

2024

OAKLAND UNIVERSITY™

ECONOMIC IMPACT IN MICHIGAN



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Oakland University

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Oakland University

ECONOMIC IMPACT IN MICHIGAN, 2024



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Purpose of This Report

Oakland University (OU) retained Anderson Economic Group, LLC (AEG) to complete an independent, credible, and robust economic impact analysis of university operations in Michigan, as well as the portion of the impact that stays in Oakland and Macomb counties.

The purpose of this report is to convey the direct economic and fiscal impact of OU in the region and state, along with indirect impacts that include additional jobs, output, earnings, and talent.

Net Economic Impact

\$1.9B

Tax Revenue Impact
(\$Millions)

\$316.4

Fall Enrollment

15,768

ECONOMIC IMPACT IN MICHIGAN



Approach

The economic impact of Oakland University is best described in terms of employment, output, and earnings:

Employment—OU is an important employer in the region. To show net new employment generated, including that supported through OU's annual operations and investments, we consider both substitution and additional jobs that are indirectly supported in Michigan and in Oakland and Macomb counties.

Output—As OU generates economic activity, dollars are spent and re-spent in the community. This activity supports additional spending by other businesses that would not have occurred without the support of OU in the economy.

Earnings—Payroll and benefits investments made by OU have a direct impact on the households of the Michigan residents they employ. However, those dollars don't stop there; they are spent and re-spent throughout the Michigan economy.

We undertook the following steps to complete our analysis:

1. Compiled data and information related to OU operations, locations, payroll, employment, capital investments, claims payments, and vendor and supplier relationships.
2. Compiled data on OU tax revenue contributions in Michigan.
3. Relied on our decades of work conveying economic and fiscal impact in higher education.
4. Analyzed the economic impact of OU in the region and in Michigan as a whole by assessing contributions to the economy via employment, output, and earnings. Also analyzed the power of those dollars as they continue to circulate through the economy.
5. Analyzed Oakland University's fiscal impact, assessing contributions to tax revenue via income, sales, and transportation.
6. Assessed the strength and growth of OU's human capital and research and development contributions.

Executive Summary

Overview

Oakland University Points of Pride

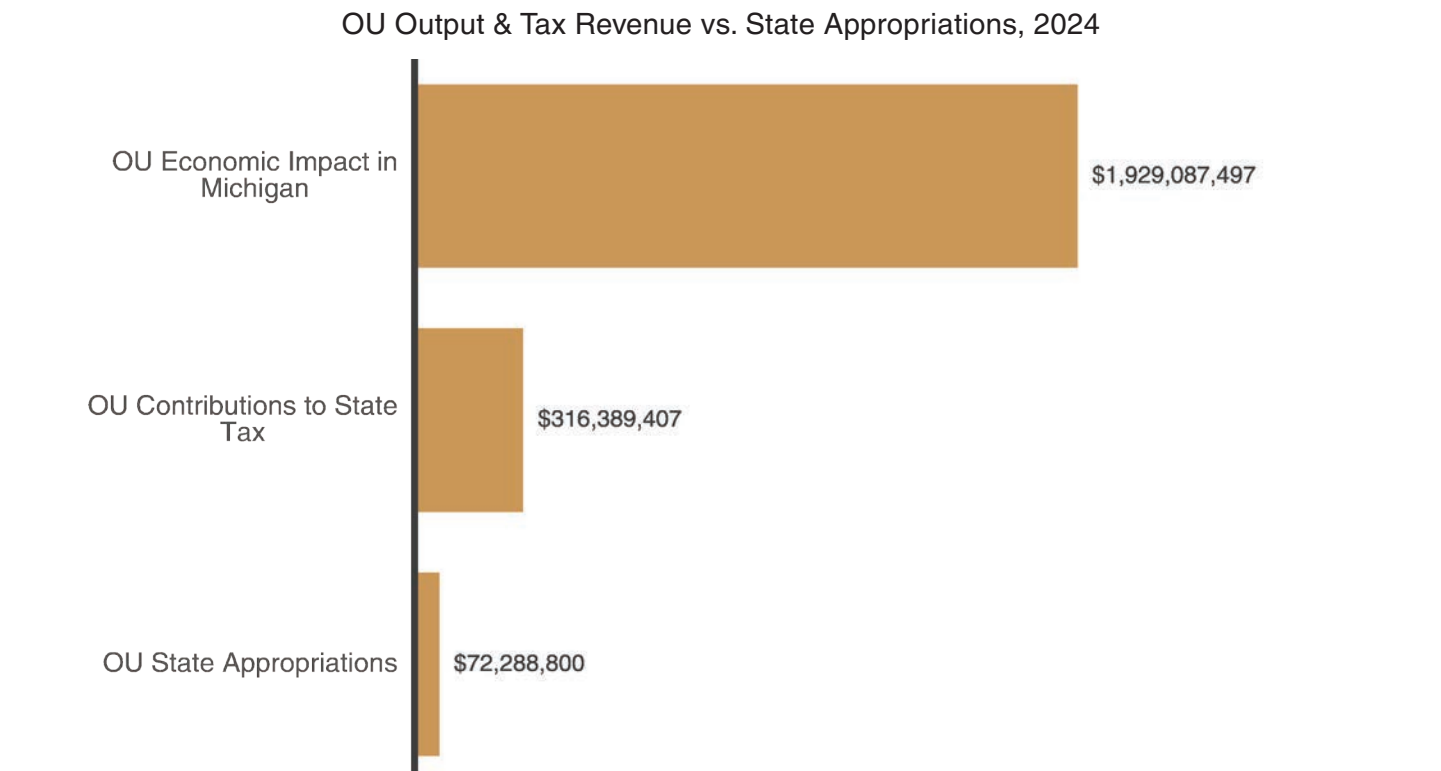
Category	2025 Report (FY 2024 Indicators)
Total Investment	\$326,259,342
Fall Enrollment (Undergraduate and Graduate)	15,768
Total Net Economic Impact	\$1,929,087,497
Tax Revenue to the State of Michigan	\$316,389,407
Source: AEG economic impact framework utilizing base data from Oakland University; U.S. Bureau of Economic Analysis RIMS II Multipliers; U.S. Census Bureau.	

Finding 1. In FY 2024, Oakland University generated \$1.9 billion in net new economic activity. In addition to university spending to support operations and construction, the other drivers of this economic impact are spending by OU students and incremental earnings by alumni.

OU Net Economic Impact in Michigan, FY 2024

Impact Category	Output Impact
Oakland University Expenditures	
Nonpayroll Operating Expenditures	\$241,028,866
Faculty & Staff Wages & Benefits	\$310,708,269
Student Expenditures	\$312,411,343
Incremental Alumni Earnings	\$1,064,939,019
Total Net Economic Impact	\$1,929,087,497
Source: AEG economic impact framework using Oakland University base data.	

Finding 2. In FY 2023, Oakland University increased tax revenues for the State of Michigan by \$316 million. While the main focus of universities is not to generate tax revenue, OU’s economic impact was nearly twenty-seven times what the university received in state appropriation payments.



Finding 3. 15,768 students were enrolled at Oakland University in FY 2024. As a result, the university invested over \$326 million in university operations and employed 5,511 people in Michigan.

Oakland University attracts a significant number of students contributing to talent in Michigan. For FY 2024, 15,768 students were enrolled in the university. To support the education of these students, OU employed 1,544 faculty, 2,025 staff and 1,942 students in Michigan, while investing \$326 million in construction and operations.

OU Operations and Enrollment, FY 2024

Category	Value
Number of Enrolled Students	15,768
Number of Employees (Faculty, Staff and Students)	5,511
Number of Known Alumni Living in Michigan	98,093
University Operations & Construction Spending	\$326,259,342
Total Wage and Salary Earnings of Alumni in Michigan	\$5,885,771,788

Source: AEG economic impact framework using Oakland University base data.



Oakland University Geographic Overview



Source: Oakland University (address)
Analysis: Anderson Economic Group

Economic Impact

\$1.9B

Oakland Universities economic impact in Michigan is over \$1.9B. This total impact represents direct and indirect economic activity supported by the university.

Jobs Impact

6.4K

In fiscal year 2024, Oakland University operations supported 6,417 jobs. This jobs impact represents both direct and indirect jobs that OU supports in Michigan.

Oakland University Economic Impact

Oakland University makes significant contributions to the output, earnings, and employment generated in Michigan’s economy, particularly in the region of Oakland and Macomb Counties. These contributions help both the state and the region to attract and retain talent and business.

Defining Net New Economic Impact

The net new economic impact of OU is the economic activity that occurs, directly or indirectly, as a result of the university’s investments and operations. This is economic activity that would not otherwise occur in Michigan, or in the region without OU’s presence. Economic activity from Oakland University operations, student expenditures, and alumni has both direct and indirect impacts, generating more economic activity as dollars are spent and re-spent. The economic impact is expressed in terms of jobs, output, and earnings.

OU makes a direct impact on the Michigan and regional economies when it purchases goods and services from local vendors and employs workers. The university’s vendors and employees, in turn, increase their own expenditures, recirculating funds through the economy and generating indirect economic impacts. We account for both direct and indirect impacts throughout our analysis. Below, we detail this impact.

OU Net Economic Impact in Michigan, FY 2024

Impact Category	Direct Impact	Indirect Impact	Net Output Impact
Oakland University Expenditures			
Nonpayroll Operating Expenditures	\$84,879,540	\$156,149,326	\$241,028,866
Faculty & Staff Wages and Benefits	\$177,735,404	\$132,972,865	\$310,708,269
Student Expenditures	\$188,729,612	\$123,681,731	\$312,411,343
Incremental Alumni Earnings			\$1,064,939,019
Total Economic Impact	\$451,344,556	\$412,803,922	\$1,929,087,497

Source: AEG economic impact framework utilizing base data from Oakland University; U.S. BEA RIMS II Multipliers; U.S. Census Bureau.
Analysis: Anderson Economic Group.



Sources of Economic Impact

Operating Investments. Every day, OU invests in operations and student education. These investments include supplies, equipment, services, athletics, and maintenance of university buildings. In FY 2024, OU's nonpayroll operational expenditures totaled more than \$84 million. Because a significant portion of these expenditures would not have been made in Michigan without OU, Michigan businesses earned an estimated net sales increase exceeding \$156 million in FY 2024.

Payroll Expenditures. Faculty and staff who educate students, work on campus, and support university operations represent a significant portion of university spending. In FY 2024, OU spent \$177 million on employee salaries, wages, and benefits. This spending resulted in an estimated sales increase of almost \$133 million for Michigan businesses in FY 2024.

Student Spending On and Around Campus. Oakland University enrolls students from Michigan, numerous U.S. states, and several other countries. Some of these students would not have come to, or remained in Michigan for a college degree, if OU did not exist. Spending by students who moved to or stayed in the state because of Oakland University is counted as new economic activity.

Student wages for those employed by the university are carefully considered to avoid double counting. OU has a strong student employment program—12.3% of students enrolled at the university work at the university. These wages are not separately considered in net new economic impact as a significant portion of the wages are likely represented in university operations activity as revenue for room, board, and tuition. The spending power students have in the community is assessed here.

In FY 2024, OU student expenditures are estimated at over \$312 million. Of this amount, about \$188 million was direct spending in Michigan, which, when considering recirculation of this spending across Michigan, resulted in an additional \$123 million in indirect spending.

Alumni Earnings. In 2024, Oakland University had 98,093 alumni living in Michigan. Collectively, they earned nearly \$5.8 billion.

✓ Operating Investments

Supplies, equipment, university building maintenance, services, and athletics.

✓ Payroll Expenditures

Salary, wages, and benefits for OU faculty and staff.

✓ Student Spending

Spending by students who live, work, and play in the area while attending OU.

✓ Alumni Earnings

OU graduate earnings that have power in the economy.

Output Impact in Michigan

In fiscal year 2024, the estimated value of the economic activity that Oakland University generated in the state, benefiting households and businesses, was \$241 million.

Jobs Impact

In Michigan, an estimated 6,417 jobs were directly or indirectly supported by OU operations in FY 2024. This includes 3,569 net new faculty and staff positions that are directly employed by Oakland University. It also includes 2,848 indirectly generated jobs in other industries in the state due to expenditures by OU, its faculty, its staff, and its students.

Impact in the Local Region

Oakland University has a significant impact in Michigan. In the communities that surround OU’s campus, university activity is a major driver for the regional economy.

OU Economic Impact, Oakland & Macomb Counties, FY 2024

Counties	Output Impact (millions)	Jobs Impact
Oakland and Macomb	\$187,184,806	2,985

Source: AEG economic impact framework utilizing base data from Oakland University; U.S. Bureau of Economic Analysis RIMS II Multipliers.
Analysis: Anderson Economic Group.



Research & Development

Oakland University strengthens Michigan’s economy through its research and development investments, and by bringing federal grant money into the state that might otherwise have been spent elsewhere. As the table below shows, federal government contributions to OU’s R&D programs brought more than \$9.5 million into Michigan.

OU Research & Development Expenditures by Source

Source	FY2023
U.S. Federal Government	\$9,600,000
State & Local Government	\$3,066,000
Business	\$4,953,000
Nonprofit Organizations	\$1,636,000
Institutional Funds	\$15,987,000
All Other Sources	\$2,021,000
Total:	\$37,263,000

Source: Oakland University (National Science Foundation Higher Education Research & Development Survey data, fiscal years 2020-2023)
Analysis: Anderson Economic Group.

A majority of OU’s R&D investments were spent within Michigan, accounting for approximately \$36.1 million of their R&D expenditures. This generated an economic impact of nearly \$72 million in 2023. These investments also supported 137 jobs.



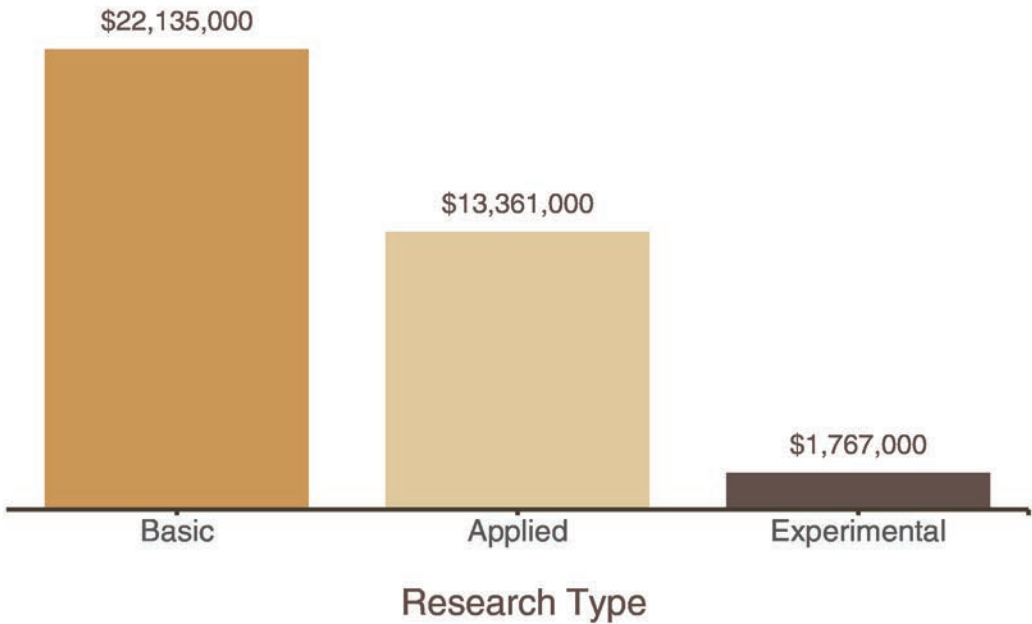
Research and Development Portion of Economic Impact, Oakland University, 2023

Impact Type	Output
Direct Impact	36,145,110
Indirect Impact	35,470,823
Net Impact from Research and Development:	
	71,615,933

Source: Oakland University (National Science Foundation Higher Education Research & Development Survey data, fiscal years 2020-2023)
Analysis: Anderson Economic Group.

OU’s research initiatives encompass a broad array of subjects that can be categorized by type as basic research, applied research, or experimental development. The breakdown of research among these types was as follows in 2023:

Oakland University Research and Development Expenditures by Research Type, 2023



Source: AEG analysis of Oakland University data from National Science Foundation Higher Education Research and Development Survey data, fiscal year 2023.
Analysis: Anderson Economic Group.

In testament to the value of the research conducted at OU, the university’s R&D initiatives have been in cooperation with federal government agencies that include the USDA, the Department of Defense, NASA, HHS, and the NIH.

Human Capital

OU offers more than 100 different degree programs and graduates thousands of students each year, allowing it to have a particularly large influence on Michigan’s economy. One of the most important economic contributions is increasing graduates’ earnings power. Education increases worker productivity by adding new knowledge and skills. These enhanced capabilities create value for employers, which allows graduates to earn higher wages over the course of their careers.

As the cost of higher education comes under increasing scrutiny, many families question whether the benefits of a college education exceed the costs. To address this question, prospective students need to understand how much a college graduate can earn compared to a high school graduate who does not go to college, as well as the amount a graduate can earn by attending one college versus another. OU is very successful in this regard, with degrees that significantly increase graduate earnings.

Alumni Earnings

OU alumni can expect to earn significantly more than other earners across a range of categories. The table below shows the median earnings in 2023 of OU alumni who enrolled ten years prior. The median of these graduates, many of whom will be in their late 20s and thus in the workforce for several years, is \$58,612. In contrast, the median income among those 21-34 years old in Michigan without a college degree is \$39,701. This means that persons with only a high school diploma are earning 32% less than the typical OU graduate.

Earnings of Recent Graduates from OU and Comparison Groups

Category	OU Alumni	Peer College Alumni	Michigan College Alumni	Did Not Attend College
Median Earnings	\$58,612	\$53,543	\$42,718	\$39,701
OU Advantage		9%	27%	32%

Source: College alumni earnings from IPEDS and College Scorecard; high school graduate earnings (in 21-34 year group) from CPS. Peers include Central Michigan University, Eastern Michigan University, Ferris State University, Grand Valley State University, Lake Superior State University, Northern Michigan University, Saginaw Valley State University and Western Michigan University.

OU alumni consistently outperform graduates from comparable institutions across Michigan. On average, the median alumni salary from a Michigan two- and four-year college ten years after enrollment is \$42,718: \$15,894 less than the median OU graduate. This indicates an OU earnings premium of 27%, which is a very high return on investment.



Effect on College Attendance

OU's presence has been crucial in expanding college access to thousands of students who might otherwise never pursue higher education. Proximity has a large influence on attendance decisions. OU's position as the 'epicenter of opportunity' is quite literal. Situated in Oakland County, OU is the nexus of one of the state's largest population centers. Many students would have faced personal hardship to go elsewhere, demonstrating why OU does exceptionally well among first-generation college students. For enrollment year 2024, 39% of incoming students were first generation. These statistics show that OU is instrumental in expanding access to college.

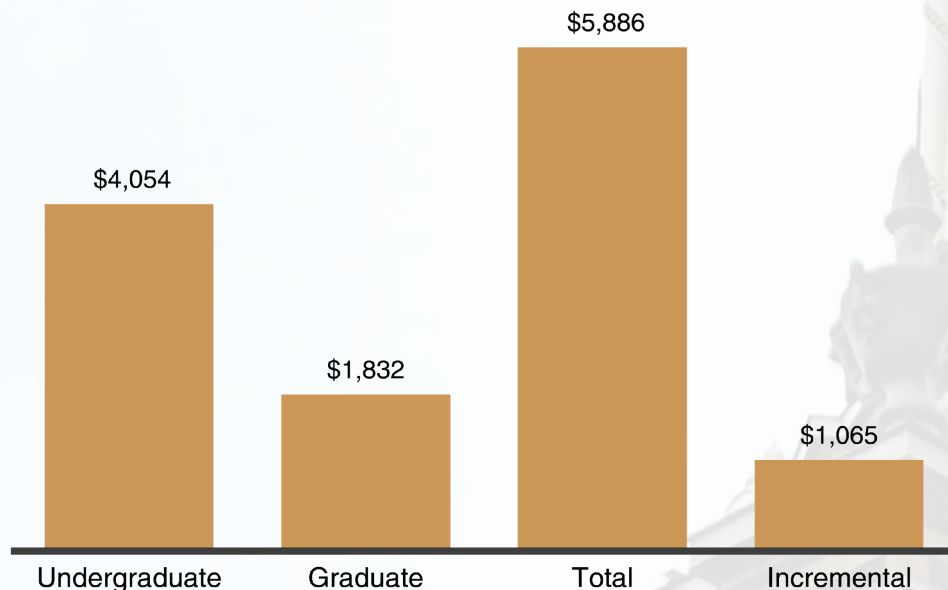
One way to assess the university's impact is to measure the number of students who would not have attended college without OU. AEG examined attendance at individual colleges relative to institutional attributes and distance from home. Among these attributes were the current number of undergraduates at Michigan colleges, Michigan undergraduates in other states, and the locations of all college-aged (18-24 years old) Michigan residents, including those not attending college. Simulations calculated the change in total undergraduates without OU, allowing current OU students to choose between going to another college or not attending at all. Out of 12,626 OU undergraduates in 2022-23, as few as 3,820 (33%) to as many as 8,371 (78%) may not have attended college without OU.

Applying the estimated averages above to the 76,059 graduates holding OU bachelor's degrees indicates that between 23,012 and 50,427 of them would not have gone to college. This represents a significant contribution to Michigan's educated workforce – 3% of Michigan residents who went to college would not have gotten a degree without OU. The university thus represents a significant gateway to higher education, turning what would have been missed opportunities into thousands of success stories and strengthening Michigan's economy.

Alumni Incremental Earnings

Measured in dollars, OU's contribution to Michigan's economy is substantial. The number and additional earnings power of OU alumni can be aggregated to measure the university's contribution to total income in the state. The chart below shows that in 2023, the university's undergraduate alumni in the workforce, about 59,331 people, collectively earned \$4.1 billion. Adding the estimated 21,287 graduate degree holders in the workforce brings the total to 80,618 working alumni, earning a combined \$5.9 billion. Most notably, an estimated \$1.1 billion of these earnings are additional or incremental, representing income that would not have been earned without an OU education.

OU Alumni Earnings, 2023



Oakland University’s Contribution to State Tax Revenue

Oakland University supports a vibrant Michigan economy with economic contributions that generate additional tax revenue for the state. This is because a portion of the new economic activity generated by Oakland University is subject to Michigan taxes. These taxable revenues are generated through income, sales, and transportation taxes. Income tax figures included here are based on wages earned by Oakland University employees and alumni.

The university supported an estimated \$6 billion in direct and indirect earnings for Michigan households in FY 2024 through university operations and capital spending and by alumni earnings in Michigan. These new earnings are subject to a number of state taxes, including income, sales and use, and transportation taxes. In FY 2024, these earnings led to \$316 million in tax revenue for Michigan.

State Appropriations Compared to Economic Impact

As the state provides portions of the total funding for universities, it is important to compare Oakland University’s economic impact and fiscal contribution to the state’s appropriations for the university. Oakland University’s \$1.9 billion in economic impact was nearly 27 times greater than the State’s \$72 million in funding appropriated for OU in FY 2024. The State of Michigan received an estimated \$13.4 million in tax revenue from Oakland University employees and \$303 million from OU alumni living in Michigan.

Tax Revenue Contribution to State of Michigan Due to Oakland University, FY 2024

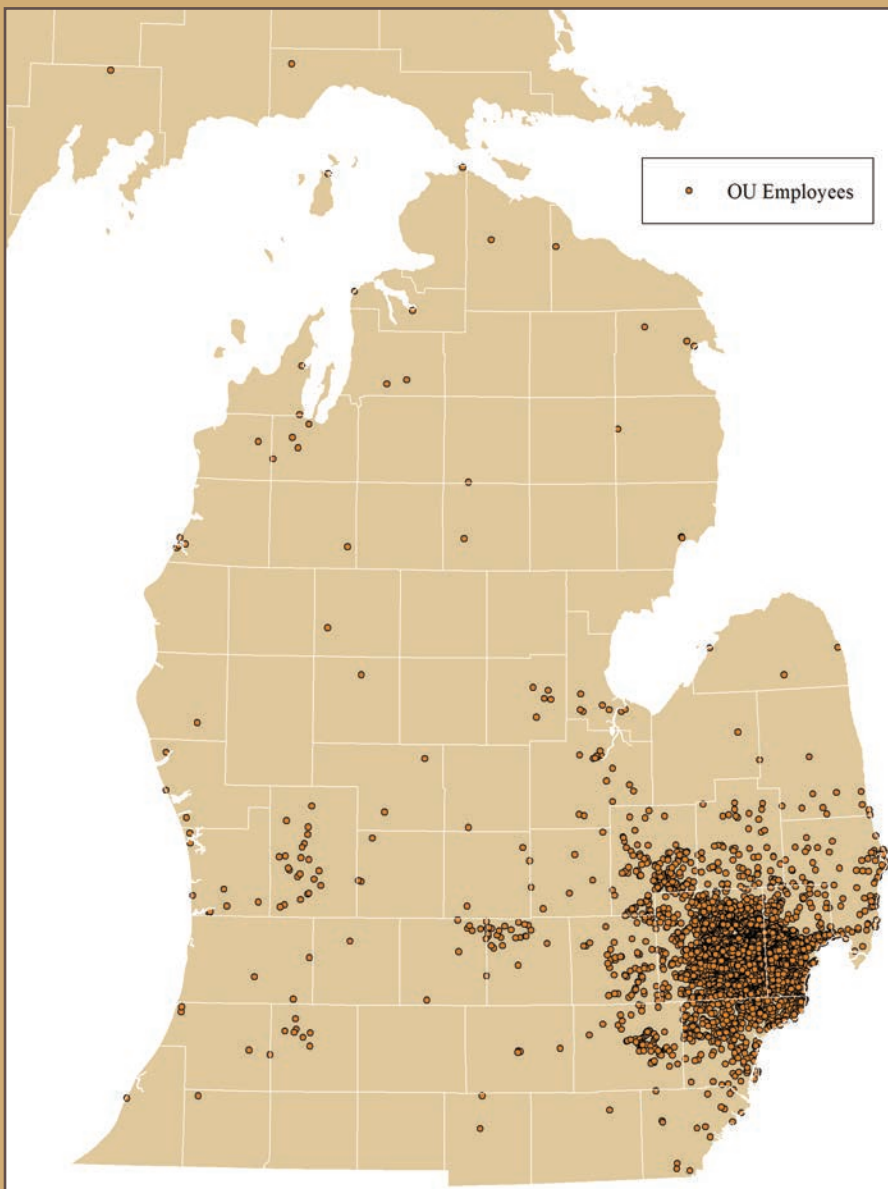
Tax	Total Tax Revenue
Personal Income Tax	\$153,770,920
Sales and Use Tax	\$161,482,873
Transportation Tax	\$1,135,614
Total Additional Tax Revenue	\$316,389,407

Source: AEG economic impact framework utilizing base data from Oakland Univrsity, Consumer Expenditure Surveys and Michigan House Fiscal Agency.

Regional Market Contributions

Oakland University is a major employer, both in southeast Michigan and throughout the state, with more than 5.5k faculty, staff, and student employees.

Oakland University Payroll (Faculty, Staff, and Students) in Michigan



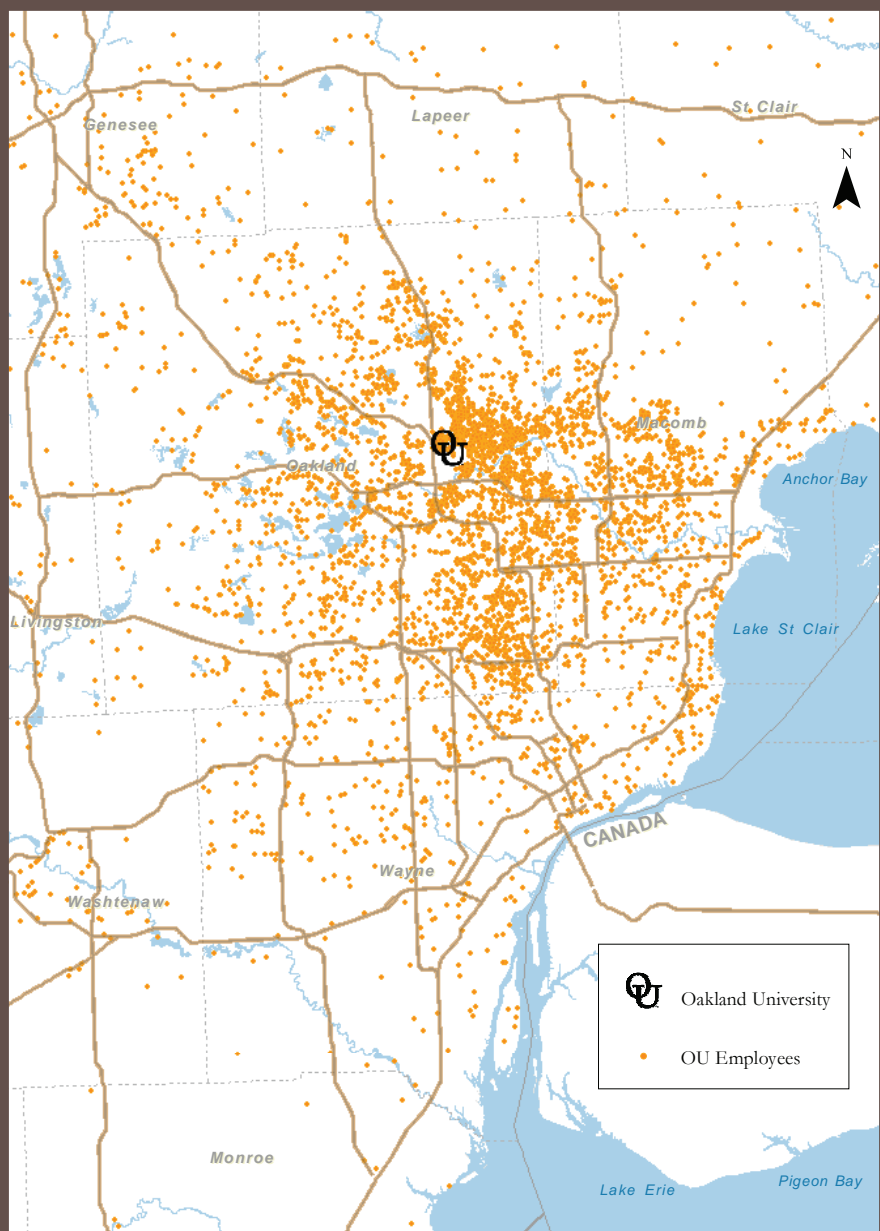
A total of 5,511 employees work for Oakland University. Of those employed by OU, 1,544 are faculty, 2,025 are staff, and 1,942 are student employees. The map on this page shows the geographic distribution of OU faculty, staff, and employed students in Michigan.

Source: Oakland University (payroll data)
Analysis: Anderson Economic Group

Employment in Southeast Michigan

More than 88% of OU employees reside in southeast Michigan's Oakland, Macomb, and Wayne counties. The map below indicates the regional geographic distribution of OU faculty, staff, and employed students.

OU Employment in Southeast Michigan

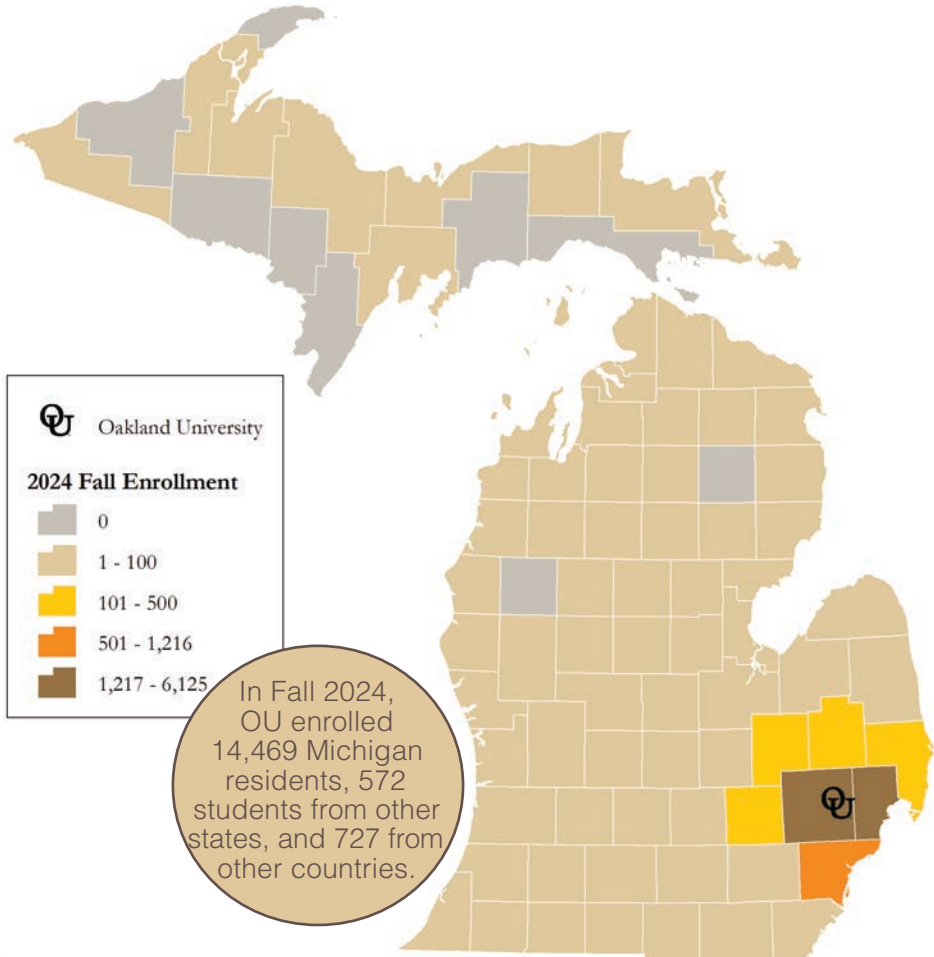


Source: Oakland University (payroll data)
Analysis: Anderson Economic Group

OU Student Enrollment by Michigan County, Fall 2024

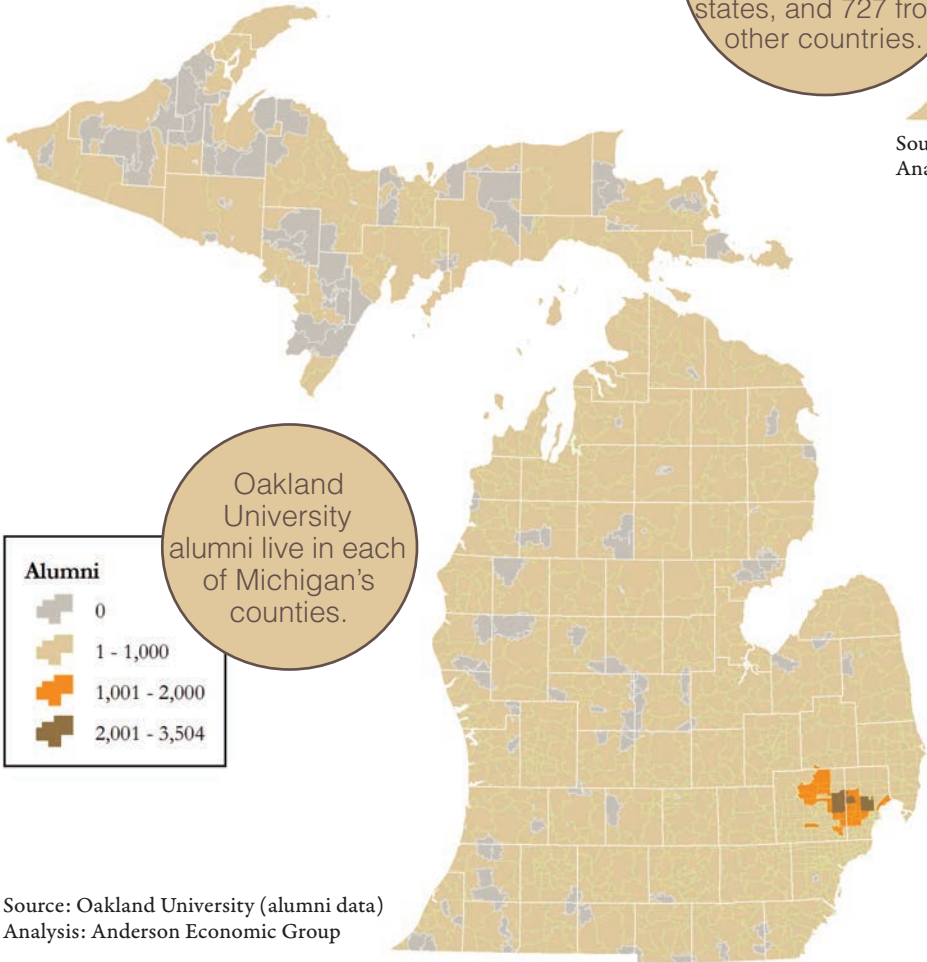
Educating Michigan's Residents

Oakland University had a total of 15,768 students enrolled in fall 2024, including 14,469 Michigan residents, 572 students from other states, and 727 from other countries. See the map at right for a geographic distribution of OU current students by Michigan county. Students from 74 Michigan counties were enrolled at OU in fall 2024. Almost 80% of the Michigan students were from Oakland and Macomb counties.



Source: Oakland University
Analysis: Anderson Economic Group

OU Alumni by Zip Code in Michigan



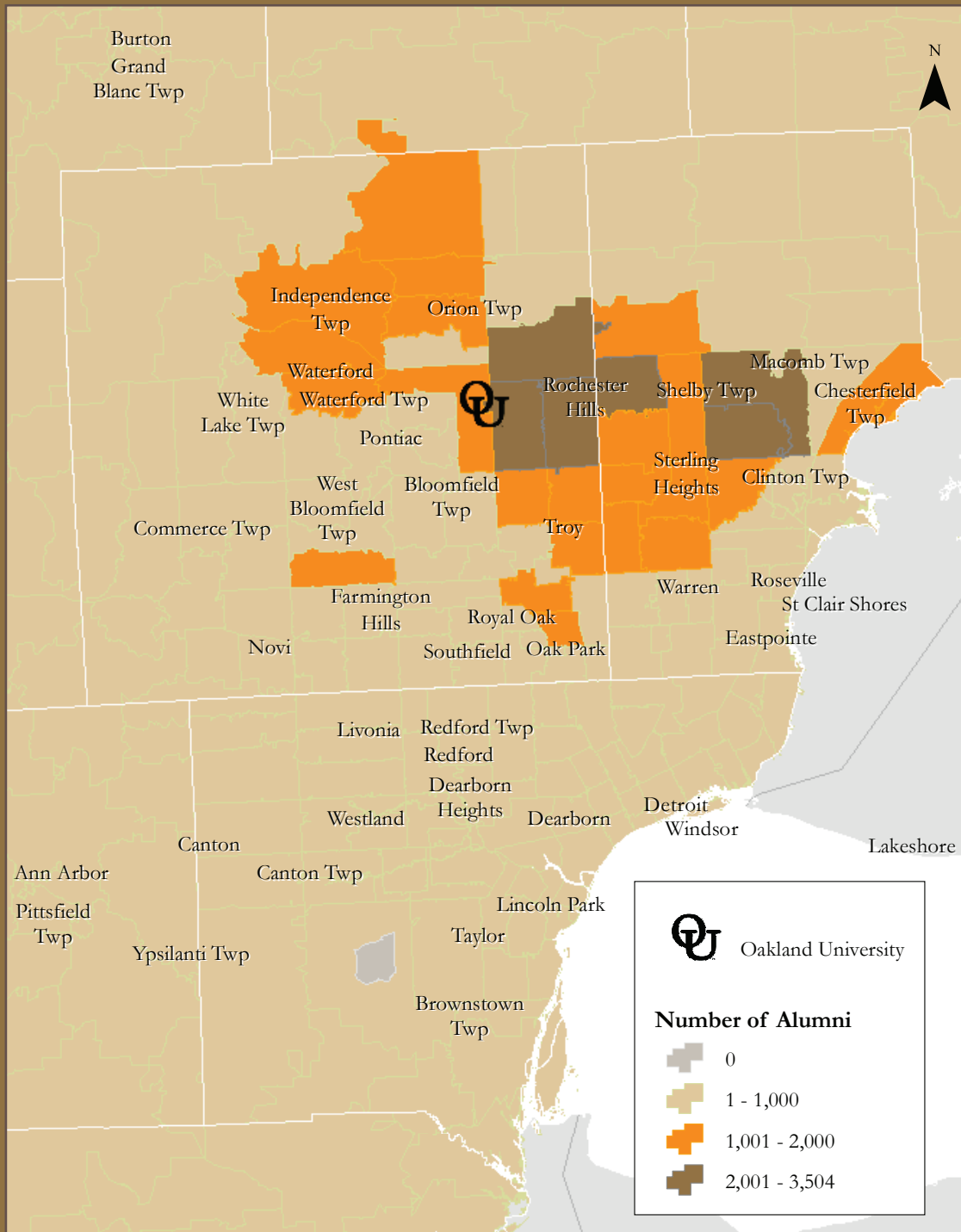
Source: Oakland University (alumni data)
Analysis: Anderson Economic Group

Geographic Reach of Oakland University Alumni

Michigan OU Alumni

Over 106,983 OU alumni currently live in Michigan. While OU alumni live in every Michigan county, they are concentrated primarily in Oakland and Macomb counties. See the maps at left and on the following page for a geographic distribution of OU alumni throughout Michigan and in southeast Michigan, respectively.

Oakland University Alumni by Zip Code, Southeast Michigan

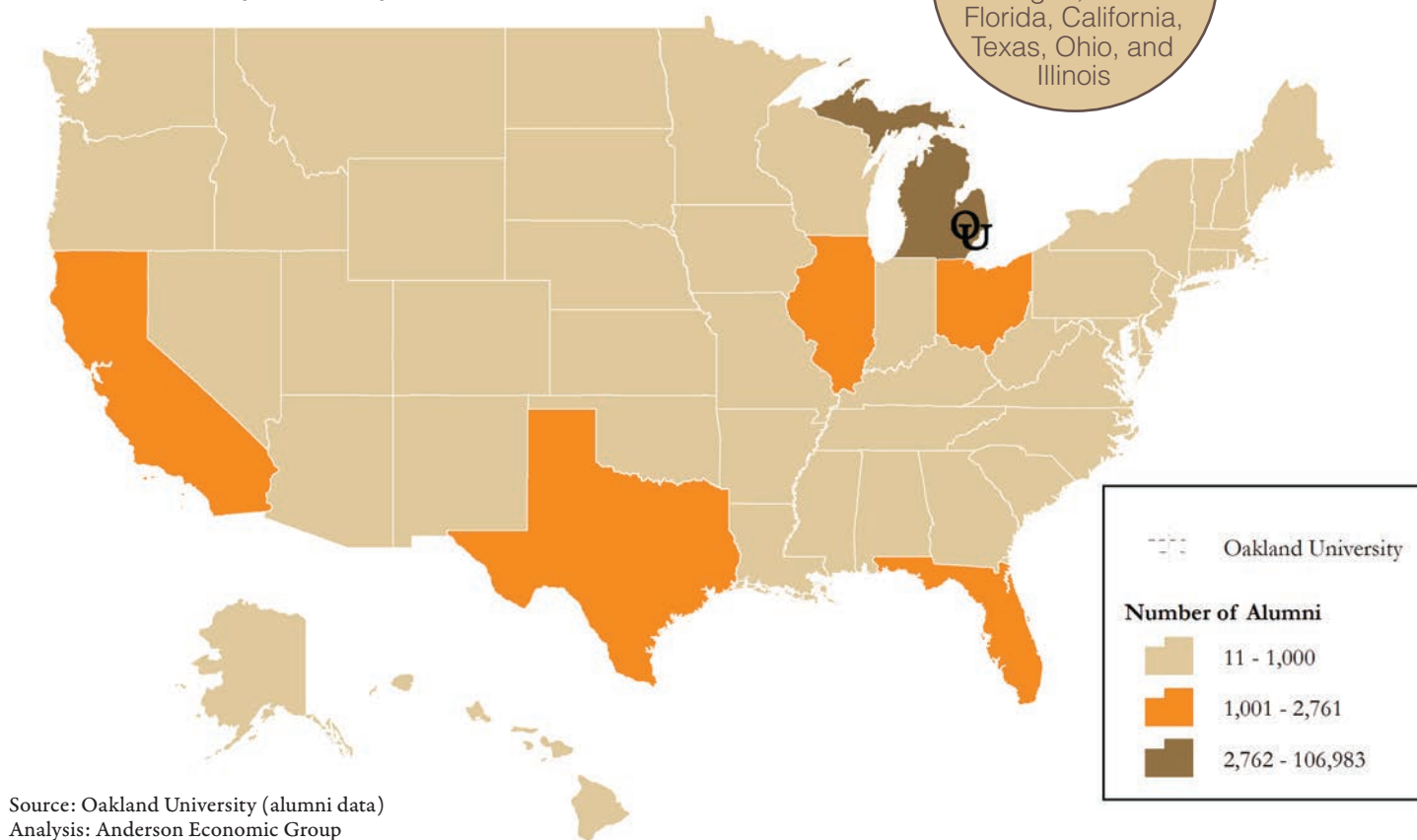


Source: Oakland University (alumni data)
Analysis: Anderson Economic Group

US and International Alumni

Oakland University alumni live in all 50 states. In addition to Michigan, states with large number of alumni include Florida, California, Texas, Ohio, and Illinois. See the map below for a geographic distribution of OU alumni by state, as well as the summary statistics detailed in the table below.

Oakland University Alumni by U.S. State



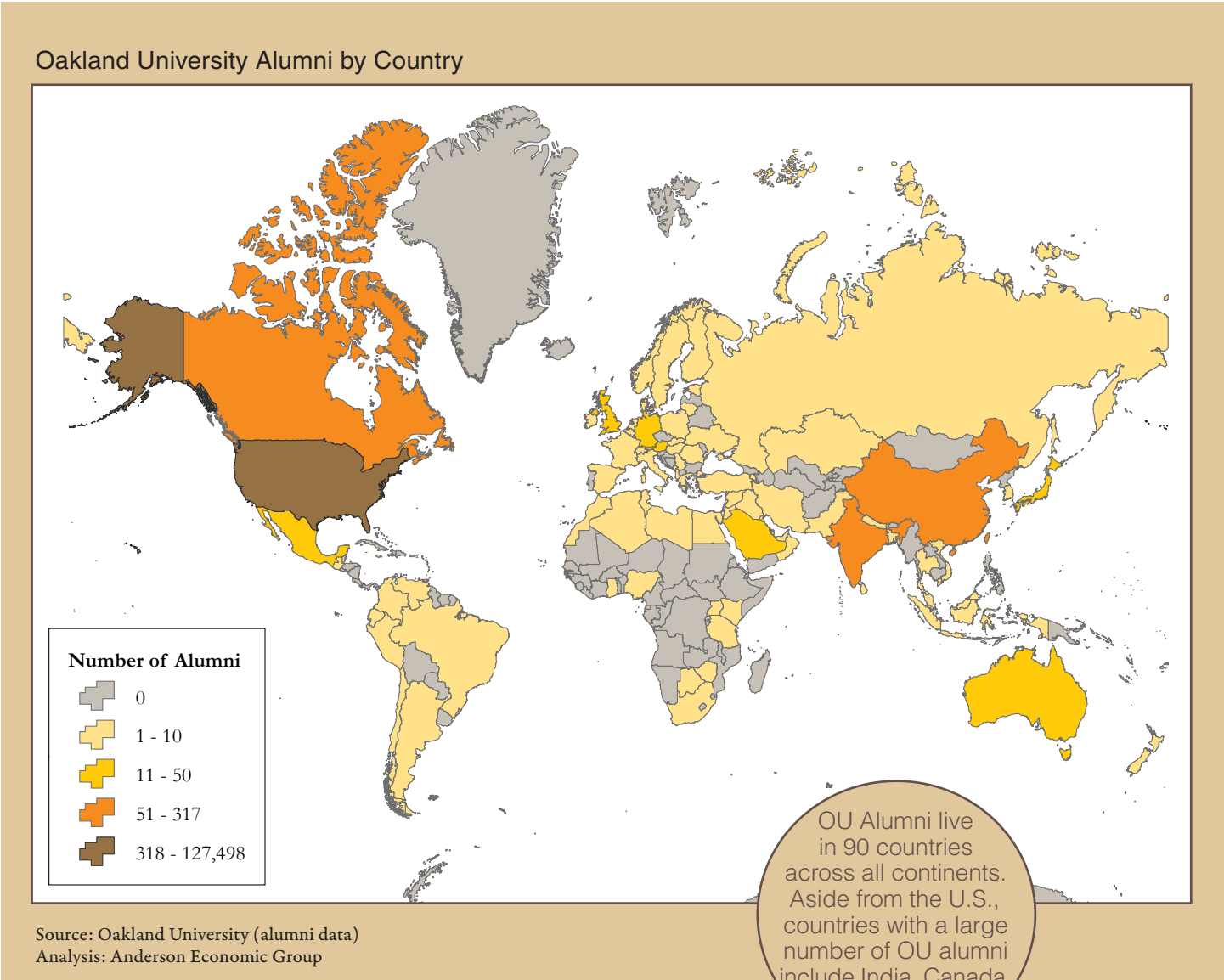
OU Alumni Summary, United States

Current Residence	Alumni
OU Alumni in Michigan	106,983
OU Alumni in Other States and U.S. Territories	20,515
Total OU Alumni in the United States	127,498

Source: Oakland University (alumni data).

Analysis: Anderson Economic Group.

Oakland University alumni currently live in 90 countries from all continents. In addition to the United States, countries with large number of alumni include India, Canada, and China. See the figure below for a geographic distribution of OU alumni by country, along with the table at the bottom of this page for summary statistics.



OU Alumni Summary, World

Current Residence	Alumni
OU Alumni in the United States	127,498
OU Alumni in Other Countries	1,225
Total OU Alumni in the World	128,723

Source: Oakland University (alumni data).
Analysis: Anderson Economic Group.

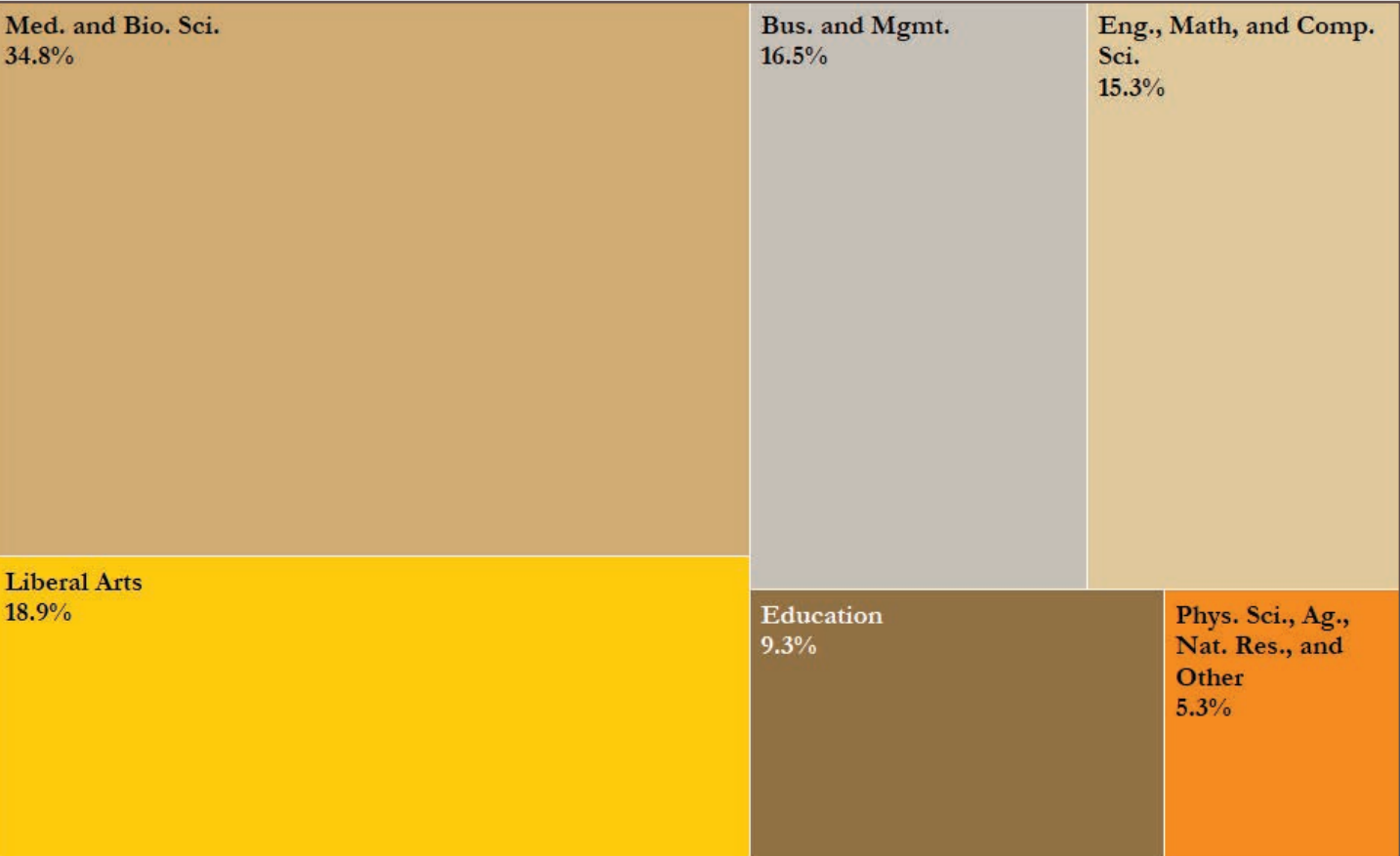
Contributions to the Workforce

OU Degrees and Graduates

Oakland University offers a wide variety of undergraduate and graduate degrees. Nearly 76% of its graduates complete degrees in the fields of business and management; education; engineering, math, and computer science; and medicine and biological science programs. These popular fields of study contribute immensely to the regional economy by producing workers with the skills needed to power essential industries in the region and across the state. Graduates with these important skills support the workforce, and therefore support businesses of all sizes in the region and the state overall. The success of these programs also allow OU graduates to find rewarding careers in important and wide-reaching industries. See “Oakland University Degree Completions by Field, 2023,” below. See also “Employment by Industry, Oakland and Macomb Counties, 2022” on the following page

Medicine and Biological Science. In 2023, medicine and biological science programs comprised over 34% of OU graduates. Nursing was by far the most popular degree among these programs, with 567 graduates in 2023. For years, the health care and social assistance industry has been the largest industry, in terms of total employment, in Oakland County, employing about 15% of the workforce. It is also the largest industry in terms of employment in the region. OU’s medicine and biological science programs are well-positioned to support the local economy and place skilled graduates in rewarding careers.

Oakland University Degree Completions by Field, 2023



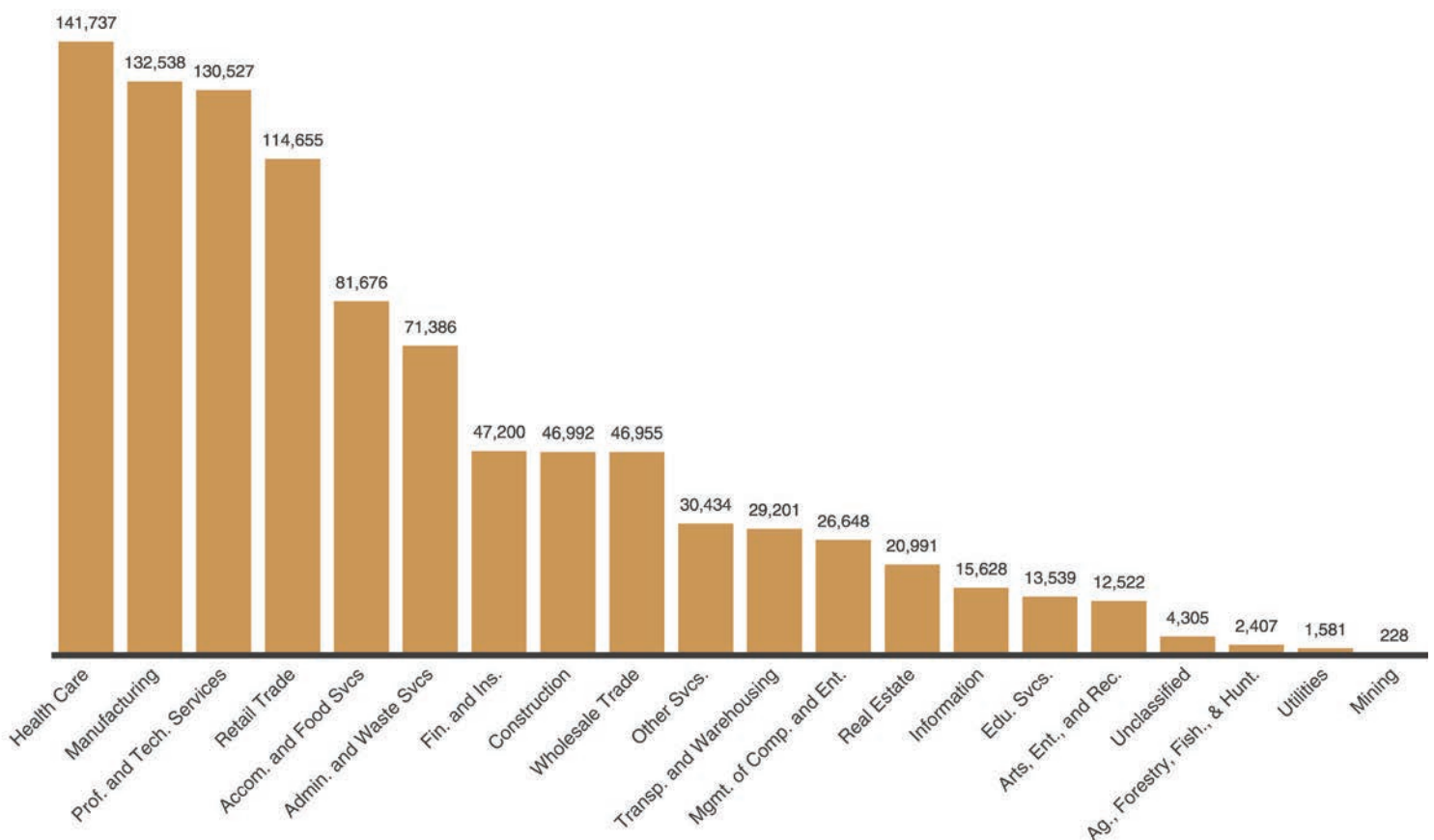
Source: IPEDS Data Center
 Analysis: Anderson Economic Group

Business and Management. Business and management programs granted 16.5% of total degrees at OU in 2023. These fields produce graduates in accounting, legal, management, and other complementary specializations. In Oakland and Macomb Counties, business and management roles support the region's largest employers and industries. In fact, workers in these jobs are important to businesses of all sizes, in all industries.

Engineering. Engineering, math, and computer science programs granted 15.3% of total degrees at OU in 2023. The fields of mechanical engineering and electrical engineering are particularly popular programs at OU, producing the majority of engineering degrees. The manufacturing sector, including the state's signature automotive industry, is one of the largest employers in the region and requires significant talent from many engineering fields.

Education. Education programs granted 9.3% of OU degrees in 2023. While this industry employs a relatively small share of the Oakland County workforce, it has grown over the past five years and is essential to the region. Educators are needed in school districts and higher education institutions across the region and throughout the state, and OU trains skilled workers to fill these roles.

Employment by Industry, Oakland and Macomb Counties, 2022



Source: US Bureau of Labor Statistics, Quarterly Census of Employment and Wages, via MILMI.
Analysis: Anderson Economic Group

Major Employers Hiring OU Graduates

Because OU offers degrees in such high demand fields, employers in Michigan, and especially in southeast Michigan, hire Oakland University graduates. The map below shows the geographic distribution of these employers in the region. These businesses have locations throughout the state in addition to southeast Michigan.

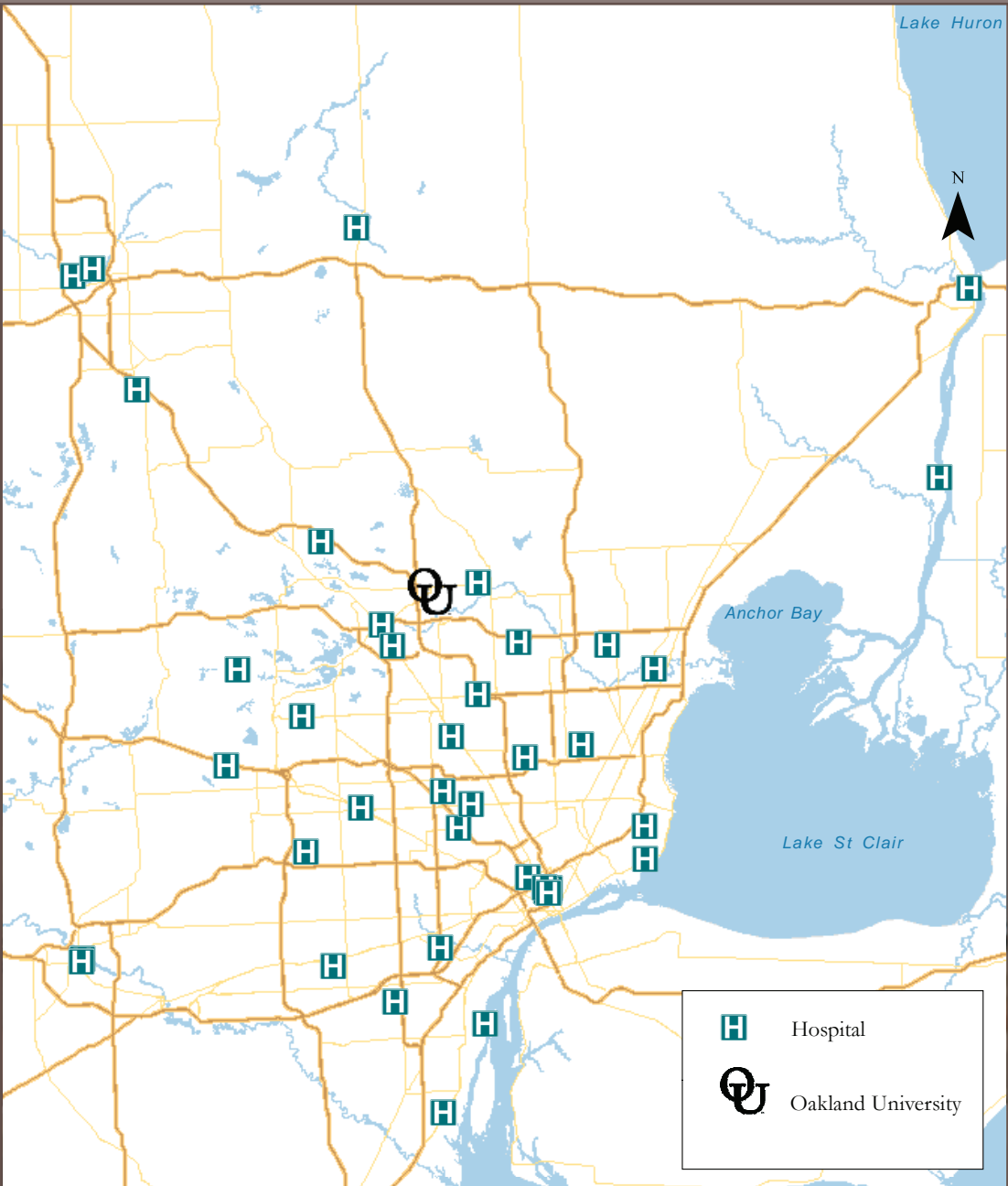
The map on the following page displays the geographic distribution of hospitals hiring Oakland University graduates.

Select Top Employers Hiring OU Graduates



Source: Oakland University (location, select top employers hiring graduates); AEG research (employer locations)
 Analysis: Anderson Economic Group

Select Top Hospitals Hiring OU Graduates



Source: Oakland University (location, select top employers hiring graduates); AEG research (employer locations)
Analysis: Anderson Economic Group

Appendix

Methodology

The methodology and approach to assess the economic and fiscal contributions of Oakland University are consistent with those used by AEG for nearly two decades to analyze the contributions on universities around the country. In 2025, some methodological updates are being employed to more fulsomely convey the importance of these institutions to the economy.

Data and Analysis for Maps

All maps in this report were created using Geographic Information Software (GIS). Professional judgement and GIS were used in estimates where data was incomplete or imperfect in terms of geography.

Data was derived from Oakland University directly via data request and from the OU website for campuses, partners, affiliates, and hospitals. Where addresses were missing, careful research was done to represent them accurately.

Student information was based on enrollment by Michigan county for the cohorts entering in the fall of the study year.

Alumni maps were created using alumni data over time from Oakland University. Analysts used this data to assess the number of alumni per county, and to study incremental alumni earnings. This process is discussed further under “Alumni Earnings Methodology.”

Economic Impact Analysis

Oakland University’s net economic impact is defined as all “net new” economic activity in Michigan that is attributable to OU, either directly or indirectly. To determine the contribution that is net new, analysts calculated the difference between Michigan’s actual economic activity to the economic activity that would have occurred if OU did not exist.

Direct economic impacts are defined as dollars spent in the state by the university, its students, and its alumni. Indirect impacts occur when those dollars continue to circulate through the economy. Indirect economic impact is calculated using direct expenditures and final demand output multipliers from the U.S. Bureau of Economic Analysis.

Fiscal Contributions

The fiscal model is premised on analyzing all support and contributions that are made to tax revenue in Michigan, due to economic activity supported by Oakland University. This includes, for example, income tax contributions from faculty, staff, student employment (where applicable), and alumni, as well as sales tax from the portions of these incomes that are consumed within the study area and subject to sales tax.



Operational Expenditures Methodology

This analysis relied on payroll and nonpayroll data from OU regarding expenditures that went to its Michigan employees and vendors, and on economic data from the U.S. Bureau of Labor Statistics.

The analysis accounted for net new spending in Michigan by excluding that which would have occurred even if OU was not part of the state's economy. Actual expenditure data and professional judgment were used to calculate the percentage of spending for each expenditure category.

Student Spending Methodology

Analysts collected the number of in-state and out-of-state students to estimate net new students attending university in Michigan because of Oakland University. Net new students are those that would have studied in Michigan even in the absence of OU. Student spending was determined based on the location of students, along with their estimated spending on room and board, books and supplies, apparel, food and grocery, meals and entertainment, and other basic needs. Net new student spending due to the university was similarly calculated by determining the amount students would have spent in the state on educational expenses if OU was not an available option.

Alumni Earnings Methodology

A customized earnings model is used to determine the value of an OU education and the additional earnings an OU degree provides for its graduates.

To estimate the current earnings of OU alumni living in Michigan, the analysis considered birth year, multi-year wage data by education level, and BLS inflation figures for the appropriate years. Analysts also evaluated U.S. Census Bureau and workforce participation data.

Total Economic Impact

Following is a summary of our analysis of the economic impact of operations university spending, student spending, and alumni earnings.

Summary: OU Net Economic Impact

Category	Expenditures or Earnings	Direct Impact ^a	Indirect Impact ^b	Direct and Indirect Impact ^c
Total Economic Impact				
OU Payroll Expenditures	\$224,414,332	\$177,735,404	\$132,972,865	\$310,708,269
OU Nonpayroll Expenditures	\$101,845,010	\$84,879,540	\$156,149,326	\$241,028,866
Student Spending	\$195,014,191	\$188,729,612	\$123,681,731	\$312,411,343
Alumni Earnings	\$5,885,771,788			
Total :	\$6,407,045,321	\$451,344,556	\$412,803,922	\$864,148,478

Source: AEG economic impact framework utilizing base data from Oakland University; BEA RIMS II multipliers; AEG estimates.

a. "Direct impact" is taken from the "Net New \$ in Michigan" from the detailed summary. The direct impact excludes spending to households (e.g., direct salaries and wages and direct alumni earnings) since this spending does not represent sales for businesses.

b. "Indirect impact" is taken from the "Memo: Indirect Impact" from the detailed summary.

c. "Direct and Indirect Impact" is taken from the "Net Economic Impact (Direct and Indirect)" from the detailed summary.

d. "Alumni earnings" refers to earnings, less taxes and savings, available for spending in Michigan.

Jobs Impact

To estimate Oakland University's jobs impact, analysts calculated the number of net new employees working for the university by headcount. Headcount employment was used to estimate the jobs impact to maintain consistency with the definition of employment used by the U.S. Bureau of Economic Analysis, which is the source of the economic multipliers. The direct-effect employment multipliers from the Bureau of Economic Analysis were then applied to estimate the additional indirect impact OU has on employment.

OU Net Jobs Impact

Category	Jobs	Employment Impact
Direct	3,569	\$177,735,404
Indirect	2,848	\$132,972,865
Total	6,417	\$310,708,269

Analysis: Anderson Economic Group, LLC

Source: AEG economic impact framework utilizing base data from Oakland University; BEA RIMS II multipliers, AEG estimates.



Regional Economic Impact

The regional economic impact analysis illustrates OU's economic impact at the local level. To conduct the regional economic impact analysis, analysts evaluated the same expenditures used in the state economic impact analysis, but at the county level.

Operational Expenditures

The percentage of payroll and nonpayroll expenditures by county was estimated using data provided by the university on wages and vendor payments by county. Net new university expenditures were allocated using the same distribution across counties.

Student Local Spending

Analysts attributed a portion of statewide estimates for OU student expenditures (accounting for substitution) to the counties surrounding the university. CPI data were applied and apportioned based on knowledge of the campuses and professional judgment.

An analysis of where OU alumni currently live shows that different regions of the state account for differing shares of alumni earnings. The largest driver of these differences comes from the number of alumni living in different parts of the state, but the distribution is also affected by whether the alumni have bachelor's or advanced degrees. Alumni earnings were apportioned based on where alumni live using information obtained from the university.

Indirect Economic Impact

The regional indirect economic impact of OU's expenditures was estimated by multiplying direct expenditures by the multipliers from the U.S. Bureau of Economic Analysis. County multipliers were purchased for Oakland and Macomb Counties, which are those with the largest share of university expenditures.

Tax Revenue Impact Analysis

OU supported tax revenue was estimated by first calculating the wage and salary income that OU employees and alumni receive. Tax revenue to the state was then estimated for income, sales, and transportation taxes.

Employee Earnings. The income of OU employees is procured from OU. It is reasonable as a first approximation to treat OU employee jobs as jobs that would not exist without OU, meaning each employee's income generates net new tax revenue.

Alumni Earnings. For some graduates, such as those who leave Michigan after graduating, attending OU likely has no impact on their annual Michigan earnings (and therefore to the taxes they pay to the State of Michigan). Because other graduates earn income due to OU and still reside in Michigan, these alumni pay taxes to the State. This analysis accounted for the proportion of their income that goes to Michigan taxes based on their income earned due to graduating from Oakland University.







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