



# A Nonprofit Economic Impact Study for the SPCA

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Dr. Chuck DuVal, Ajay Nune, Rachel Mostert,  
Morgan Rosenkranz, and Adrienne Wright

Presented by Dr. Chuck DuVal

# What is an economic impact study?

An economic impact study...

Examines the effect an event has on the economy of a specified area. These studies may be viewed in terms of sales (output), revenues, value added wages, or jobs.

Can provide effects of a positive or negative change in economic activity

Is based on economic multipliers, which account for the total effect of an event across the entire economy

# Why are economic impact studies important?

Often used to quickly estimate the effects introducing a new business/industry on jobs and incomes in all parts of the regional economy

Can quickly estimate policy or investment impacts and the total contribution of an industry to an economy.

# Why study economic impact of nonprofits?

Nonprofits are often charged to demonstrate long-term impact to the organization's donors, stakeholders, and the communities in which they serve.

Qualitative value is often assumed, but that's not always enough to grant funding from donors for nonprofit organizations

# Motivation/Background

SPCA Florida collaboration with Florida Southern College's MBA program

Objective: To quantify the organization's direct, indirect, and induced effects on the Central Florida regional economy.

# Literature Gap

- Initial Literature Search for comparable data:
  - An economic impact study for a nonprofit that specializes in animal services was next to non-existent;

Therefore...

- Resulting in an original study that proves to be perhaps the first of its kind in the animal welfare world.

# Research Questions

- This study focuses on regional long-term economic impact of the SPCA Florida
- How do we quantify?
  - How much did the adoption center generate in regional economic impact?
  - The nonprofit's impact on regional for-profit veterinarians over last few years?
  - The Medical Center's impact on SPCA's success?

# IMPLAN

The logo for IMPLAN, consisting of the word "IMPLAN" in white, bold, uppercase letters centered within a solid teal rectangular background.

IMPLAN: an economic impact planning software that has an input/output model

- describes commodity flows from producers to intermediate and final consumers.
- uses region-specific factors unique to studied region, county, and/or zip codes to determine appropriate economic impact.



# Definitions

Direct effects - change in the economy from the change in production because of SPCA generation of revenues

- Sum of the intermediate expenditures (things bought to operate the nonprofit, daily activities) and what the SPCA pays to their employees (labor income, includes payroll taxes and a few other taxes)
- Total value of money spent by SPCA in regional economy in a given year

# Definitions

## Indirect effects:

- The business-to-business expenditures affected by the SPCA's spending in the local economy and the resulting effects

## Induced effects:

- These effects reflect labor income spent by employees of SPCA (and spending by employees of businesses within the 'indirect effects' portion of economic impact)

# Top Industries Affected by SPCA Economic Impact

Veterinary Services

Veterinary Supply Wholesalers

Building Maintenance

Employment and Accounting Services

Hospitals and physicians

Restaurants

Real Estate

State and Local taxes

# Methodology/Assumptions

The national average expenditure per **dog** per year = **\$1,070**

The national average expenditure per **cat** per year = **\$1,020**

2010: \$2,503,140

2011: \$3,130,400

2012: \$2,656,300

2013: \$2,428,330

2014: \$2,697,500

2015: \$2,094,340

# Results: Medical Center Revenue

Impact Type	Employment	Labor Income	Total Value Added	Output
Direct Effect	247.2	\$9,794,504	\$11,858,006	\$24,270,743
Indirect Effect	48.2	\$1,708,320	\$2,951,308	\$5,466,044
Induced Effect	61.3	\$2,322,824	\$4,146,214	\$7,260,335
Total Effect	356.7	\$13,825,648	\$18,955,528	\$36,997,121

# Results: Regional For-profit Veterinarians

Impact Type	Employment	Labor Income	Total Value Added	Output
Direct Effect	230.1	\$9,117,024	\$11,037,793	\$20,154,817
Indirect Effect	44.9	\$1,590,156	\$2,747,167	\$4,337,323
Induced Effect	57.1	\$2,162,155	\$3,859,442	\$6,021,577
Total Effect	332.1	\$12,869,535	\$17,644,402	\$30,513,717

# Results: Total Economic Impact

Impact Type	Employment	Labor Income	Total Value Added	Output
Direct Effect	477.3	\$18,911,527	\$22,895,800	\$46,862,692
Indirect Effect	93.1	\$3,298,478	\$5,698,475	\$10,554,004
Induced Effect	118.5	\$4,484,979	\$8,005,637	\$14,018,476
Total Effect	688.8	\$26,694,983	\$36,599,912	\$71,435,171

# Conclusions

Every \$1 of revenue creates \$1.67 in the regional economy

Adoption center generates \$5.7 million annually

Medical Center + Adoption Center = nearly \$12 million annually

SPCA Florida makes a critical contribution to the regional economy's jobs, businesses, government agencies, and animal welfare





Questions?  
Comments?

