says that the Ponce de Leon Hotel "is a visual that most people associate with Saint Augustine. When you come off the Bridge of Lions it stirs up some excitement. You see the tower from the Cathedral, the tower from the old bank building and the tower of the Hotel." He goes on to say that "we use that image in our presentations."

The visual impact would be diminished if the former Ponce de Leon Hotel were not there. This would significantly diminish the attractiveness of Saint Augustine and would reduce the number of people visiting the city. Glenn Hastings estimates that the number of annual visitors could drop by as much as 4-5% without the Hotel's presence. Under that scenario, between 238,400 and 298,000 fewer tourists would have come to St. Johns County last year.

Taking the midpoint of Mr. Hastings' estimate yields a figure of 268,200 fewer tourists in St. Johns County. Assuming that 50% of these tourists would choose locations outside of Greater Jacksonville would mean that the region would have 134,100 fewer tourists.

Surveys by the Visitors Bureau show that the average visitor spent \$126.85s in 2013. Multiplying the spending per visitor by 134,100 fewer tourists results in a figure of \$17,010,000. This is the contribution of legacy visitors in 2013. It is what the existence of the Ponce de Leon Hotel brings to the area.

Flagler-Focused Visitors

In addition there are parents of Flagler College students, and people who come to the College for basketball games and conferences. These people spent an additional \$3.5 million last year. Exhibit 5 describes the visitors who come because of Flagler College. Thus the total contribution by visitors to Flagler College last year was \$20.5 million.

EXHIBIT 5 **SPENDING BY VISITORS TO FLAGLER COLLEGE**

Category	Number of Visitors	X	Average Expenditure	=	Total Expenditures
Admissions Visits	6,300		\$110		693,000
Alumni Events	340		\$150		51,000
Athletic Camps	910		\$100		91,000
Athletic Games	650		\$90		58,500
Cultural Events	4,400		\$100		440,000
Graduation	2,900		\$95		275,500
Legacy	134,100		\$127		17,010,000
Parental Visits	21,000		\$90		1,890,000
TOTAL	170,600				\$20,509,000

* Exact numbers for attendance by out-of-area visitors are not available in most cases. Estimates have been used.

THE MULTIPLIER EFFECT

The total direct impact of the Flagler College community in the First Coast was \$68,161,686 in 2014. This amount went to area businesses, including utilities, plumbers, restaurants, property owners, hotels, and other services. Many of these enterprises depend on the College for a significant share of their revenue. In turn, the delivery driver to the dining hall buys some of his gas locally. The hotel that hosts a parent from Atlanta gets its cleaning supplies from local markets. Of course, both the food purveyor and the hotel pay their employees from money spent by the Flagler community. All of this accounts for \$88,010,370 re-spent in the area in 2014.

The impact of this re-spending is known as the multiplier effect. Economic factors that take place outside the local economy – for example Flagler spending in the Tampa area – are called leakages and reduce the multiplier and overall impacts. They are excluded when estimating regional economic impacts. While the direct effects of private colleges and universities can be measured by a straightforward methodology, secondary effects of institutional spending must be estimated using regional multipliers. (Goss, 2005)

Multipliers can vary widely by industry and area. Multipliers are higher for regions with a diverse mix of industries. Industries that make extensive use of goods and services from within Florida have higher statewide multipliers. Industries that buy most of their material from outside the state tend to have lower multipliers. The same is true in the case of multipliers for counties or other sub-state areas. Multipliers tend to be higher for industries located in large urban areas, because most of the spending by the industry stays within the area. Smaller, rural areas generally have lower multipliers, because industries must use firms outside the area for supplies and services. Multipliers for the entire state are larger than sub-state multipliers, because the initial gains (or losses) in an industry are magnified over a larger geographic area. (California Labor and Workforce Development Agency, 2002)

The multipliers used in this report were derived from the United States Department of Commerce Regional Input-Output Modeling System (RIMS II). Exhibit 6 shows that for every \$1.00 of Flagler College Community spending there was an additional \$1.29 spent in the First Coast. Thus the multiplier for Flagler spending in the First Coast is 2.29.

EXHIBIT 6
FLAGLER DIRECT AND SECONDARY
SPENDING IMPACT ON METRO JACKSONVILLE

	Direct Impact – Initial Spending	Secondary Impact	Total Impact
First Coast Region Multiplier	1.00	1.29	2.29
College Spending	\$14,827,267	\$19,144,967	\$33,972,233
Employee Spending	\$15,125,420	\$19,529,942	\$34,655,362
Student Spending	\$17,127,985	\$22,115,654	\$39,243,638
Visitor Spending	\$20,509,000	\$26,481,221	\$46,990,221
Total Spending Impact	\$67,589,672	\$87,271,784	\$154,861,456

JOB IMPACT

There were a total of 388 full-and part-time Flagler College employees in 2014 that lived in the First Coast. Most of the income of these workers after taxes went into the local economy. There were also jobs for students on campus. Additionally, there were 1,195 people who owed their jobs to the presence of Flagler College. Overall, the College contributed 1,583 jobs to the First Coast.

THE FLAGLER COLLEGE KNOWLEDGE IMPACT

Flagler College makes a significant Knowledge Impact by increasing the human capital of its graduates. “Human capital refers to the stock of competences, knowledge and personality attributes embodied in the ability to perform labor so as to produce economic value. It is the attributes gained by a worker through education and experience.” (Sullivan & Sheffrin, 2003) In the context of this report, Knowledge Impact refers to the contribution of Flagler College toward higher incomes and the social benefits of positive lifestyle choices.

According to Stokes and Coomes (1998), “Knowledge Impacts result from the transmission of ideas to the community.” Machlup (1980) makes a distinction between “subjective new knowledge” and “objective” or “socially new knowledge.” Subjective knowledge is produced by the passing of

knowledge from faculty to students. It is new to the students but not new to society. College students receive knowledge and greater technical ability. This increase in their human capital translates into higher earnings for themselves, with multiplied benefits for the community. It also results in greater productivity for the labor force.

The transfer of subjective knowledge accounts for most of the Knowledge Impacts of universities. These effects are long-term. There also are short-term knowledge effects. Individuals gain knowledge that enables them to increase their earnings quite rapidly. Universities drop and add programs in response to market conditions. These one-time changes in enrollments in particular programs have short-term labor effects. (Stokes & Coomes, 1998)

“Objective” or socially new knowledge creation is the “raison d’être” of the research university. “Advances in such areas as medical technology, pharmaceuticals, agronomy and computer science are made in College laboratories. New mathematical understanding is applied to the social and natural sciences and leads to advances in knowledge. Some breakthroughs are spun off immediately to industry and have resulted in “local economic benefits to such areas as Boston’s Route 128 corridor and the Bay Area’s Silicon Valley. While production of objective knowledge is difficult to quantify, the number of patents issued and the level of capital investment have been used as indicators.” (Stokes & Coomes, 1998)

FLAGLER COLLEGE ALUMNI IMPACT

There were 3,860 known Flagler College alumni alive today in the First Coast. Of this total, 3,375 of the alumni were employed in the labor force. These alumni have an impact on the First Coast, through outstanding work in serving society. Through determination and dedication, alumni influence is felt in the arts, business, education, government, health care, science, and many other areas.

The total value of their increased earnings impact is \$53.67 million. Fifty percent of this Alumni Impact, or \$26.84 million, in the First Coast is included in this report. This assigned some of the responsibility for social benefits to the College and left some credit to other factors such as family background and personal characteristics. (Exhibit 7)

The principal economic value of a College degree lies in the difference between the average earnings of a College graduate compared to those of a high school graduate. College graduates can expect to earn approximately \$570,000 more over their lifetimes than those who leave College before graduating. (Day & Newberger, 2002)

To determine the value of a bachelor’s degree from Flagler College, the number of known alumni by gender, graduation year, and degree was multiplied by the average annual earnings for each category. (U.S. Census Bureau, Housing and Household Economic Statistics Division, 2009) The average annual income for high school graduates was then subtracted. This total figure was multiplied by 50%. This is because some of the responsibility for increased alumni earnings goes to Flagler College and some is credited to other factors. The inherited and developed traits of the individual that gave him or her the desire to succeed are not the responsibility of any one institution. It also is true that these people could have earned degrees from another institution, and this could have contributed to their earning potential.

EXHIBIT 7
FLAGLER COLLEGE WORKING ALUMNI
IN THE FIRST COAST*

Highest Degree Held	Alumni Total	Increased Earnings Value to Individuals
Masters	218	\$10,227
Bachelors	3,157	\$16,297
Total	3375	

* Alumni numbers include all living alumni with addresses who are working.

SOCIAL BENEFIT IMPACT

Education pays - not just in better incomes but also in better lifestyles. Better living pays benefits to society. College graduates tend to possess greater self-esteem; live longer, healthier lives; assume greater civic responsibility; enjoy more aesthetic interests; attend more athletic events; exercise better moral judgment; and nurture children more effectively than do those without university educations. (Baum & Payea, 2005; Behrman & Stacey, 1997; Watts, 2001)

Absenteeism, alcoholism, crime, incarceration, unemployment, and welfare place heavy costs on governments and businesses. Rates for these behaviors decline as education levels increase. Because of the lower rates of these behaviors college graduates incur lower costs to society.

The total value of these reduced social costs is \$27.17 million. Fifty percent of this Social Benefit Impact of Flagler College alumni, or \$13.59 million, in the First Coast is included in this report. This assigned some of the responsibility for social benefits to the College and left some credit to other factors such as family background and personal characteristics.

Flagler College, therefore, has a Social Benefit Impact on the First Coast because of the choices made by its alumni who live there. Exhibit 8 shows the value of these reduced social costs.

EXHIBIT 8
FLAGLER COLLEGE SOCIAL BENEFIT IMPACT
IN THE FIRST COAST

Reduced Absenteeism	\$1,545,200
Reduced Alcoholism	\$496,646
Reduced Crime Victim Cost	\$594,000
Reduced Incarceration	\$1,813,505
Reduced Smoking	\$772,284
Reduced Unemployment	\$4,662,080
Reduced Welfare Expenditures	\$3,703,483
Total Flagler College Social Benefit Impact	\$13,587,198

IMPACT ON ST. AUGUSTINE RESIDENTS

This report shows that Flagler College provided a net benefit of approximately \$2.3 million to residents of the City of St. Augustine in 2014. Exhibit 9 below describes the contributions to City residents of the College.

Community Service – Flagler students provided about \$267,000 in community service in St. Augustine. Flagler employees contributed more than 4,000 hours of volunteer time to organizations in the City for a value of over \$113,000

Culture – WFCF, the College radio station contributed a value of almost \$630,000 to residents in the value of programming, public service announcements, and free recording time. Musical, art, theater and other events contributed over \$200,000 in value to people living in the City. Below market facility rental charges benefited residents by more than \$42,000.

Education – Students from St. Augustine received over \$456,000 in financial aid from Flagler College. Flagler students provided a \$144,000 value as student teachers and aides in public schools serving Saint Augustine school children.

Labor – Flagler students who work in the St. Augustine business district provided a \$230,000 benefit to their employers. Flagler student interns provided a \$168,000 value to the organizations in which they worked.

Recreation – Almost 600 St. Augustine children attended athletic camps on Flagler College facilities. The amount of saving in travel time was over \$42,000.

EXHIBIT 9 **BENEFITS OF FLAGLER COLLEGE TO ST AUGUSTINE RESIDENTS**

Benefit Category	Specific Benefit	Value
Community Service	College Employees	\$113,522
Community Service	College Students	\$267,040
Culture	Cultural Programs	\$200,363
Culture	Facility Use	\$42,152
Culture	Radio Station	\$629,930
Education	Education for Residents	\$456,200
Education	Student Teachers and Aides	\$144,281
Labor	Student Employment	\$230,400
Labor	Internships	\$168,600
Recreation	Athletic Camps	\$42,270
CITY RESIDENTS TOTAL		\$2,294,756

COMMUNITY SERVICE

Service is an important aspect of the Flagler community, and the St. Augustine community is a wonderful extended classroom for students and employees. Whether they're getting involved with local agencies purely to volunteer their time and talents or interested in supplementing their classroom experience by serving others, Flagler students and employees are actively making a difference.

The Flagler College community contributed over \$380,000 in community service activities in 2014: \$113,531 by Flagler employees and \$267,040 by Flagler students. (Exhibits 10 and 11)

Valuation of Flagler College Community Service

The labor replacement method was used to place a value on Flagler College community service activities. The replacement value is based on the wages and benefits that would be paid a person to do the same services that the volunteer performs. Average wage levels for community and social service occupations were used as a proxy for the value of the community services of the Flagler College community. (U.S. Department of Labor, 2014)

Wage values for two types of community service work were determined as follows.

- 1) Flagler College undergraduate students - Students have little professional experience and are not yet college graduates. The wage value of the 10th percentile of Social and Human Service Assistants - \$13.87 was assigned to them. (Exhibit 10)
- 2) Flagler College employees - The current average salary and benefits level of Flagler mid-level employees was used. (Exhibit 11)

EXHIBIT 10 **VALUE OF FLAGLER STUDENT COMMUNITY SERVICE TO ST. AUGUSTINE RESIDENTS**

Sponsoring Organization	Hours of Service		Hourly Value	=	Total Value
Community-Integrative Education	12,873	X	\$13.87	=	\$178,548
Sports Teams	210	X	\$13.87	=	\$2,913
Student Organizations	6,170	X	\$13.87	=	\$85,579
Totals	19,253				\$267,040

EXHIBIT 11 **VALUE OF FLAGLER EMPLOYEE COMMUNITY SERVICE TO ST. AUGUSTINE RESIDENTS**

Annual Hours of Employee Community Service	X	Value per Hour	=	Total Value of Employee Community Service
4,050		\$28.03		\$113,531

CULTURE

Cultural Programs - City residents attended the cultural programs of Flagler College about 8,900 times last year. These programs included concerts, exhibits, lectures, and theatre performances, and other events.

St. Augustine residents benefited from having these programs close to their homes. This saved them from longer round trips to other more distant events. Average travel time saved is estimated at one and a half hours. This is because a local person is most often choosing between staying in St. Augustine and driving into downtown Jacksonville. When leisure time is valued at \$15 an hour the value of time saved was about \$200,000. (Exhibit 12)

EXHIBIT 12
TIME VALUE OF FLAGLER COLLEGE CULTURAL PROGRAMS TO ST. AUGUSTINE RESIDENTS

Attendance from St. Augustine	X	Hours of Travel Time Saved	X	Hourly Value of Leisure Time	=	Total Value of Time Saved
8,905		1.5		\$15.00		\$200,363

Facility Use - Many organizations use Flagler College facilities for events. Most the groups are charged nothing or a very nominal fee. The value to St. Augustine residents of these below market rate charges in 2014 was \$42,270.

Radio Station - WFCF 88.5 FM, Radio with a Reason, is a non-commercial, educational radio station staffed by students in the Flagler College Communication Department and community volunteers. WFCF was founded to provide a source of quality radio programming for the greater St. Johns County area and to provide a superior learning environment for students majoring in broadcasting at Flagler College. The station operates 24 hours a day, seven days a week.

WFCF provided a \$629,930 benefit to City of Saint Augustine residents in 2014. This was the benefit to almost 1,400 regular City listeners, the value of free public service announcements, free recording time, and the value of the station to its underwriters.

Radio programs have value to listeners. They are moved by the music, and informed by the public service announcements. They listen while working, driving, and relaxing. Radio broadcasts add pleasure to all of these activities. We have assigned a value of \$0.50 to an hour of listening to radio. This means that a work hour with a value of \$25 is enhanced by fifty cents when the radio is playing in the background. This also means that time spent driving is improved by listening to WFCF and this improvement is worth \$0.50 per hour to the average listener.

About 1,380 St. Augustine residents listen regularly to the station. These listeners spend an average of 10.25 hours a week listening to the station. If each listening hour is valued at \$0.50 this gives an economic value to City listeners of \$367,770. Exhibit 13 shows this result.

EXHIBIT 13
VALUE OF WFCF PROGRAMMING TO ST. AUGUSTINE RESIDENTS

Listeners in St. Augustine	X	Average Listening time per Year	X	Value of Listening Time per Hour	=	Total Value of Programming to Listeners
1,380		533		\$0.50		\$367,770

WFCF ran 24,820 public service announcements last year and provided 104 hours of free recording time. At a value of \$8 per free announcement they were worth \$198,560. The free recording time was valued at \$15,600.

Underwriting support of a radio station is tangible evidence of the value an organization places on the station. A significant number of St. Augustine businesses provided \$48,000 in underwriting support to WFCF in 2014.

The values of these WFCF services are shown below in Exhibit 14.

EXHIBIT 14
VALUE OF WFCF SERVICES TO ST. AUGUSTINE ORGANIZATIONS

Type of Service	Number of Units	Value of Unit	Total Value
Public Service Announcements	24,820	\$8	\$198,560
Free Recording Time	104	\$150	\$15,600
Underwriting Support			\$48,000
Total Value to Organizations			\$262,160

EDUCATION

Education for residents - In FY 2014 Flagler College gave its students an average of \$9,124 per student in financial aid. There were fifty permanent St. Augustine residents who attended undergraduate classes at Flagler. These students received a total of \$456,200 in aid from the College. (Exhibit 15)

EXHIBIT 15
**VALUE OF COLLEGE TUITION DISCOUNTS
TO ST. AUGUSTINE RESIDENTS**

Number of St. Augustine Permanent Resident Students	X	Average Tuition Discount per Full Time Student	=	Total Value of St. Augustine Discounted Tuition
50		\$9,124		\$456,200

Student Teachers and Aides - Flagler College Education students work as student teachers and aids in the St. Johns County School District. In 2014 Flagler Students spent 12,207 hours working with St. Augustine children in the public schools. The services of these students are valued at \$11.82 an hour, which is the median wage for Student Assistants. (U.S. Department of Labor, 2014) The value of the services of the Education students was \$144,281. (Exhibit 16)

EXHIBIT 16
**VALUE OF FLAGLER COLLEGE STUDENT
 TEACHERS AND AIDES IN ST. AUGUSTINE IN 2014**

Number of Student Hours	X	Hourly Value of Time	=	Value of Student Work
12,207		\$11.82		\$144,281

LABOR

Flagler students provided a benefit of \$399,000 to St. Augustine businesses and other organizations. About \$230,000 was from students who worked in Downtown businesses. Another \$169,000 was from the 168 students who did internships in St. Augustine.

Student Employment - St. Augustine businesses gained a benefit of \$230,400 in 2014 from the 600 Flagler College students who work for them. This is due to the fact that Flagler students extra to park in the business district. Their parking spaces are covered in the fees paid to the College. Thus they have no additional cost in working there. Therefore business owners do not have to pay more to induce them to work.

An annual pass to park at the Historic Downtown Parking Facility is \$384. People who work at the typically low wages for entry level service jobs would expect to get reimbursed for that expense. They might refuse to take the job if it were not paid. Parking is not an extra expense for Flagler students.

When the parking pass cost of \$384 is multiplied by the 600 students it yields a saving of \$230,400 for St. Augustine business owners. (Exhibit 17)

EXHIBIT 17
VALUE OF LOWER WAGES PAID TO FLAGLER COLLEGE STUDENTS

Number of Flagler Students Working in St. Augustine Business District	X	Annual Cost of Parking Pass	=	Savings to St. Augustine Business Owners
600		\$384		\$230,400

Internships - Last year there were 168 Flagler College students who worked as interns for organizations in St. Augustine. They completed 11,420 hours of work. With an hourly value of \$15, this provided a \$168,600 value to City residents. (Exhibit 18)

EXHIBIT 18
**VALUE OF FLAGLER COLLEGE STUDENT
 INTERNSHIPS IN ST. AUGUSTINE**

Number of Student Hours	X	Hourly Value of Time	=	Value of Student Work
11,240		\$15.00		\$168,600

RECREATION

Athletic Camps - Flagler offers summer and fall camps in six sports. 595 children from St. Augustine attended the camps. The close proximity of the camps in the City saved parents an hour per day. When leisure time is valued at \$15 an hour this places a value of \$42,270 on the time that is saved.

ECONOMIC IMPACT ON THE LOCAL ECONOMIES

ST. JOHNS COUNTY ECONOMY

The St. Johns County Gross Metropolitan Product was **\$12.3 billion** in 2014, the latest year for which numbers are available. This is the value of all sources of income received by County residents in 2014. Flagler College, alumni, faculty, students and visitors contributed **\$109 million** to this \$11.3 Billion. This accounted for **\$1 of every \$115** circulating in the County. Exhibit 19 shows these data.

The Flagler College Economic Impact of \$109 million is derived from the following components:

- \$51.7 million in Direct Spending
- \$28.4 million in Secondary Business Spending
- \$17.8 million in Increased Alumni Earnings
- \$8.8 million in Social Benefits
- \$2.5 million in Net Benefits to the St Johns County and St. Augustine City budgets

SAINT AUGUSTINE ECONOMY

The Saint Augustine economy is large -- **\$537 Million!** This is the value of all sources of income received by Saint Augustine residents in 2014, the latest year for which numbers are available. Flagler College, alumni, faculty, students and visitors contributed **\$67.5 million** to this \$570 Million. This accounted for **\$1 of every \$8** circulating in the City. Exhibit 20 shows these data.

The Flagler College Economic Impact of \$67.5 million is derived from the following components:

- \$32.1 million in Direct Spending
- \$9.6 million in Secondary Business Spending
- \$15.5 million in Increased Alumni Earnings
- \$7.6 million in Social Benefits
- \$2.3 million in Benefits to Residents.
- \$366,00 in Net Benefits to the St. Augustine City budget

EXHIBIT 19
FLAGLER ECONOMIC IMPACT ON ST JOHNS COUNTY
SPENDING IMPACT

DIRECT SPENDING BY FLAGLER IN ST JOHNS COUNTY		
College Spending	\$8,917,437	
Employee Spending	\$10,756,520	
Student Spending	\$14,558,787	
Visitor Spending	\$17,432,650	
	\$51,665,394	
SECONDARY SPENDING IN ST JOHNS COUNTY		
Secondary Spending by Flagler	\$4,904,590	
Secondary Spending by Employees, Students and Visitors	\$23,511,376	
	\$28,415,967	\$80,081,362
FLAGLER KNOWLEDGE IMPACT		
INCREASED EARNINGS OF ALUMNI		\$17,777,726
SOCIAL BENEFIT IMPACT		
Reduced Absenteeism	\$995,573	
Reduced Alcoholism	\$319,989	
Reduced Crime Victim Cost	\$382,715	
Reduced Incarceration	\$1,168,442	
Reduced Smoking	\$497,583	
Reduced Unemployment	\$3,003,781	
Reduced Welfare Expenditures	\$2,386,156	
Total Flagler Social Benefit Impact	\$8,754,239	\$26,531,966
FLAGLER LOCAL GOVERNMENT IMPACT		
Total Benefit to St. Augustine City Government	\$817,372	
Total Cost to St. Augustine City Government	-\$451,653	
Net Benefit to St. Augustine City Government	\$365,719	
SAINT JOHNS COUNTY GOVERNMENT		
Total Benefit to Saint Johns County Government	\$3,970,523	
Total Cost to Saint Johns County Government	(\$1,849,907)	
Net Benefit to Saint Johns County Government	\$2,120,616	\$2,486,336
TOTAL ST JOHNS COUNTY ECONOMIC IMPACT		\$109,099,664

EXHIBIT 20
FLAGLER ECONOMIC IMPACT ON ST AUGUSTINE
SPENDING IMPACT

DIRECT SPENDING BY FLAGLER IN ST AUGUSTINE		
College Spending	\$8,836,523	
Employee Spending	\$4,275,859	
Student Spending	\$7,707,593	
Visitor Spending	\$11,279,950	
	\$32,099,925	
SECONDARY SPENDING IN ST AUGUSTINE		
Secondary Spending by Flagler	\$2,650,957	
Secondary Spending by Employees, Students and Visitors	\$6,979,021	
	\$9,629,978	\$41,729,903
KNOWLEDGE IMPACT		
INCREASED EARNINGS OF ALUMNI	\$15,490,282	
SOCIAL BENEFIT IMPACT		
Reduced Absenteeism	\$867,474	
Reduced Alcoholism	\$278,816	
Reduced Crime Victim Cost	\$333,471	
Reduced Incarceration	\$1,018,100	
Reduced Smoking	\$433,560	
Reduced Unemployment	\$2,617,287	
Reduced Welfare Expenditures	\$2,079,132	
Total Flagler Social Benefit Impact	\$7,627,839	\$23,118,121
IMPACT ON ST AUGUSTINE RESIDENTS		
	\$2,294,756	\$2,294,756
LOCAL GOVERNMENT IMPACT		
Total Benefit to St. Augustine City Government	\$817,372	
Total Cost to St. Augustine City Government	-\$451,653	
Net Benefit to St. Augustine City Government	\$365,719	\$365,719
TOTAL ST AUGUSTINE ECONOMIC IMPACT		\$67,508,499

LOCAL GOVERNMENT IMPACT

The Flagler College community was responsible for \$817,472 in revenue to the St. Augustine City treasury in Fiscal Year 2013, the latest available year. This was 3.4% of City revenues. The community was also responsible for \$451,653 or 1.9% of expenditures of the City. Therefore the College community provided a net benefit of 1.5% or \$365,719 to the City of St. Augustine. Exhibit 21 summarizes the benefits and costs of Flagler College to the City government in Fiscal Year 2013.

EXHIBIT 21 ESTIMATED COSTS AND BENEFITS OF FLAGLER COLLEGE TO ST. AUGUSTINE CITY GOVERNMENT IN FY 2013

City Government	Description	Benefit or Cost
Revenue Sharing Payments	State of Florida	\$77,246
Public Safety	Fire	-\$126,247
Public Safety	Police	-\$33,181
Employees	Tuition Discount	\$12,000
Visitors Information Center	Parking Garage Fees	\$69,120
Tax	Property Tax Employees	\$128,651
Tax	Property Tax Students	\$250,574
Tax	Property Tax Exemption	-\$266,693
Tax	Property Tax Non Exempt Properties	\$64,910
Tax	Local Option Sales	\$67,172
Tax	Utility	\$38,360
Tax	Franchise	\$58,719
Tax	Insurance Premium	\$10,502
Tax	Local Option Gas	\$12,807
Tax	Communication Service	\$25,747
Tax	Other Taxes	\$1,563
Transportation	Streets	-\$25,532
CITY GOVERNMENT TOTAL		\$365,719

State Revenue Sharing – St. Augustine received \$549,036 from the State of Florida based on the size of its population. \$77,246 of these funds was due to the presence of Flagler College residence hall students, off-campus students and employees who lived in the City.

Public Safety – Flagler reimbursed the City for police officers who are stationed on the College campus. After this and other revenue to the City are included, the City spent \$159,428 to provide emergency services to employees and students who live in St. Augustine.

City Employees – City employees take courses at the college toward a degree in Public Administration and pay a reduced tuition rate. The total for this discount in 2013 was \$36,000. \$24,000 was for Fire and Police employees and \$12,000 was for other departments. This represents a saving to the City.

Visitor's Information Center – Flagler College rents spaces in the Historic Downtown Parking Facility. The College made a payment of \$69,120 to the VIC.

Property Taxes – The City government would have received \$266,693 in property taxes if the campus were not exempt from taxes. However, more than this foregone revenue is made up by \$444,135 in property taxes paid by Flagler for nonexempt properties and by employees and students. Therefore the College community makes a \$177,443 net payment in property taxes to the City of St. Augustine.

Other Taxes – St. Augustine received \$5,380,518 in Fiscal Year 2013 in business licenses, hotel rooms, restaurant food, sales, utilities, and other taxes. The Flagler community contribution was \$214,871

Streets – The City spent \$25,532 to maintain the streets fronting land belonging to the College.

STATE REVENUE SHARING PAYMENTS

St. Augustine received \$549,036 from the State of Florida based on the size of its population. \$77,246 of these funds was due to the presence of Flagler College residence hall students, off-campus students and employees who lived in the City. The Flagler community constituted 5.4% of the City population.

PUBLIC SAFETY

Fire and police expenses accounted for \$8,438,777 of St. Augustine City spending. The cost of serving the Flagler community was \$159,429. Expenditures by the St. Augustine Fire Department were \$126,247. Total St. Augustine Police Department spending on the Flagler community was \$33,181.

Exhibit 22 below summarizes public spending expenditures and revenues for four types of Flagler College involvement with St. Augustine fire and police departments; the College campus, tuition discounts for public safety employees who take classes from the College, protection of Flagler employees and students who live and work in the City, and visitors to the campus.

EXHIBIT 22 **ST. AUGUSTINE PUBLIC SAFETY EXPENSES ATTRIBUTABLE TO FLAGLER COLLEGE POPULATION**

Service	Flagler College Campus	City Employee Tuition Discount	Employees and Students	Visitors to Flagler College	Total
Fire	\$14,240	-\$6,000	\$118,007	\$20,947	\$126,247
Police	-\$166,013	-\$18,000	\$177,753	\$39,441	\$33,181
Total	-\$151,773	-\$24,000	\$295,760	\$60,388	\$159,429

Negative numbers are for payments or discounts received by the City Fire and Police Departments.

Flagler College Campus – Fire Department expenses in Fiscal Year 2013 were \$2,927,223. In 2013 there were 60 responses by the Fire Department to the Flagler campus out of a total of 3,494. This was 1.7% of all responses in 2013. Based on this percentage rate, the cost of serving the College campus was \$50,267. (Exhibit 23) Flagler College also paid \$36,027 in Fire Assessment Fees to the City. After this amount is subtracted, the net cost to the City Fire Department in 2013 was \$14,240. (Exhibit 22)

EXHIBIT 23
SHARE OF ST. AUGUSTINE FIRE EXPENSES
ATTRIBUTABLE TO THE FLAGLER COLLEGE CAMPUS

St. Augustine Fire Department Spending	X	St. Augustine Fire & Rescue Responses to Flagler Campus	/	St. Augustine Fire & Rescue Total Responses	=	Cost of Fire Responses to Flagler
\$2,927,223		60		3,494		\$50,267

Source: City of St. Augustine Fire Department

Flagler College made a payment of \$116,013 to the St. Augustine Police Department in 2013 for the officers stationed on its campus.

City Employee Tuition Discount – Many St. Augustine Fire and Police Department officers take courses at the college toward a degree in Public Administration. They pay a reduced tuition rate. The total for this discount in 2013 was \$24,000. This represents a saving to the public safety departments.

Employees and Students – It is estimated that 75% of City fire expenditures and 60% of City police spending was to protect year-round residents of St. Augustine. Flagler employees and off-campus students comprise 5.4% of the City year-round resident population.

The Fire Department incurred \$118,007 to protect Flagler employees and off-campus students.

The cost to the Police Department for the protection of College employees and off-campus students was \$177,753.

Visitors to Flagler College – In 2013 there were about 5,960,000 visitors to St. Augustine. This placed a burden on the City public safety officers that many other police and fire departments in the country do not have. It is estimated that 25% of City fire expenditures and 40% of City police spending was to protect visitors to St. Augustine.

The College attracted approximately 170,600 visitors to the City in 2013. This was about 2.9% of all visitors to St. Augustine. The Fire Department incurred \$20,947 to protect Flagler visitors, while the total for the Police Department was \$39,441.

CITY EMPLOYEES

City employees take courses at the college toward a degree in Public Administration and pay a reduced tuition rate. The total for this discount in 2013 was \$36,000. \$24,000 was for Fire and Police employees and \$12,000 was for other departments. This represents a saving to the City.

PROPERTY TAX PAYMENTS

Property taxes brought in 39.5% of City revenue in Fiscal Year 2013: \$9,125,072. The Flagler community contributed \$444,135 in property taxes. College employees paid \$128,651. Flagler students paid \$250,574 as a part of their rent. The College paid \$64,910 in taxes for its nonexempt properties.

The City of St. Augustine did not receive \$266,693 in real estate taxes because of the tax-exempt status of the Flagler campus. Therefore there was a net contribution of \$177,442 in property tax revenues to the City of St. Augustine. Exhibit 24 shows how the Flagler community contributed to City property taxes.

EXHIBIT 24
THE FLAGLER IMPACT ON ST. AUGUSTINE
CITY PROPERTY TAXES

Flagler Community Group	Property Taxes Paid
Employees	\$128,651
Students	\$250,574
Flagler Property Tax Payments	\$64,910
Total Payments	\$444,135
Cost of Tax Exemption	-\$266,693
NET BENEFIT	\$177,442

Employee Property Tax

Flagler employees paid an estimated \$128,651 in property taxes to the City of St. Augustine in Fiscal Year 2013. St. Augustine adult residents, defined as age 23 and older, paid an average of \$804 in property taxes to the City. This does not include payments to other entities. This figure also reflects average payments by each adult resident rather than by household units. (Exhibit 25)

There were 88 Flagler College employees who lived in the City of St. Augustine. Flagler employees earned 182% of the average salary of adult City residents. The \$804 average property tax payment was multiplied by 88 employees and 1.82. This resulted in an amount of \$128,651 paid in property taxes by Flagler employees. (Exhibit 26)

EXHIBIT 25
AVERAGE PROPERTY TAX PAYMENTS TO ST. AUGUSTINE
BY ADULT RESIDENTS IN FY 2013

St. Augustine Property Tax Receipts in FY 13 (1)	Adult Resident Population (2)	=	Average St. Augustine Adult Resident Property Tax Payment
\$8,041,626	9,997		\$804

1) City of St. Augustine Comprehensive Annual Financial Report for the Year Ended June 30, 2013. Statement of Activities.

2) United States Bureau of the Census. 2010 Census.

EXHIBIT 26
PROPERTY TAX PAYMENTS TO ST. AUGUSTINE BY
COLLEGE EMPLOYEES IN FY 2013

Number of Employees Living in St. Augustine	X	Average St. Augustine Adult Resident Property Tax Payment	X	College Wage as Percent of City Average Wage (1)	=	Estimated Property Tax Payments by College Employees
88		\$804		182%		\$128,651

1) United States Bureau of the Census. 2010 Census.

Student Property Tax

Flagler College students who rent apartments in St. Augustine made \$250,574 in property tax payments to the City in Fiscal Year 2013. College students occupy 13.3% of rental units in the City. Revenue from rental property contributes to 31% of St. Augustine property tax revenues. Thus Flagler students contribute 3.1% of City property tax income. When 3.1% is multiplied by \$8,041,626 in tax revenue the result is \$250,574. Exhibit 27 shows this calculation.

EXHIBIT 27 ST. AUGUSTINE PROPERTY TAX REVENUE FROM FLAGLER STUDENTS

Percent of Property Tax Revenue Derived from Flagler Students	X	2013 Real Estate Tax Revenue	=	City Property Tax Revenue from Flagler Students
3.1%		8,041,626		\$250,574

Estimates by Author

OTHER TAXES

The City of St. Augustine relied upon several other non-property taxes for \$5,380,518 in revenue in Fiscal Year 2013. Flagler College contributed \$214,871 of this amount. Exhibit 28 shows the amount paid for each tax category by the College, employees, students and visitors. These amounts were calculated based upon the Flagler share of St. Augustine population, the share of total visitors drawn by Flagler, and rates of tax payment for each category.

EXHIBIT 28 FLAGLER COMMUNITY CONTRIBUTIONS TO ST. AUGUSTINE NON-PROPERTY TAXES FY 2013

Tax	Total Tax Revenue	Flagler Contribution	Employee Contribution	Student Contribution	Visitor Contribution	Total Tax Contribution
Local Option Sales	\$936,377	\$28,184	\$7,602	\$18,388	\$12,998	\$67,172
Utility	\$1,106,723	\$13,215	\$7,035	\$18,110		\$38,360
Franchise	\$1,367,810		\$11,449	\$27,694	\$19,576	\$58,719
Insurance Premium	\$295,051	\$2,466	\$941	\$2,907	\$4,187	\$10,502
Local Option Gas	\$486,832		\$3,132	\$9,675		\$12,807
Communication Service	\$1,079,773	\$10,264	\$6,880	\$8,603		\$25,747
Other Taxes	\$107,952		\$694	\$868		\$1,563
Total	\$5,380,518	\$54,129	\$37,733	\$86,245	\$36,762	\$214,870

City of St. Augustine and estimates by author

STREETS

St. Augustine City streets spending for Fiscal Year 2013 was \$2,129,063 for almost 72 miles of streets. To calculate the allocation to Flagler College, the percent of total street frontage for the College was multiplied by the public works budget. This method yielded a total cost of \$25,532 to maintain City streets that front the Flagler campus. (Exhibit 29)

EXHIBIT 29**COST OF MAINTAINING FLAGLER STREET FRONTAGE**

St. Augustine City Street Budget	X	Length of Flagler Street Frontage	/	Total Street Mileage in St. Augustine	=	Cost of Maintaining Frontage
2,129,063		0.86		71.86		\$25,532

Source: City of St. Augustine

**FLAGLER COLLEGE IMPACT ON
ST. JOHNS COUNTY GOVERNMENT**

Flagler College provided a net benefit to St. Johns County of approximately \$2.1 million. Fiscal Year 2013 numbers, which were most recently available, were used. The College community contributed \$3.97 million to County revenues. Providing services to the Flagler community cost the County \$1.85 million. In percentage terms this means that Flagler contributed 1.6% of County revenues and cost 0.7% of County spending. This resulted in a 0.9% net benefit for the County. Exhibit 30 summarizes the costs and benefits of Flagler to the County.

EXHIBIT 30**FLAGLER IMPACT ON ST. JOHNS COUNTY GOVERNMENT
(in thousands of dollars)**

	Total Revenue/ Expenditures	Flagler Impact
Revenue		
Property Taxes	\$125,830	\$1,988
Communication Services Taxes	\$2,088	\$87
Tourist Development Taxes	\$7,345	\$52
Charges for Services	\$68,014	\$1,089
Intergovernmental Revenue	\$34,140	\$607
Interest Earnings	\$469	\$6
Miscellaneous Revenue	\$8,751	\$141
Total Revenue	\$246,637	\$3,971
Expenditures		
General Government	\$38,408	\$290
Police & Criminal Justice	\$68,499	\$400
Fire Control	\$31,860	\$154
Public Works & Transportation	\$44,681	\$555
Economic Environment	\$3,485	\$71
Human Services	\$11,110	\$26
Recreation and Culture	\$23,193	\$203
Court Related	\$6,614	\$13
Interest on Long-Term Debt	\$9,092	\$69
Change in Fund Balance	\$9,309	\$70
Total Expenditures	\$246,637	\$1,850
Net Benefit to the St. Johns County Government		\$2,121

St. Johns County receives higher tax revenues because of the presence of so many Flagler community people who work and live there. Because of their relatively higher incomes these people are able to pay higher sales, real estate and other taxes. Additionally these College graduates have lower involvement with the criminal justice, public health and welfare systems, which reduce County expenditures.

To analyze Flagler benefits to St. Johns County we looked at the contribution levels of the Flagler community to local taxes and other revenues. To calculate costs we analyzed the rates at which Flagler community members use County services. County enterprises such as water, sewer and solid waste removal were not included in the calculations.

FLAGLER IMPACT ON COUNTY REVENUES

St. Johns County spent \$230.4 million in Fiscal Year 2013. The County received revenues of \$246.3 million, enjoying a surplus of \$9.3 million. A total of \$3,971,000 in revenue during Fiscal Year 2013 came from Flagler, its employees, students, alumni, and local firms that do business with the College.

Property taxes brought in \$125.8 million, which was the largest share of County revenue. The Flagler community made a net contribution of approximately \$2 million to St. Johns County tax revenue.

Flagler employees contributed \$202,000 in real estate taxes. Local business firms, as a result of their business with the College, contributed \$244,000. College alumni were responsible for \$1,444,000 in additional real estate taxes and students paid \$98,000.

Charges for services, such as ambulance responses, traffic tickets, and building inspections, brought \$68 million to the County treasury. The Flagler community was responsible for \$1,089,000 of the total.

The Federal government and the State of Florida provided \$34.1 million in revenue to St. Johns County. These funds originally came from income tax and other revenues paid to Washington and Tallahassee. The Flagler community contributed \$607,000 to these sources.

Interest earnings were approximately \$469,000. The Flagler community share was \$6,000. There was also \$8.75 million in revenue from other sources. The Flagler community was responsible for \$141,000 of this amount.

FLAGLER IMPACT ON ST. JOHNS COUNTY EXPENDITURES

St. Johns County had operating expenditures of \$236.9 million in Fiscal Year 2013. This covered public safety, fire, streets, governmental operations, parks and other services. This was less than revenues because of a surplus of \$9.3 million. The cost of providing these services to the Flagler community was \$1.85 million.

The operation of County offices and other administrative operations cost \$38.4 million. Providing these governmental services to the Flagler community cost \$290,000.

Police and criminal justice services cost \$68.5 million. Providing security for the Flagler community cost the County \$400,000.

Fire, ambulance and emergency services accounted for \$31.9 million of County expenditures. These public safety functions for the Flagler community cost \$154,000.

Public works and transportation cost \$44.7 million to maintain. The cost of providing roadways for the Flagler community was \$555,000.

Flagler College and its community bore \$71,000 of the \$3.5 million cost of improving the Economic Environment. Court-Related costs were \$6.6 million. The Flagler share was \$13,000.

Human services cost \$11.1 million. The cost of supporting the Flagler community was \$26,000.

Recreation and Culture services were responsible for \$23.2 million of County expenditures. The cost of providing these services to the Flagler community was \$203,000.

Interest and debt service charges took \$9.1 million from the County treasury. The Flagler share was \$69,000.

St. Johns County ended Fiscal Year 2013 with a savings of \$9.3 million. The surplus of revenues will permit greater freedom in future years. Thus the Flagler contribution to future spending will be \$70,000.

CONCLUSION

The significant Economic Impact of Flagler College on the First Coast can be felt in a number of ways. The College produces alumni who earn more than individuals who did not complete a degree in higher education. These alumni adopt better lifestyles and thus save the community on expenses such as healthcare. The College provides employment opportunities, not only through jobs on campus but also through jobs generated by business the College and its members conduct locally.

The College and those associated with it pumped \$201 million into the First Coast economy in 2014. The Flagler Impact on St. Johns County was \$109 million in 2014. The Flagler Impact on St. Augustine was \$67 million. It is clear that in addition to the College's profound contributions to the cultural life of the community it is making sizable economic contributions as well.

APPENDIX 1

METHODS USED TO CALCULATE THE SPENDING IMPACT

The analysis of the Spending Impact of Flagler College on the First Coast was conducted in the tradition of the method developed for the American Council on Education (ACE) by Caffrey and Isaacs (1971) to determine the impact of higher education. The ACE method is still the primary method employed in economic impact studies. (Siegfried, Sanderson, & McHenry, 2007) To determine Flagler College's economic impact, its Spending and Knowledge Impacts were examined in depth. Methods used in the analysis of the Spending Impact are described below:

Spending Impact - The Flagler College Spending Impact is the result of direct and secondary spending. Direct spending comes from the College, its employees, students, and visitors. Secondary spending is by businesses and governments, the beneficiaries of the initial direct spending.

Direct and Secondary Spending Impacts - The Direct Spending Impact is the initial impact on the local economy due to spending by the College, its employees, and students. The Secondary Spending Impact comes from spending by businesses and governments from the funds that they received from Flagler College, its employees, students, and visitors. The Flagler College Spending Impact is the sum of the direct and secondary spending.

Total Spending Impact - The Total Spending Impact = Direct Spending Impact + Secondary Spending Impact.

Multiplier - The ratio of Total Spending Impact to Direct Spending Impact (Multiplier = Total Spending Impact/Direct Spending Impact). An institution's Total Spending Impact is derived from some multiple of its direct expenditures. To determine Flagler College's Total Spending Impact a multiplier of 2.29 was used. This multiplier was calculated specifically for the higher education industry in the First Coast by the U.S. Department of Commerce Regional Input-Output Modeling System (RIMS II). A multiplier of 2.29 means that for every \$1.00 of direct spending an additional \$1.29 is generated in secondary spending.

Out of Region Students - The Economic Impact of an organization on a region is derived from its ability to attract outside money to a region or to prevent funds from leaving it. The Economic Impact of a College comes from its ability to attract students from other parts of the country and to retain local students who would otherwise have attended college elsewhere.

The "outside money" received by a region from these out-of-region students determines the impact of a College on the economy. For instance, tuition revenue that Flagler College receives from Tampa is different from revenue received from Orange Park. The Tampa family earned its income from outside the First Coast. When their tuition is paid to the College it is an outside injection into the economy of the First Coast. Tuition revenue from the Orange Park family comes from within the First Coast and remains within it. Therefore local tuition revenue is not used to determine Flagler's Spending Impact, as it is "inside money" and typically would remain in the region whether Flagler College was present or not.

The share of tuition revenue that came from outside of the First Coast in 2014 was 93.5%. This percentage was multiplied by College vendor spending and payroll in the First Coast to determine the Flagler Direct Spending Impact for the region.

Student Personal Spending - Student living expenses for food, entertainment, transportation, clothing and other items, which are above payments to Flagler College for tuition, residence halls, and meal plans are counted as student personal spending. Only personal spending by Flagler students originating from outside the First Coast was counted when determining the Flagler Economic Impact.

METHODS USED TO CALCULATE THE KNOWLEDGE IMPACT

Spending and Knowledge Impacts differ in their relative influence over time. The local Spending Impact of a College is noticeable immediately, whereas Knowledge Impacts continue to influence the community throughout the entire lives of alumni and, therefore, have long-term effects. A high level of educational attainment (“knowledge”) allows the College graduate to benefit directly (in the form of higher earnings) and also yields significant social returns, such as the individual’s interactions with co-workers (to better a company or organization) and the increased tendency of these graduates to make positive lifestyle choices. (Stokes & Coomes, 1998)

The extent of the Spending and Knowledge Impact of a College is related to the source of its students, and the size of the region in which it is located. Institutions that receive most of their students from outside of their regions, such as Flagler, have large Spending Impacts. Typically Universities in small regions, such as Flagler, have small Knowledge Impacts because most of their graduates leave the area.

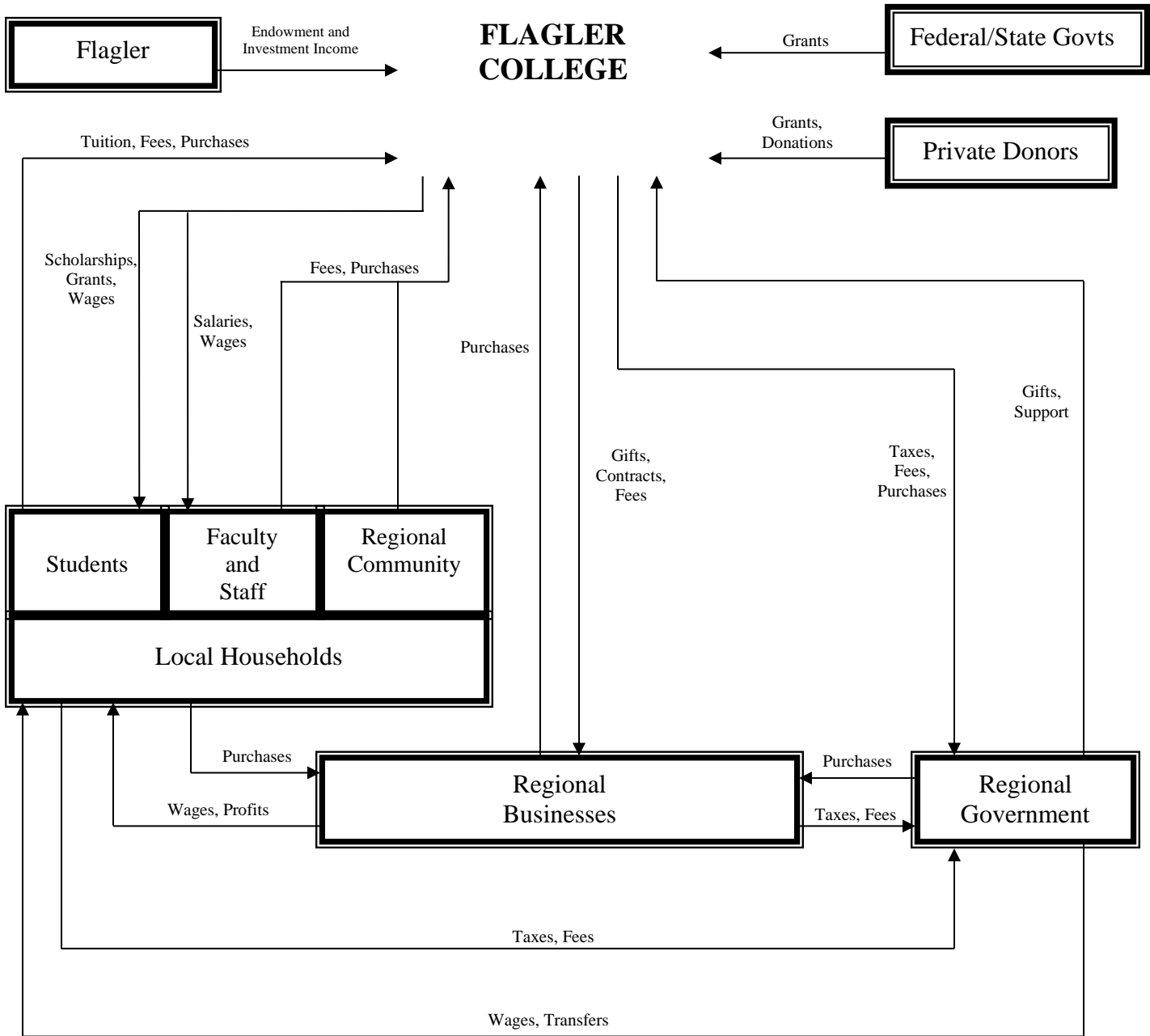
Knowledge Impacts – Alumni Earnings - The principal economic value of a College degree lies in the difference between the average earnings of a College graduate versus that of a high school graduate. This was calculated in the following manner: the number of alumni by gender, graduation year, and degree was multiplied by the average annual earnings for each category. The average annual income for high school graduates for each category was then subtracted. This process showed the additional earnings gained from a College education.

Knowledge Impacts – Social Benefits - This is the benefit of reduced alcoholism, incarceration, unemployment, and welfare because of the choices made by Flagler alumni who live in the First Coast. Lower social costs reduce expenditures of businesses and governments.

CASH FLOW MODEL

The flow chart on the following page represents the place of Flagler College in the flow of income and expenditures in a regional economy. The concept is the same for the First Coast. “The circular flow of income, where households earn income and spend, businesses receive revenues from household spending and pay their operating costs, and local governments receive taxes and fees which are transformed into municipal services, is illustrated by the chart. The income-spending/income-re-spending cycle constitutes the multiplier process,” (Rennie, 2002) to which reference is made earlier in this report (see “Methods Used to Calculate Spending Impact”)

APPENDIX 2
ECONOMIC IMPACT OF FLAGLER COLLEGE
CASH FLOW MODEL (Rennie, 2002)



APPENDIX 3
KEVIN STOKES – BIOGRAPHICAL SKETCH

Kevin Stokes is one of the leading providers of Economic Impact studies for private colleges. He has developed a unique method for determining the impact of higher education on municipal budgets. His clients have included Biola University (CA), DePauw University (IN), Franklin College (IN), Hope College (MI), Loma Linda University (CA), Lyon College (AR), Roger Williams University (RI), University of Bridgeport (CT), the University of the Southern Caribbean (Trinidad), and Washington and Lee University (VA).

Clients in healthcare have gained from his expertise in the areas of analysis of variance, certificate of need application, management training, market definition, mergers and acquisitions, personnel development, statistical regression, trend analysis and value of life analysis. Clients have included Adventist Health System-Asia (Singapore), Adventist Living Centers (IL) , Brooke Grove Healthcare (MD), Battle Creek Adventist Hospital (MI), Fuller Memorial Hospital (MA), Geer Memorial Hospital (CT), Gritman Hospital (ID), HMO Nebraska, Kentucky Poison Control Center, Louisville Medical Center Development Corporation (KY), Pullman Memorial Hospital (WA), Sacred Heart Hospital (WA) and the World Health Organization.

Mr. Stokes received his B.A. from Andrews University in Michigan and his M.A. in Economics from Washington State University. He has served as adjunct Professor of Economics and Statistics at Webster University.

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