WEST VIRGINIA UNIVERSITY’S
CONTRIBUTION TO WEST
VIRGINIA’S EXPORT BASE FY1998

BY
RANDALL A. CHILDS
DAVID GREENSTREET
AND
DR. TOM S. WITT
BUREAU OF BUSINESS AND ECONOMIC RESEARCH
COLLEGE OF BUSINESS AND ECONOMICS
WEST VIRGINIA UNIVERSITY
MARCH 1999

This report is provided under a contract from The Office of the President, West Virginia University. The opinions contained herein reflect those of the authors and do not necessarily represent those of West Virginia University or the West Virginia Board of Trustees.
One of the many positive effects that West Virginia University has on the state of West Virginia is the money that it attracts from outside the state. This expands the state's "export base" in the same way that a business selling to out-of-state customers would. This brief report presents results from a study of WVU's impact on the West Virginia export base during the 1997-98 fiscal year. This study updates a similar study on the same subject covering FY1992-93. In addition, the Bureau of Business and Economic Research (BBER) is completing a comprehensive update of its previous reports on the economic impact of the entire WVU campuses and affiliated organizations. This latter study analyzes in detail the expenditures by WVU, its faculty, staff, and students and estimated multiplier impacts on state employment, incomes, and business volume for FY1997-98.

Table 1 and Figure 1 show that WVU drew $220.6 million into West Virginia during FY1997-98. Money came to WVU from out-of-state in four ways. Non-resident students created the largest effect. Their $96.6 million of in-state spending included tuition and fees, living expenses, and spending for visits of family and friends. Second, out-of-state sources, mostly the federal government, provided $90.7 million for work-study and financial aid grants and loans to students with $57.2 million of that going to West Virginia residents. Third, as a major land grant university, WVU attracts substantial federal appropriations and sponsored grants and contracts. In FY1997-98 WVU received $44.3 million from these other (i.e. non-financial-aid) federal grants, contracts, and appropriations. This figure was 20.1% of WVU’s total impact on the state’s export base. Grants and contracts with private, out-of-state sponsors generated an additional $8.2 million. Finally, gifts to the WVU Foundation from individuals, corporations, and foundations added to the university's financial base. Table 1 includes the $14.3 million in gifts that came from out-of-state sources.

In addition to bringing funds into West Virginia, WVU keeps money in the state that would have left if not for the university; however, Table 1 provides no estimates of this amount. Many of the students from West Virginia would attend college in other states — taking their expenditures with them. When these students become alumni of out-of-state institutions, donations to their alma maters would also go out-of-state. In-state sponsors of research contracts would have to look elsewhere for research services. WVU also provides recreation and entertainment opportunities for residents of the Morgantown region and the state. Athletic contests and Creative Arts Center events, among others, attract a part of residents’ entertainment spending, and even bring in some additional out-of-state funds.

WVU’s contribution to West Virginia's export base is substantial. Furthermore, it is just one aspect of the university's many contributions to the state economy through the earnings power of a college education, operating expenditures and multipliers, and assistance to state businesses.

---

1 For purposes of this study WVU is defined to include: WVU Main Campus; West Virginia University Institute of Technology (WVUIT); Potomac State College of WVU; West Virginia University at Parkersburg (WVUP); WVU Foundation; WVUIT Foundation; and WVUP Foundation. WVU associated hospitals are included only if their research funds go through the WVU Research Corporation. Out-of-State dollars (including Federal dollars such as Medicare) entering the state through patients and visitors of the hospitals are not included. University Health Associates is also not included.
Table 1  
WVU Export Base Impacts: FY1997-98  
(Millions of $)

<table>
<thead>
<tr>
<th>Source</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Resident Student Tuition, Fees and Living Expenses</td>
<td>$96.6</td>
</tr>
<tr>
<td>Out-of-State Financial Aid</td>
<td>$90.7</td>
</tr>
<tr>
<td>Adjustment: Non-Resident Out-of-State Financial Aid</td>
<td>-$33.5</td>
</tr>
<tr>
<td>Other Federal Grants, Contracts, and Appropriations</td>
<td>$44.3</td>
</tr>
<tr>
<td>Private Out-of-State Grants and Contracts</td>
<td>$8.2</td>
</tr>
<tr>
<td>Out-of-State Gifts</td>
<td>$14.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$220.6</strong></td>
</tr>
</tbody>
</table>

Figure 1
WVU Export Base Impacts: FY 1997-98
(Millions of $)
