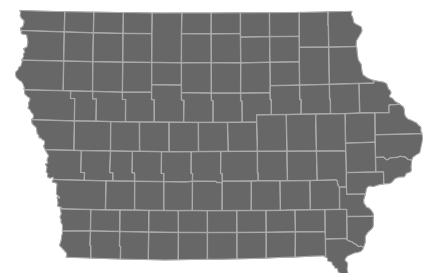


# The Economic Value of Iowa State University of Science and Technology



Iowa State University of Science and Technology (Iowa State), as part of fulfilling its land-grant university mission of education, research, and extension for the state of Iowa, 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) 2023-24.



Iowa

## Economic impact analysis

In FY 2023-24, Iowa State added **\$6.0 billion** in income to the Iowa economy, a value approximately equal to **2.5%** of the state's total gross state product (GSP). Expressed in terms of jobs, Iowa State's impact supported **59,888 jobs**. For perspective, the activities of Iowa State and its students support **one out of every 36 jobs** in Iowa.



## Operations spending impact

- lowa State employed 13,272 full-time and part-time faculty and staff (including graduate assistants and student employees). Payroll amounted to \$687.9 million,<sup>1</sup> much of which was spent in the state on groceries, mortgage and rent payments, dining out, and other household expenses. The university spent another \$289.1 million on its expenses related to facilities, supplies, and professional services.<sup>2</sup>
- The net impact of the university's operations spending added **\$786.0 million** in income to the state economy in FY 2023-24.

## Construction spending impact

- lowa State invests in capital projects 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 Iowa State's construction spending in FY 2023-24 was **\$50.8 million** in added income for Iowa.

## Research spending impact

- Research activities at Iowa State are closely integrated with student education and delivery of science-based Extension and Outreach. They also 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 2023-24, Iowa State spent \$142.7 million on payroll and \$223.5 million on other expenses<sup>3</sup> to support research activities.
- Iowa State's research spending generated **\$292.6 million** in added income for the Iowa economy in FY 2023-24.

## Value of Extension and Outreach

- Iowa State University Extension and Outreach (ISU Extension and Outreach) strengthens communities and their local economies by enhancing leadership structures, broadening engagement, teaching best practices, and providing hands-on assistance. Across the state, Iowa State has 100 extension offices and specialists on and off campus.
- In FY 2023-24, ISU Extension and Outreach helped 449 companies receive certification to conduct business and assisted 2,255 organizations across the state. In addition, ISU Extension and Outreach helped 60,000 Iowa farmers obtain the certification needed to safely apply pesticides and manure. With that said, even though the quantitative impact of these activities is not measured, the value that

<sup>1</sup> Includes royalty payments to investors related to Iowa State who still live in Iowa.

<sup>2</sup> Research employees and their payroll as well as non-pay expenses for research and construction are excluded from this impact as they are measured in the following impacts.

<sup>3</sup> Excludes indirect costs because indirect costs are not necessarily spent during the analysis year.

## Impacts created by Iowa State in FY 2023-24



Operations spending impact  
**\$786.0 million**

+



Construction spending impact  
**\$50.8 million**

+



Research spending impact  
**\$292.6 million**

+



Economic development impact  
**\$2.1 billion**

+



Visitor spending impact  
**\$69.2 million**

+



Student spending impact  
**\$72.7 million**

+



Volunteerism impact  
**\$24.4 million**

+



Alumni impact  
**\$2.5 billion**



Total economic impact  
**\$6.0 billion**

OR



Jobs supported  
**59,888**



Extension and Outreach provides on a daily basis for state and local communities is significant and should be acknowledged.

### Economic development impact

- Iowa State 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 Iowa State.
- In FY 2023-24, Iowa State's start-up and spin-off companies generated **\$2.1 billion** in added income for the Iowa economy. This impact includes the positive effect Iowa State's Small Business Development Center and businesses assisted through the Center for Industrial Research and Service (CIRAS) have on Iowa.

### Visitor spending impact

- Out-of-state visitors attracted to Iowa for activities at Iowa State brought new dollars to the economy through their spending at hotels, restaurants, gas stations, and other businesses in the state.
- Visitor spending added approximately **\$69.2 million** in income to the Iowa economy.

### Student spending impact

- Around 50% of students attending Iowa State originated from outside the state. The majority 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 Iowa State. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at businesses in the state.
- The expenditures of relocated and retained students in FY 2023-24 added **\$72.7 million** in income to the Iowa economy.

### Volunteerism impact

- Iowa State student, employee, and coordinated community volunteers, through over 875,500 volunteered hours in the state, generated an impact of **\$24.4 million** in added income for the Iowa economy in FY 2023-24. This estimate, however, understates contributions of extension volunteers throughout the state, who give their time at county and state fairs, community gardens that supply food banks, and tax assistance programs, delivering millions of dollars of benefit to Iowans, underscoring that the true economic impact is far greater.

### Alumni impact

- Over the years, students have studied at Iowa State 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 Iowa State's former students currently employed in the state workforce amounted to **\$2.5 billion** in added income in FY 2023-24.

## Investment analysis

### Student perspective

- Iowa State's FY 2023-24 students paid a present value of **\$408.6 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent a value of **\$184.9 million** in time and money had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of **\$2.6 billion** 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 **14.3%**.

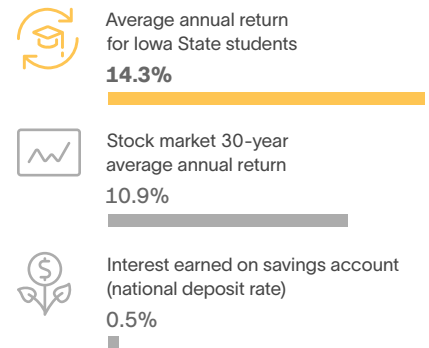
### Taxpayer perspective

- Taxpayers provided Iowa State with **\$279.4 million** of state and local funding in FY 2023-24. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$473.6 million**. A reduced demand for government-funded services in Iowa will add another **\$26.6 million** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$500.2 million**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in Iowa State, taxpayers will receive **\$1.80** in return over the course of students' working lives. The average annual rate of return for taxpayers is **4.7%**.

### Social perspective

- In FY 2023-24, Iowa invested **\$1.7 billion** to support Iowa State. In turn, the Iowa economy will grow by **\$5.8 billion** over the course of students' working lives. Society will also benefit from **\$113.6 million** of public and private sector savings.
- For every dollar invested in Iowa State in FY 2023-24, people in Iowa will receive **\$3.50** in return, for as long as Iowa State's FY 2023-24 students remain active in the state workforce.

### Students see a high rate of return for their investment in Iowa State



Source: Forbes' S&P 500, 1994-2025; FDIC.gov, January 2024

