



The Economic Value of the University of Northern Iowa **FACT SHEET**

The University of Northern Iowa (UNI) creates a significant positive impact on the business community and generates a return on investment to its major stakeholder groups—students, taxpayers, and society. Using a two-pronged approach that involves an economic impact analysis and an investment analysis, this study calculates the benefits received by each of these groups. Results of the analysis reflect fiscal year (FY) 2017-18.



Economic impact analysis

In FY 2017-18, UNI added **\$1.6 billion** in income to the Iowa economy, a value approximately equal to **0.8%** of the state's total gross state product (GSP). Expressed in terms of jobs, UNI's impact supported **21,979 jobs**. For perspective, the activities of UNI and its students support **one out of every 94 jobs** in Iowa.



OPERATIONS SPENDING IMPACT

- UNI employed 2,210 full-time and part-time faculty and staff (excluding research employees). Payroll for these employees amounted to \$183.6 million,¹ much of which was spent in the state for groceries, mortgage and rent payments, dining out, and other household expenses. The university spent another \$62.8 million on day-to-day expenses related to facilities, supplies, and professional services (excluding construction and research expenditures).
- The net impact of the university's operations spending amounted to **\$198 million** in added income to the state economy in FY 2017-18.

CONSTRUCTION SPENDING IMPACT

- UNI commissioned contractors to build or renovate its facilities, generating a short-term infusion of spending and jobs in the state economy.
- The net impact of UNI's construction spending in FY 2017-18 was **\$2.2 million** in added income for Iowa.

¹ Includes royalty payments to inventors related to UNI that still live in Iowa.



RESEARCH SPENDING IMPACT

- Research activities at UNI impact the state economy by employing people and making purchases for equipment, supplies, and services. They also facilitate new knowledge creation in Iowa through inventions, patent applications, and licenses. In FY 2017-18, UNI spent \$1.6 million on payroll and \$2 million on other expenses to support research activities.
- UNI's research spending generated **\$2.8 million** in added income for the Iowa economy in FY 2017-18.

VALUE OF OUTREACH PROGRAMS

- UNI outreach programs strengthen communities and their local economies by enhancing leadership structures, broadening engagement, teaching best practices, and providing hands-on assistance. UNI's Business and Community Services (BCS) consists of 12 outreach programs within a single division that deliver tailored outreach services in all 99 counties across Iowa.
- UNI's BCS helped **over 3,000 unique businesses, communities, and local government clients**. With that said, even though the quantitative impact of these activities is not measured, the value these outreach programs offer for state and local communities should be acknowledged.

ECONOMIC DEVELOPMENT IMPACT

- UNI creates an exceptional environment that fosters innovation and entrepreneurship, evidenced by the number of start-up and spin-off companies created as a result of the university and companies that have grown in the state with the support of UNI.
- In FY 2017-18, UNI's start-up and spin-off companies generated **\$67.2 million** in added income for the Iowa economy.²

VISITOR SPENDING IMPACT

- Out-of-state visitors attracted to Iowa for activities at UNI brought new dollars to the economy through their spending at hotels, restaurants, gas stations, and other state businesses.
- Visitor spending added approximately **\$2.1 million** in income to the Iowa economy.

² To maintain an acceptable level of data reliability, this impact is limited to those companies that were created in FY 2017-18. It is therefore conservative. This impact includes the positive effects UNI's Small Business Development Center, John Pappajohn Entrepreneurial Center, and Advance Iowa have on businesses within Iowa.

IMPACTS CREATED
BY UNI IN FY 2017-18^{*}



\$198 million

Operations Spending Impact



\$2.2 million

Construction Spending Impact



\$2.8 million

Research Spending Impact



\$67.2 million

Economic Development Impact



\$2.1 million

Visitor Spending Impact



\$18.7 million

Student Spending Impact



\$1.3 billion

Alumni Impact



\$1.6 billion

TOTAL IMPACT

- OR -

21,979

JOBS SUPPORTED

^{*} This table excludes the positive impacts of UNI's outreach and volunteer activities.



VALUE OF VOLUNTEERISM

- Beyond positively impacting the state through the activities occurring at the university, UNI also directly impacts the state economy through its facilitation and support of student and employee volunteer activities.
- In FY 2017-18 alone, more than 12,000 student and employee volunteers supported non-profit organizations and causes across the state. These students volunteered **1.3 million hours** of their time. Their volunteer activities added **\$31.5 million** in value³ for the state and local communities. The impact of volunteerism is not measured in this analysis; however, the value volunteers offer should not be overlooked.

STUDENT SPENDING IMPACT

- Around 14% of students attending UNI originated from outside the state. Some of these students relocated to Iowa. In addition, some in-state students would have left Iowa for other educational opportunities if not for UNI. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at state businesses.
- The expenditures of relocated and retained students in FY 2017-18 added **\$18.7 million** in income to the Iowa economy.

ALUMNI IMPACT

- Over the years, students have studied at UNI and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in Iowa.
- The net impact of UNI's former students currently employed in the state workforce amounted to **\$1.3 billion** in added income in FY 2017-18.



3 Value per volunteer hour per state provided by Independent Sector. See https://independentsector.org/resource/vovt_details/.





Investment analysis

STUDENT PERSPECTIVE

- UNI's FY 2017-18 students paid a present value of **\$74.9 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$96.9 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$752 million** in increased earnings over their working lives. This translates to a return of **\$4.40** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **16.7%**.

TAXPAYER PERSPECTIVE

- Taxpayers provided UNI with **\$108.4 million** of funding in FY 2017-18. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$278.1 million**. A reduced demand for government-funded services in Iowa will add another **\$53.9 million** in benefits to taxpayers.
- For every dollar of public money invested in UNI, taxpayers will receive **\$3.10** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **7.3%**.

SOCIAL PERSPECTIVE

- In FY 2017-18, Iowa invested **\$384.1 million** to support UNI. In turn, the Iowa economy will grow by **\$3.1 billion**, over the course of students' working lives. Society will also benefit from **\$170.3 million** of public and private sector savings.
- For every dollar invested in UNI in FY 2017-18, people in Iowa will receive **\$8.40** in return, for as long as UNI's FY 2017-18 students remain active in the state workforce.

STUDENTS SEE A HIGH RATE OF RETURN FOR THEIR INVESTMENT IN UNI



16.7%

Average annual return for UNI's students



9.9%

Stock market 30-year average annual return



0.8%

Interest earned on savings account (National Rate Cap)

Source: Forbes' S&P 500, 1989-2018. FDIC.gov, 6-2019.



FOR EVERY \$1...



Students gain

\$4.40

in lifetime earnings



Taxpayers gain

\$3.10

in added tax revenue and public sector savings



Society gains

\$8.40

in added income and social savings

