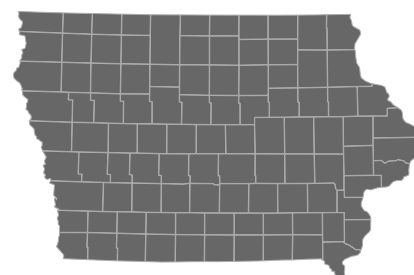


The Economic Value of the University of Northern Iowa



IOWA

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) 2021-22.

Economic impact analysis

In FY 2021-22, UNI added **\$1.6 billion** in income to the Iowa economy, a value approximately equal to **0.7%** of the state's total gross state product (GSP). Expressed in terms of jobs, UNI's impact supported **25,918 jobs**. For perspective, the activities of UNI and its students support **one out of every 78 jobs** in Iowa.

Operations spending impact

- UNI employed 3,705 full-time and part-time faculty and staff (including graduate assistants and student employees but excluding research employees). Payroll amounted to \$159 million¹ (excluding payroll from research employees), much of which was spent in the state for groceries, mortgage and rent payments, dining out, and other household expenses. The university spent another \$72.6 million

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

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 added **\$176.1 million** in income to the state economy in FY 2021-22.

Construction spending impact

- UNI invests in construction each year to maintain its facilities, create additional capacities, and meet its growing educational demands, generating a short-term infusion of spending and jobs in the state economy.
- The net impact of UNI's construction spending in FY 2021-22 was **\$5.2 million** in added income for Iowa.

Research spending impact

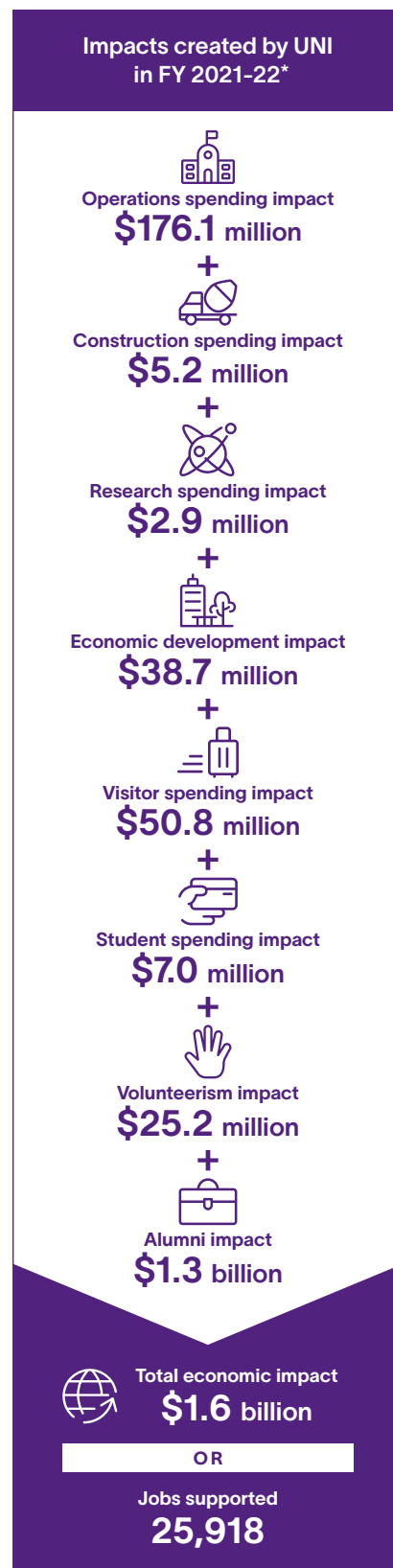
- Research activities at UNI impact the state economy by employing people and making purchases for equipment, supplies, and services. They also facilitate new knowledge creation in Iowa through inventions, patent applications, and licenses. In FY 2020-21, UNI spent \$1.9 million on payroll and \$725 thousand on other expenses² to support research activities.
- UNI's research spending generated **\$2.9 million** in added income for the Iowa economy. Note that at the time of this study, FY 2021-22 research expenditure data were being verified, so FY 2020-21 research expenditure data were used as the reference. Actual FY 2021-22 research awards are equal to or higher than FY 2020-21.

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 13 outreach programs within a single division that deliver tailored outreach services in all 99 counties across Iowa.
- UNI's BCS helped **over 3,700 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 spin-off companies created as a result of the university; and companies that have grown in the state with the support of UNI.



* This table excludes the positive impacts of UNI's outreach activities.

² Excludes indirect costs because indirect costs are not necessarily spent during the analysis year.



- In FY 2021-22, UNI's spin-off companies generated **\$38.7 million** in added income for the Iowa economy.³

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 **\$50.8 million** in income to the Iowa economy.

Student spending impact

- Around 12% of students attending UNI originated from outside the state. Some of these students relocated to Iowa. In addition, some in-state students, referred to as retained 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 2021-22 added **\$7 million** in income to the Iowa economy.

Volunteerism impact

- The work of UNI's student and employee volunteers allow businesses and organizations to grow, increasing their output and impacting the economy at large. Using the value per volunteer hour for Iowa,⁴ the work of UNI student and employee volunteers is equivalent to \$13 million in earnings.

- In terms of actual impact to the regional economy, UNI student and employee volunteers generated an impact of **\$25.2 million** in added income in FY 2021-22.⁵

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 2021-22.

- 3 To maintain an acceptable level of data reliability, this impact is limited to those companies that were created or supported by UNI after FY 2011-12 and were still active in Iowa in FY 2021-22. 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.
- 4 By state value per volunteer hour was provided by Independent Sector (see <https://independentsector.org/resource/vol-detai/s/>).
- 5 The impact of volunteerism is grossly undercounted because the number of volunteer hours was self-reported to UNI and only includes a small sample of UNI student and employee volunteers.



Investment analysis

Student perspective

- UNI's FY 2021-22 students paid a present value of **\$49.1 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$53.6 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of **\$744.5 million** in increased earnings over their working lives. This translates to a return of **\$7.20** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **21.2%**.

Taxpayer perspective

- Taxpayers provided UNI with **\$115.8 million** of state funding in FY 2021-22. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$197.5 million**. A reduced demand for government-funded services in Iowa will add another **\$39.7 million** in benefits to taxpayers.
- For every dollar of public money invested in UNI, taxpayers will receive **\$2.00** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **3.6%**.

Social perspective

- In FY 2021-22, Iowa invested **\$317.3 million** to support UNI. In turn, the Iowa economy will grow by **\$2.2 billion**, over the course of students' working lives. Society will also benefit from **\$130 million** of public and private sector savings.
- For every dollar invested in UNI in FY 2021-22, people in Iowa will receive **\$7.30** in return, for as long as UNI's FY 2021-22 students remain active in the state workforce.

Students see a high rate of return for their investment in UNI



Average annual return for UNI students

21.2%



Stock market 30-year average annual return

10.5%



Interest earned on savings account (National Rate Cap)

0.8%

Source: Forbes' S&P 500, 1992-2021. FDIC.gov, 2-2022.

For every \$1...



Students gain in lifetime earnings

\$7.20



Taxpayers gain in added tax revenue and public sector savings

\$2.00



Society gains in added income and social savings

\$7.30

