



2012
ECONOMIC IMPACT

GROWTH ■ COLLABORATION ■ ENGAGEMENT



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Introduction

Summary of Key Information

GROWTH

Growing with our community 4

New Jobs

Purchasing and Construction

Multiplier Effect

Quality of Life

New Facilities

Student Spending

Visitor Spending

COLLABORATION

Building a better future 12

Entrepreneurial Energy

Research

Supporting Innovation

Alumni Businesses

Preparing for a New Economy

Education

Employee Training

ENGAGEMENT

Helping each other flourish 18

Community Investment

Service and Scholarship

Strengthening Neighborhoods

Teamwork

Building Partnerships

A Future Together

INTRODUCTION

The University of Notre Dame du Lac is an independent Catholic institution of higher learning located on a 1,250-acre campus in South Bend, Indiana. In our mission statement, the University describes itself as “a Catholic academic community of higher learning ... dedicated to the pursuit and sharing of truth for its own sake.”

Both as a major regional enterprise in its own right and through its mission of education, research, and service to the community, Notre Dame is a major contributor to the economic vitality of the city of South Bend, St. Joseph County, and the state of Indiana.

And as a national (and increasingly, a global) institution, Notre Dame also has a growing impact on the world beyond South Bend. This report describes—and where possible quantifies—the University’s contribution to the ongoing development of the local economy and also how a growing partnership with this community benefits the University as well.

This study, available at impact.nd.edu, was conducted by Appleseed Economic Consultants, a firm that provides economic and social research and analysis, economic development planning, and strategic program development services.

SUMMARY OF KEY INFORMATION

The University directly and indirectly accounts for about **13,766** jobs and **\$1,167,300,000** in economic activity in St. Joseph County.

With **5,590** full- and part-time workers (excluding students and temporary workers) and a 2012 payroll of **\$423 million** (includes students and temporary employees) Notre Dame is the largest employer in St. Joseph County.

In the five-year period from 2006 to 2011, Notre Dame's direct employment grew by **700**, an increase that helped mitigate the loss of jobs in the region during the recession.

Notre Dame averaged **\$95 million/year** in construction over the last 5 years, accounting for **211** full-time-equivalent (FTE) jobs with contractors in St. Joseph County and **115** FTE jobs with contractors from other Indiana counties.

For 2012, University purchases of goods and services from local businesses (including health care) generated an economic impact of **\$92 million**, supporting **734** jobs in St. Joseph County and **160** jobs elsewhere in Indiana.

The University accounts for more than **\$12 million** in state and local tax revenues.

Notre Dame students account for **\$120 million** of economic activity

annually through their off-campus spending, supporting **1,535** jobs in St. Joseph County.

2.15 million visitors to Notre Dame generate an economic output of **\$204 million** through their off-campus spending, supporting **2,943** jobs in St. Joseph County.

Football weekends in 2011 drew nearly **375,000** visitors, generating **\$18 million** in economic impact from each home game.

Research spending at Notre Dame has doubled since 2006, reaching nearly **\$158 million**, and this cutting-edge activity has helped create new businesses and jobs and a workforce prepared for tomorrow's economy.

There are **4,475** Notre Dame graduates living in St. Joseph County, and companies in the area founded by Notre Dame faculty, students, and alumni employ about **1,300** people.

More than **10,000** Notre Dame students, faculty, and staff perform more than **500,000** hours of volunteer work in the community.

Notre Dame's award-winning partnership with the city, businesses, and residents in the Northeast Neighborhood immediately south of campus has resulted in a revitalization effort with total investments estimated at **\$625 million** over the last decade.



annual total economic impact in St. Joseph County

13,766 jobs the University directly and indirectly generates

Economic Impact of the University of Notre Dame on St. Joseph County FY 2012

DIRECT SPENDING

| | |
|---------------------------|---------|
| Payroll | \$422.8 |
| Purchasing & Construction | 111.7 |
| Students | 81.0 |
| Visitors | 128.4 |

Total \$743.9
(Millions)

INDIRECT SPENDING

| | |
|-----------------------|---------|
| Employees | \$238.1 |
| Vendors & Contractors | 70.2 |
| Students | 39.4 |
| Visitors | 75.7 |

Total \$423.4
(Millions)

GROWTH

GROWING WITH OUR COMMUNITY

Each year, the University brings to the South Bend area hundreds of millions of dollars in revenues drawn from all over the nation and the world—most of which is spent locally on salaries, benefits, purchasing, and construction.

Taking into account the University's spending on payroll, purchasing, and construction—plus spending by the University's students and visitors—and the multiplier effect, we estimate that the University directly and indirectly accounts for about 13,766 jobs and \$1.167 billion in economic activity in St. Joseph County.

NEW JOBS

With 5,590 full- and part-time employees (excluding students and temporary workers) and a payroll of \$422.8 million (including students and temporary employees), Notre Dame is the largest employer in St. Joseph County. More than 92 percent of the jobs are full-time positions, and the average wages and benefits the University offers

are higher than normal for the region.

The University is also one of the county's fastest-growing institutions, with total employment rising by 14 percent between 2006 and 2011—an increase of about 700 jobs. Notre Dame's growth during this period helped

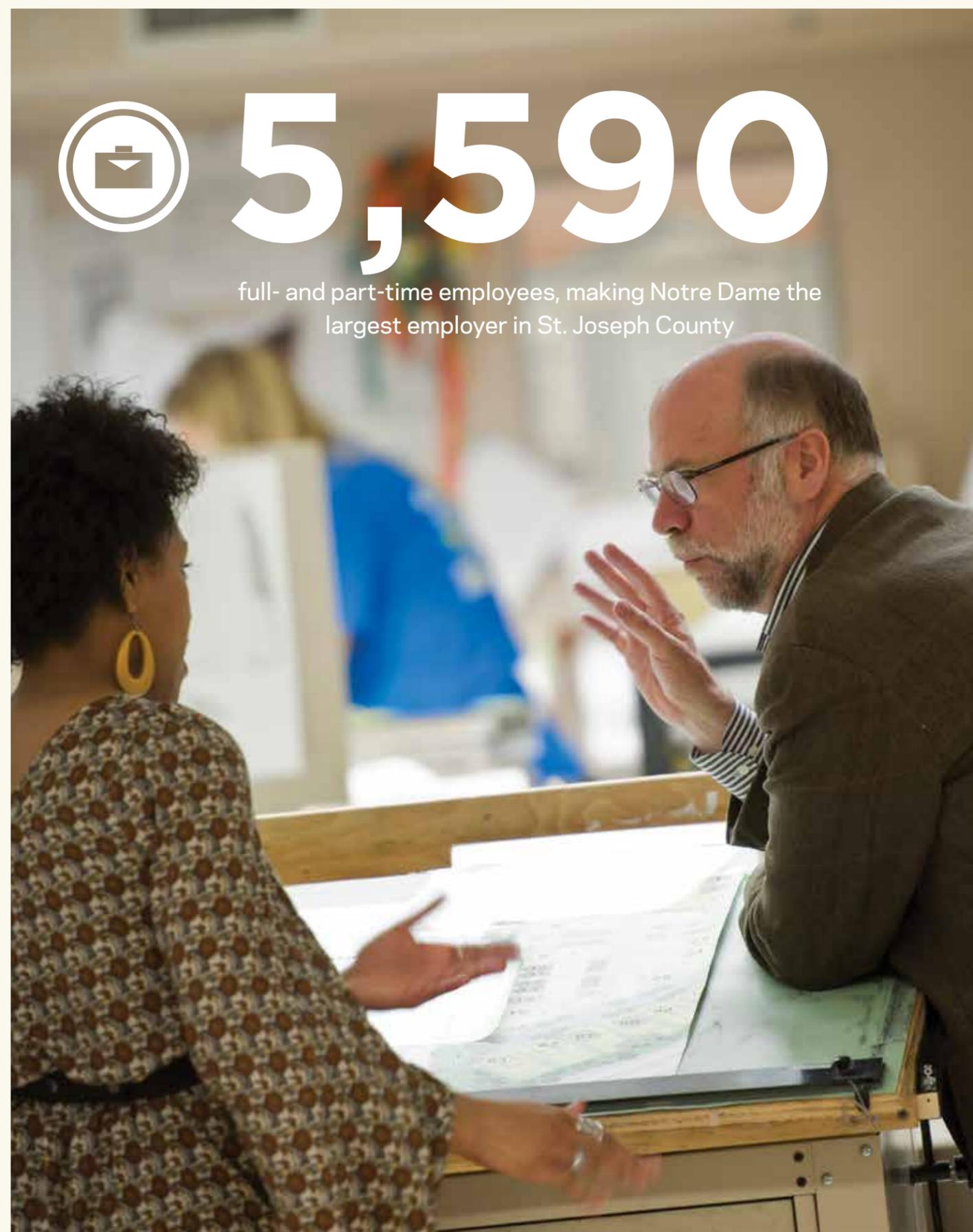
mitigate the loss of jobs in the region during the recession.

Nearly 81 percent of the University's non-student employees live in St. Joseph County, with nearly a third of the total living in the city of South Bend.



5,590

full- and part-time employees, making Notre Dame the largest employer in St. Joseph County



PURCHASING AND CONSTRUCTION

In fiscal year 2012, Notre Dame purchases of goods and services (excluding construction) from vendors located in St. Joseph County generated an economic impact of \$92.1 million. This University spending on goods and services directly accounted for approximately 734 full-time equivalent jobs in St. Joseph County and 160 jobs elsewhere in Indiana.

Over the last five years, Notre Dame spent an average of \$95 million on construction and renovation of University facilities, directly generating more than 211 full-time-equivalent jobs with contractors located in St. Joseph County and 115 jobs with contractors located elsewhere in Indiana.

In fiscal year 2012, the University directly accounted for about \$12.3 million in state and local tax revenues,

including state income taxes withheld from its employees' salaries and wages, county payroll taxes, property taxes paid on non-tax-exempt properties, and hotel taxes. The University is also making voluntary contributions totaling \$5.5 million over 10 years to the cities of South Bend, Mishawaka, the town of Roseland, and to St. Joseph County to help local governments face challenges during the recession.

MULTIPLIER EFFECT

The jobs and economic activity generated by University spending for payroll, purchasing, and construction are not limited to the direct impacts. Some of the money that Notre Dame pays to its employees and local suppliers is used to buy goods and services from other local companies and the latter companies—and their employees in turn—buy goods and services from still other local businesses.

A good example is Eddy Street Commons. Made possible through the University's land acquisition and a partnership with Kite, a private developer, this \$215 million mixed-use project includes ground-floor retail and restaurants with apartments and offices above, other residential

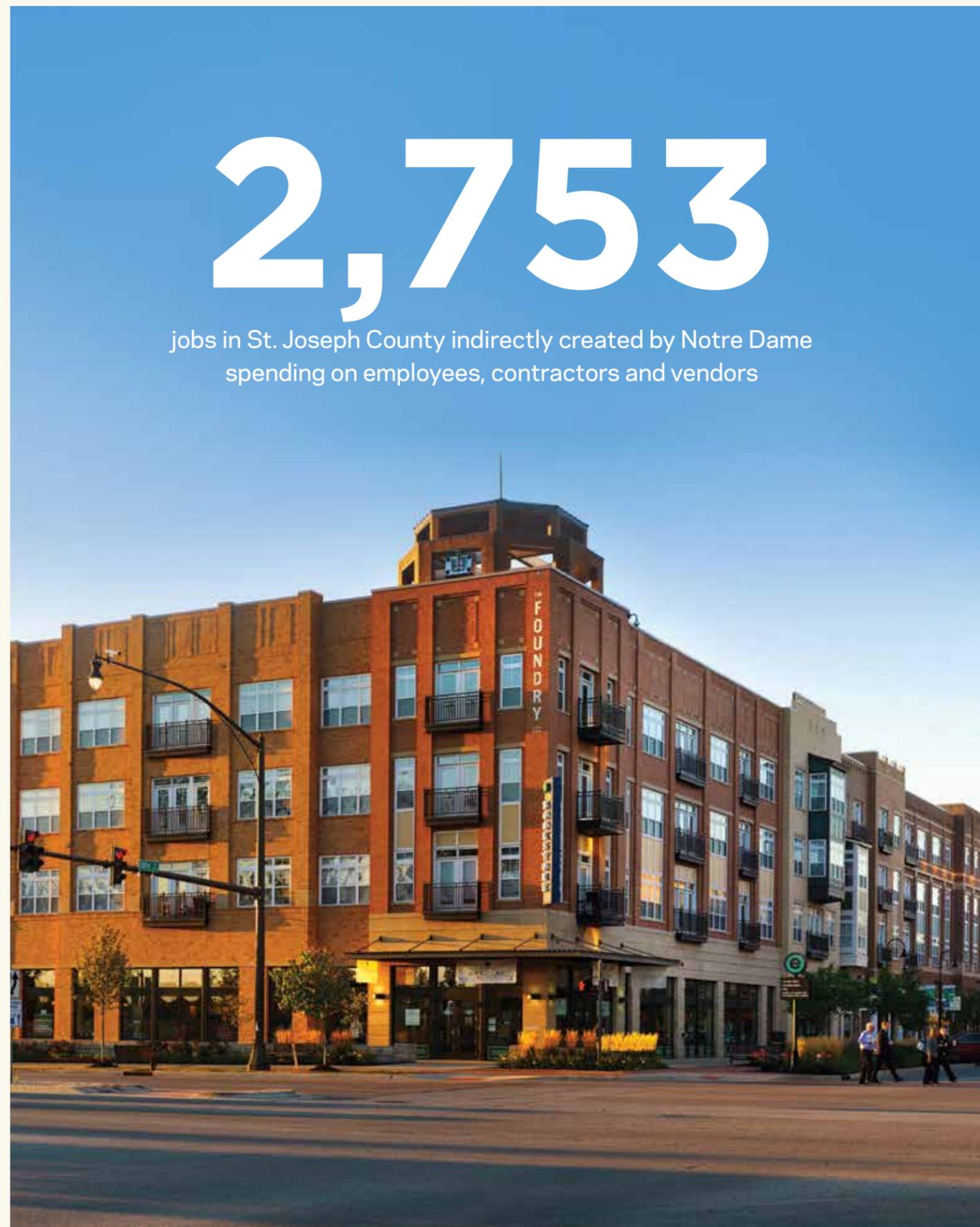
development, a hotel, and parking. Opened in 2009, it has quickly become part of the community fabric and employs about 765 people, including 165 from the University.

Through this multiplier effect, we estimate that Notre Dame's

spending on payroll, purchasing, and construction in fiscal year 2012 indirectly generated more than \$308 million in economic activity and 2,753 full-time-equivalent jobs in St. Joseph County.



\$12,300,000
in state and local tax revenues



2,753

jobs in St. Joseph County indirectly created by Notre Dame spending on employees, contractors and vendors

QUALITY OF LIFE

The economic impact of Notre Dame’s investment in its employees, purchases, and facilities, however, goes well beyond the business opportunities and jobs it creates. By enhancing the University’s ability to fulfill its mission and its ability to attract employees, students, and visitors to a thriving community, these investments contribute in multiple ways to the growth of the local economy and the quality of life in the region.

NEW FACILITIES

Research facilities, for example, enable the University to increase the flow of federal and corporate research funds to South Bend and have helped create new products and businesses. Residence and classroom buildings increase enrollment and bring more spending to the region.

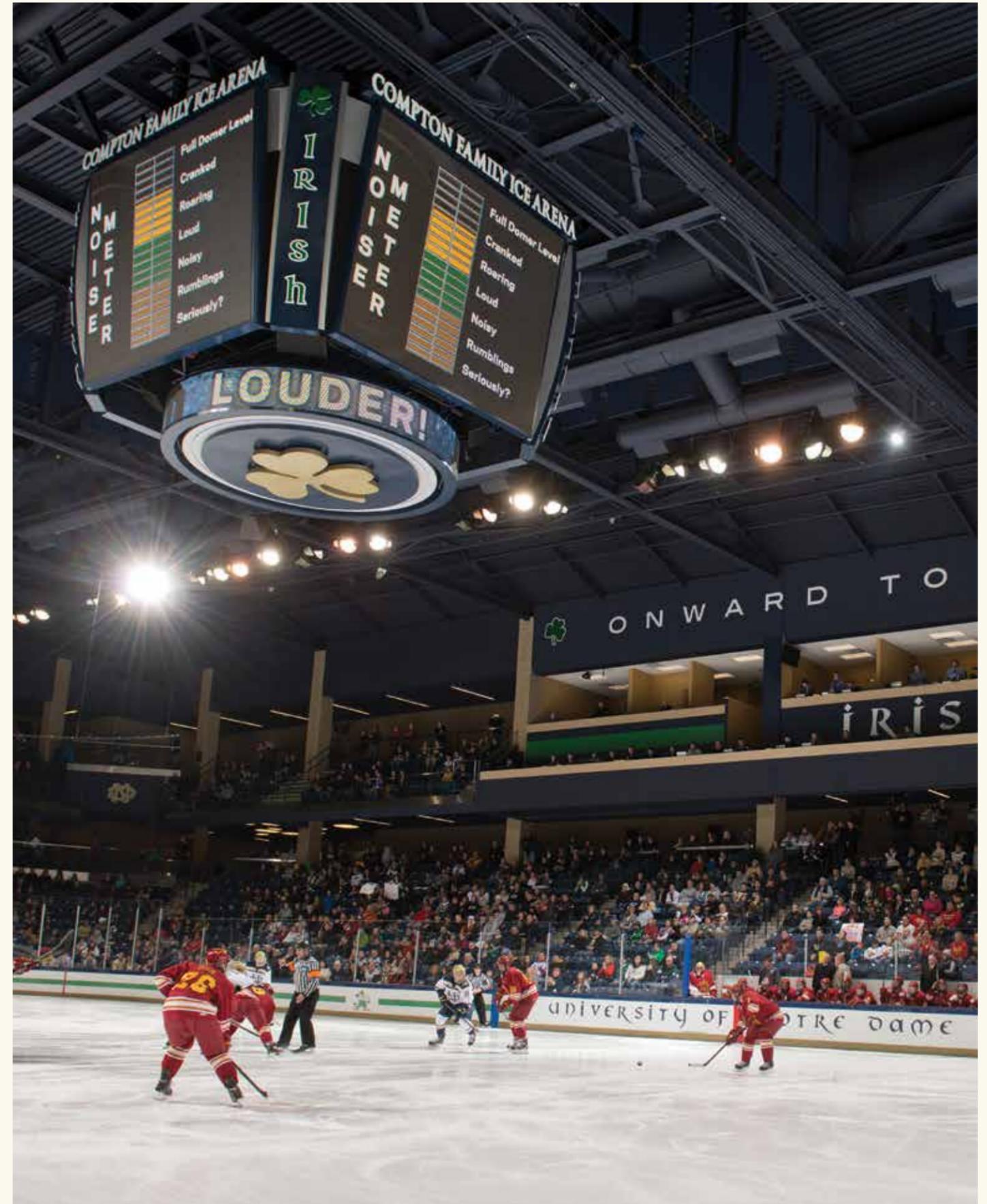
Expansion projects like Eddy Street Commons, Innovation Park, and Hillcrest Hall (the former St. Joseph

High School) bring new business, vitality, and stability to our surrounding neighborhoods.

Since it opened in the fall of 2011, the Compton Family Ice Arena has become a major recreational resource for both the University and the community, and has attracted thousands of new regional and national visitors to South Bend for tournaments and competitions.



22,000
people used the
Compton Family Ice
Arena last year



STUDENT SPENDING

Notre Dame students frequent local restaurants and grocery stores, buy furnishings and appliances for their rooms from area stores, and purchase everything from gas to gifts in town. The average undergraduate living in a dorm spent \$1,975 off campus in fiscal year 2012, and that number increases about sevenfold for off-campus and graduate students.

Total off-campus spending by Notre Dame students came to \$81 million, directly supporting 1,187 full-time-equivalent jobs in St. Joseph County.

Through the multiplier effect, off-campus student spending generated an additional \$39.4 million in economic activity in the county and 348 full-time-equivalent jobs.



in economic activity in St. Joseph County comes from the effects of student off-campus spending

\$120,400,000

VISITOR SPENDING

Based on data provided by Visit South Bend Mishawaka, University visitors spend an average of \$178 locally per trip. We estimate that off-campus spending within St. Joseph County by nearly a million visitors to Notre Dame (excluding residents of the county) totaled approximately \$128.3 million in fiscal year 2012.

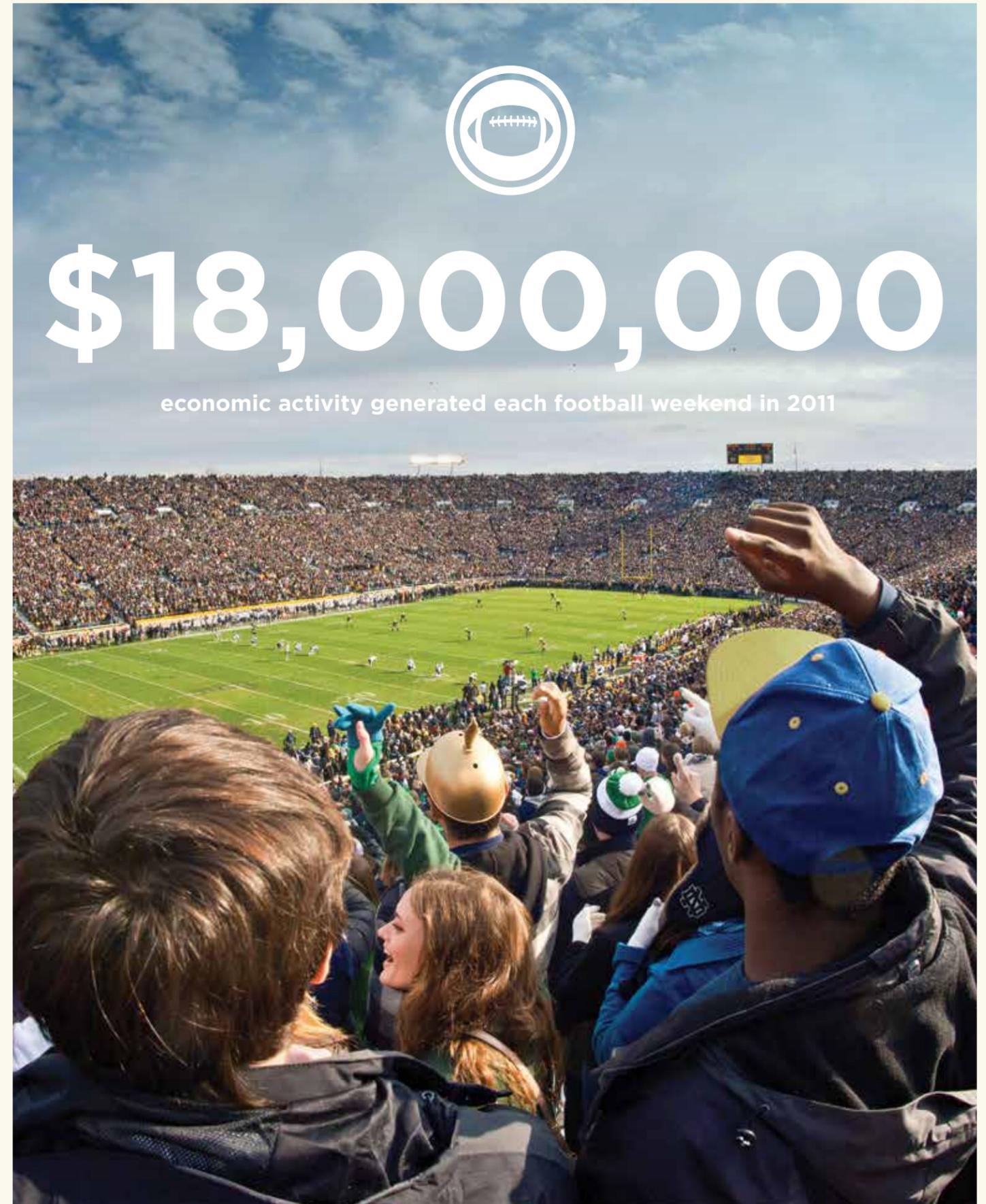
This spending directly supported 2,268 full-time-equivalent jobs within the county in industries such as restaurant, hotel, entertainment, and retail. Through the multiplier effect, visitors generated an additional \$75.7 million in economic output and 675 full-time-equivalent jobs within the county.

Each football weekend, for example, is estimated to generate \$18 million in economic activity. In 2011, football weekends drew 373,573 visitors to St. Joseph County, creating sharp increases in local airline flights, as well as hotel occupancy rates and room prices.



4,478

jobs in St. Joseph County created by Notre Dame student and visitor spending



\$18,000,000

economic activity generated each football weekend in 2011

COLLABORATION

BUILDING A BETTER FUTURE

Beyond its impact on current employment and quality of life, Notre Dame is working with local governments, the business community, and neighborhood organizations to develop new sources of innovation, economic growth, and entrepreneurial energy—starting with University research and culminating in support for new business ventures.

Human capital—the knowledge, skills, and experience accumulated over time by a community’s or a region’s workforce—can also be especially critical in determining how quickly and how successfully communities can adapt to changes in the broader economic environment. Notre Dame’s core strength in education can build that capital.

ENTREPRENEURIAL ENERGY

Notre Dame’s growing research enterprise brings federal and other outside funding to South Bend, and attracts scientific and engineering talent as well. This research and a top-ranked undergraduate business school provide sources of new knowledge and new ideas that feed innovation and economic growth.

A company named F Cubed aptly illustrates the transformation from University research to

high-potential startup business, as well as how the University supports this process. Using an engineering professor’s research in microfluidics, F Cubed started in Notre Dame’s Innovation Park and created a mobile diagnostic unit and biochip kit, “graduated” to production in another University facility and plans to settle in the city’s growing tech park.

RESEARCH

Between fiscal years 2007 and 2012, research spending at Notre Dame grew by 92 percent to nearly \$158 million. In fiscal year 2012, 53 percent of the University’s total research spending was financed through federal grants and contracts, 34 percent with internal funding, and 12 percent with corporate and foundation funding.

Behind the growth of Notre Dame’s research enterprise has been the University’s overarching commitment to being “a force for good in the world,” meaning that this research focuses on addressing some of the world’s most pressing problems.

Notre Dame faculty members, research scientists, and students

are currently engaged in research that could produce gains in fields as diverse as alternative energy, biometrics, nanotechnology, insect genomics, and treatment of cancer—and help lay the groundwork for future economic growth.



SUPPORTING INNOVATION

The University contributes in a number of ways to the creation of new business ventures—and more broadly, to the creation of an environment that supports innovation and new business development.

Notre Dame has in recent years become more active in promoting and supporting the transfer of new technologies from University labs to companies interested in using those technologies for commercial purposes. This “entrepreneurial ecosystem” includes a technology transfer program with patent support, internal funding to induce outside investment, training programs, and Innovation Park at Notre Dame.

The 55,000-square-foot facility serves as an accelerator for new businesses and includes office, meeting, and lab space along with a “greenhouse” of shared space for tenants to work on new businesses. Innovation Park currently has 25 tenants whose startups could create hundreds of local jobs. Successful graduates include F Cubed, Nexus RV, and Data Realty.

1,300

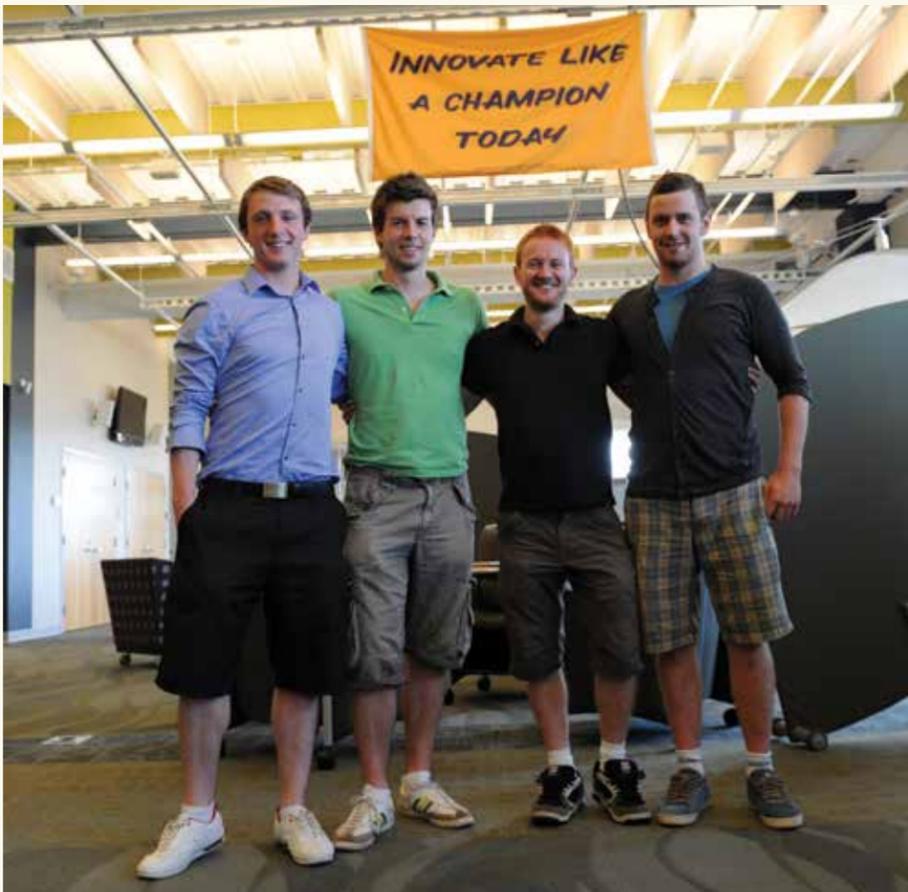
employees in St. Joseph County work at businesses started by Notre Dame graduates or faculty

ALUMNI BUSINESSES

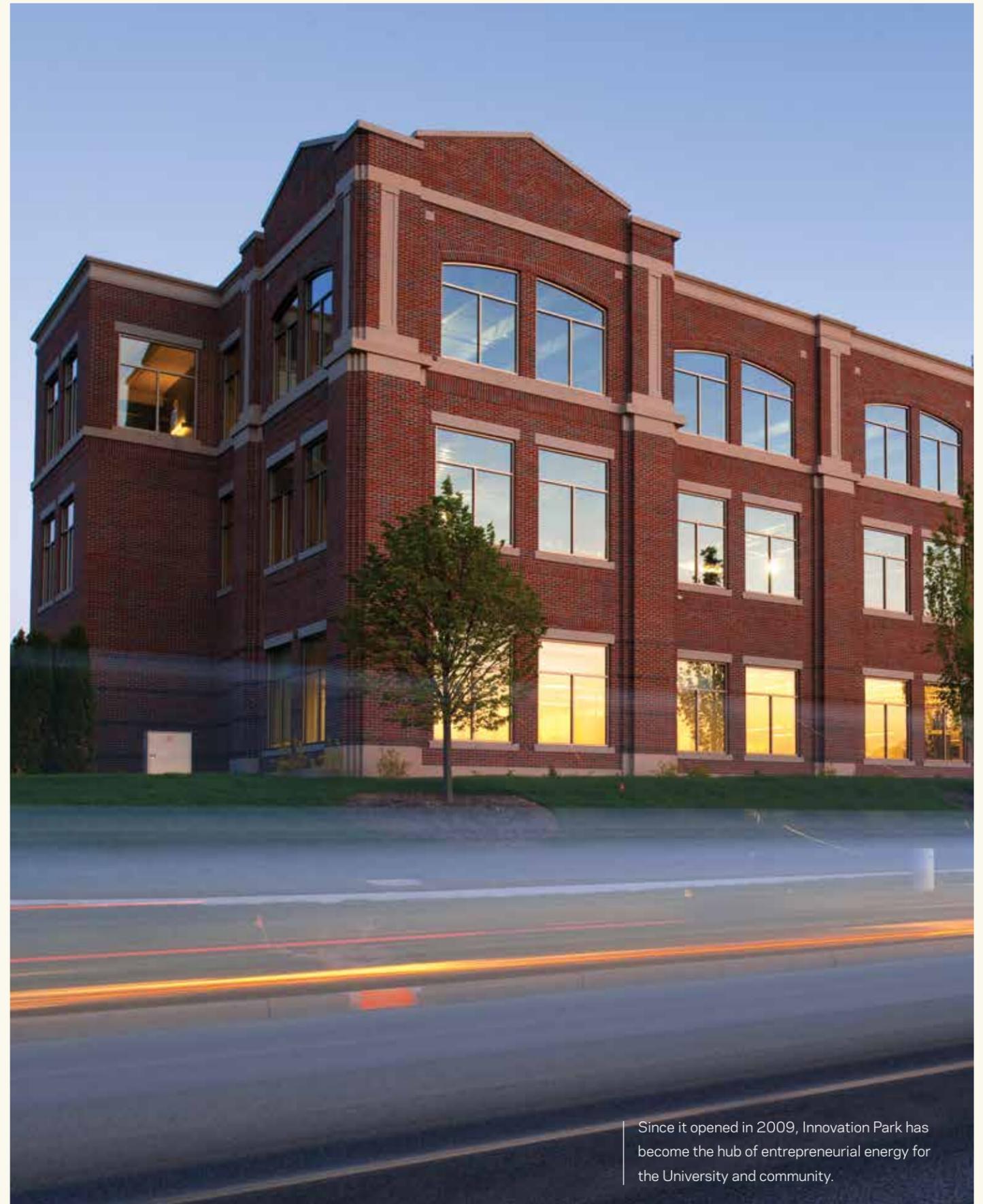
Notre Dame graduates and faculty have contributed to the creation and growth of new businesses in the South Bend area and elsewhere in Indiana.

In St. Joseph County alone, companies founded by Notre Dame faculty and graduates employ more than 1,300 people. Prominent examples stretch back to 1942 with the Crowe Horwath accounting firm, include two professors’ medical consulting that turned into Press Ganey Associates, as well as a recent business plan-competition winner that became Better World Books. Other alumni have opened new entertainment and social business ventures, such as the renovation of the State Theater.

Programs like the Gigot Center for Entrepreneurship, the Engineering, Science and Technology Entrepreneurship Excellence Master’s program and the Irish Entrepreneurs Network provide training, mentorship, and early-stage financing for promising new ventures, while building a culture of innovation for the next-generation workforce.



| 2012 Naughton Fellows stand in their work area at Innovation Park.



Since it opened in 2009, Innovation Park has become the hub of entrepreneurial energy for the University and community.

PREPARING FOR A NEW ECONOMY

Notre Dame offers its students and employees a wide range of opportunities to develop their skills in fields that over the next several decades are likely to be among the principal drivers of economic growth, both in the United States and around the world.

Whether it is educating talented young people who often remain in Indiana after graduation or investing in the growth of its employees through training programs, Notre Dame is building a foundation of knowledge that the workforce needs in an information economy.

EDUCATION

The University's core mission and its most important product will always be the outstanding education it provides its graduates. Studies consistently show the economic benefits of higher education, especially higher wages not only for individual workers but also for geographic areas with more college graduates.

In the summer of 2012, there were 9,408 Notre Dame graduates living in Indiana—10 percent of all alumni whose addresses were known—including 4,475 who lived in St. Joseph County.

Notre Dame has placed an increased emphasis on research and international study, two areas that promise to prepare workers for an information-based global workplace. In the College of Science, for example, the percentage of graduating seniors who complete thesis research projects has grown from 18 percent for the class of 2008 to 50 percent for the class of 2013. Notre Dame recently ranked in the top 10 among doctoral universities with nearly 60 percent of its undergraduates participating

in study-abroad programs, and 40 percent of 2012 graduates had studied abroad for at least one full semester.

EMPLOYEE TRAINING

Notre Dame's mission to provide education and to expand each person's opportunities is not limited to its students. The University is committed to providing development resources that help its employees make a difference at work, at home and in the community.

The University's Human Resources Department runs about 90 different training sessions per year with

participation of more than 2,100 employees during fiscal year 2012. These programs range from classes for entry-level employees hoping to earn a GED or improve their English to computer or leadership workshops for those hoping to climb the economic ladder—and also include generous tuition benefits for employees and their children.

Patti Reinhardt's story of rising from a service-level job to a program assistant running academic conferences illustrates the path to advancement. Training and advancement are a few of the reasons the *Chronicle of Higher Education* has chosen Notre Dame for five years in a row as one of the best colleges to work for in its annual survey.

10,000
training hours for Notre Dame employees



ENGAGEMENT

HELPING EACH OTHER FLOURISH

While Notre Dame is fostering a stronger foundation for economic growth and transition in South Bend, St. Joseph County, and Indiana, the University has also been increasing its commitment to the surrounding communities through volunteer work and investment in its neighborhoods and residents.

The University has a great appreciation for the community that has been its home for more than 170 years and recognizes that this partnership provides mutual benefits that have helped make Notre Dame the institution it is today—and hopes to be in our shared future.

COMMUNITY INVESTMENT

Over the last decade, Notre Dame has been a major investor in projects aimed at strengthening the city of South Bend and its neighborhoods, and expanding opportunities for neighborhood residents. The University supports numerous organizations in the community, such as the Center for the Homeless, Robinson Community Learning Center, and Logan Center.

Investing in services, facilities, and programs in the community has helped strengthen neighborhoods community-wide, ultimately boosting the drawing power of the University.

Notre Dame faculty and staff make an impact in the community by serving on local boards and leading projects. In 2012, 350 community projects were logged by Notre Dame faculty and staff.



511,000



SERVICE AND SCHOLARSHIP

The Center for Social Concerns serves as a focal point for community-based learning and community service at Notre Dame. In 2011-12, an estimated 7,300 students participated in community engagement activities. In addition, the Office of Public Affairs tracked more than 1,000 University employees who volunteered for local causes. Together, the University community contributed more than 511,000 hours to community-based initiatives.

One example in particular, the Robinson Community Learning Center, founded by Notre Dame in 2001, brings together town and gown. Nearly 400 volunteers serve about 2,300 area children and adults each year in programs ranging from after-school tutoring and conflict resolution to an award-winning Lego Robotics team.

Notre Dame employees also lead a number of high-profile fundraising efforts, including the annual United Way drive that generates about \$300,000 a year, and various cancer-related events, including Notre Dame Relay for Life, Pink Zone, and Coaches vs. Cancer.

hours contributed to community engagement activities in 2011-12 by more than 8,000 Notre Dame students, faculty, and staff

STRENGTHENING NEIGHBORHOODS

Perhaps the most ambitious of the University's initiatives has been our partnership with several other institutions and community organizations in the Northeast Neighborhood Redevelopment Organization, through which the University plays a collaborative

role in revitalization of the neighborhood at our front gate.

Facilities such as Eddy Street Commons, Innovation Park, and the Robinson Center have acted as seed investments to help spur residential development, infrastructure improvements and a new private high school in this community. The South Bend Heritage Foundation recently estimated that over the last decade, public, institutional, and private investments in the neighborhood have totaled \$625 million.

As part of a downtown museum district, the University in 2013 opened the Notre Dame Center for Arts & Culture to deliver a variety of community arts and learning programs. The University also acquired the former St. Joseph High School building, which helped finance construction of a new high school and preserve a valuable community asset.



\$625 MILLION

in total investment in the Northeast Neighborhood since a partnership of the University, city, residents, and businesses began a revitalization effort

TEAMWORK

Notre Dame has built strong relationships with community organizations and institutions that provide a wide range of services to local residents—and give Notre Dame students opportunities for community-based learning. The future only looks brighter.

BUILDING PARTNERSHIPS

Besides partnerships to volunteer and invest in the community, Notre Dame is strongly committed to the idea that learning takes place not only in classrooms and laboratories but also through active engagement in the community.

The number of University courses offering opportunities for community-based learning has increased steadily in recent years—from 80 in 2005–06 to 166 in 2011–12. Enrollment in these courses in 2011–12 totaled 2,745—23 percent of all University students.

These courses range from an architectural course that evaluated how to make downtown South Bend more vibrant to a psychology class where students work with autistic children in their homes. In a similar way, research collaboration is growing too, with examples ranging from faculty experiments with new medical technology for trauma patients at Memorial Hospital to building an experimental ecosystem at St. Joseph’s County Park that doubles as an

166

courses at Notre Dame, more than double the number from five years earlier, include community-based learning opportunities

environmental education center for local schools.

A FUTURE TOGETHER

During the next decade, Notre Dame’s contribution to the ongoing growth, transition, and service of the economy of South Bend, St. Joseph County and Indiana is expected to continue. The University, over the next five years, anticipates spending about \$500 million on construction, much of which is under way or on the drawing board.

Research spending over the last decade grew at an annual rate of 13.3 percent and shows no sign of slowing, leading to increased hiring and more students—and a base of new knowledge that can lead to

the development of new products, services, jobs, and businesses. A new emphasis on technology transfer and entrepreneurship requires opportunities to put theory into practice, and the community is delivering.

A perfect partnership example is enFocus, in which seven graduates of Notre Dame’s master’s program in entrepreneurship spent last year as fellows doing low-cost consulting work for sponsoring organizations such as the city and public schools. The program paired the fellows with local mentors and not only found ways to improve community quality of life and potentially save millions of public dollars, but also could entice more talented graduates to stay in the area. The future of the relationship between the community and Notre Dame looks brighter each day.



per year in projected construction spending over the next five years at Notre Dame

\$100,000,000

