

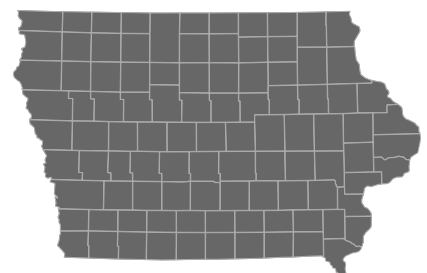
# The Economic Value of the University of Northern Iowa



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) 2023-24.

## Economic impact analysis

In FY 2023-24, 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 **24,935 jobs**. For perspective, the activities of UNI and its students support **one out of every 87 jobs** in Iowa.



Iowa



## Operations spending impact

- UNI employed 3,930 full-time and part-time faculty and staff (including graduate assistants and student employees). Payroll amounted to \$164.8 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 \$63.7 million on its expenses related to facilities, supplies, and professional services.<sup>2</sup>
- The net impact of the university's operations spending added **\$163.3 million** in income to the state economy in FY 2023-24.

## Construction spending impact

- UNI 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 UNI's construction spending in FY 2023-24 was **\$6.3 million** in added income for Iowa.

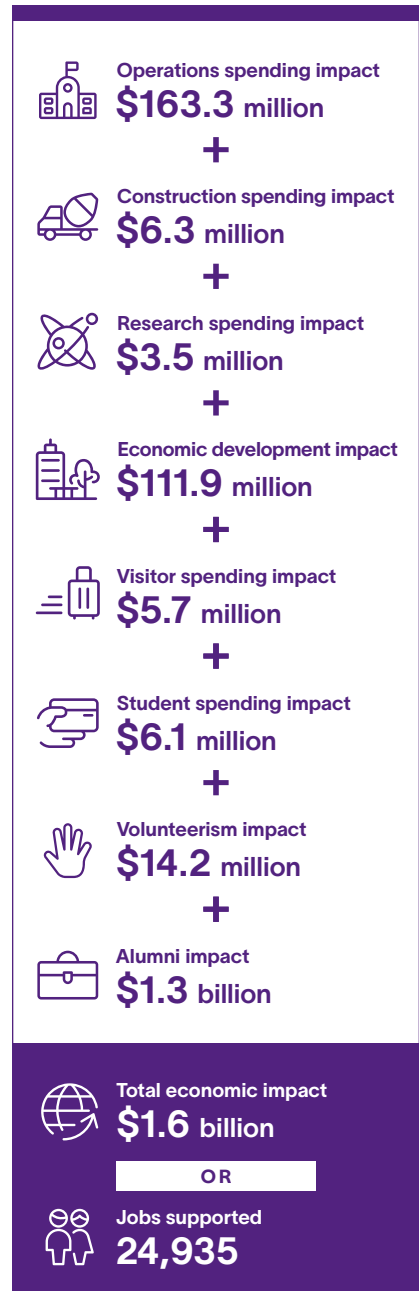
## Research spending impact

- 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 2023-24, UNI spent \$2.2 million on payroll and \$1.2 million on other expenses<sup>3</sup> to support research activities.
- UNI's research spending generated **\$3.5 million** in added income for the Iowa economy in FY 2023-24.

## 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 **4,100 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.

### Impacts created by UNI in FY 2023-24



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

2 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.

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

### Economic development impact

- UNI creates an exceptional environment that fosters innovation and entrepreneurship, evidenced by the number of spin-out companies created and grown in the state with the support of UNI.
- In FY 2023-24, UNI's spin-out companies generated **\$111.9 million** in added income for the Iowa economy.

### 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 businesses in the state.
- Visitor spending added approximately **\$5.7 million** in income to the Iowa economy.

### Student spending impact

- Around 9% 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 businesses in the state.
- The expenditures of relocated and retained students in FY 2023-24 added **\$6.1 million** in income to the Iowa economy.

### Volunteerism impact

- The work of UNI's student and employee volunteers allows businesses and organizations to grow, increasing their output and impacting the economy at large.
- In terms of actual impact to the state economy, UNI student and employee volunteers generated an impact of **\$14.2 million** in added income in FY 2023-24.

### 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 2023-24.



# Investment analysis

## Student perspective

- UNI's FY 2023-24 students paid a present value of **\$60.8 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent a value of **\$55.6 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 **\$612.2 million** in increased earnings over their working lives. This translates to a return of **\$5.30** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **17.2%**.

## Taxpayer perspective

- Taxpayers provided UNI with **\$127.3 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 **\$145.6 million**. A reduced demand for government-funded services in Iowa will add another **\$11.5 million** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$157.0 million**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in UNI, taxpayers will receive **\$1.20** in return over the course of students' working lives. The average annual rate of return for taxpayers is **2.1%**.

## Social perspective

- In FY 2023-24, Iowa invested **\$323.3 million** to support UNI. In turn, the Iowa economy will grow by **\$1.7 billion** over the course of students' working lives. Society will also benefit from **\$50.2 million** of public and private sector savings.
- For every dollar invested in UNI in FY 2023-24, people in Iowa will receive **\$5.30** in return, for as long as UNI's FY 2023-24 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

**17.2%**



Stock market 30-year average annual return

10.9%



Interest earned on savings account (national deposit rate)

0.5%

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

### For every \$1...



**Students** gain in higher lifetime earnings

**\$5.30**



**Taxpayers** gain in added tax revenue and public sector savings

**\$1.20**



**Society** gains in added income and social savings

**\$5.30**

