



UNIVERSITY OF  
**NORTHERN  
COLORADO**

# The Economic Value of the University of Northern Colorado **FACT SHEET**

The University of Northern Colorado (UNC) creates a significant positive impact on the business community in Larimer and Weld Counties 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, UNC added **\$544.2 million** in income to the Larimer and Weld economy, a value approximately equal to **1.7%** of the region's total gross regional product (GRP). Expressed in terms of jobs, UNC's impact supported **8,429 jobs**. For perspective, the activities of UNC and its students support **one out of every 48 jobs** in Larimer and Weld Counties.



### OPERATIONS SPENDING IMPACT

- UNC employed 1,792 full-time and part-time faculty and staff (not including research employees). Payroll amounted to \$174.7 million (not including payroll from research employees), much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. The university spent another \$82.2 million on day-to-day expenses related to facilities, supplies, and professional services (excluding research expenditures).
- The net impact of the university's operations spending added **\$237.9 million** in income to the regional economy in FY 2017-18.

### RESEARCH SPENDING IMPACT

- Research activities at UNC impact the regional economy by employing people and making purchases for equipment, supplies, and services. They also facilitate new knowledge creation in Larimer and Weld Counties through inventions, patent applications, and licenses. In FY 2017-18, UNC spent \$2.7 million on payroll and \$2.4 million on other expenses to support research activities.
- UNC's research spending generated **\$4.7 million** in added income for the Larimer and Weld economy in FY 2017-18.



## CONSTRUCTION SPENDING IMPACT

- UNC commissioned contractors to build or renovate its facilities, generating a short-term infusion of spending and jobs in the regional economy.
- The net impact of UNC's construction spending in FY 2017-18 was **\$25.9 million** in added income for Larimer and Weld Counties.

## SPIN-OFF COMPANY IMPACT

- UNC creates an exceptional environment that fosters innovation and entrepreneurship, evidenced by the number of spin-off companies created as a result of the university.
- In FY 2017-18, UNC's spin-off companies generated **\$23.7 million** in added income for the Larimer and Weld economy.

## VISITOR SPENDING IMPACT

- Out-of-region visitors attracted to Larimer and Weld Counties for activities at UNC brought new dollars to the economy through their spending at hotels, restaurants, gas stations, and other regional businesses.
- Visitor spending added approximately **\$3.2 million** in income to the Larimer and Weld economy.

## STUDENT SPENDING IMPACT

- Around 67% of undergraduate and graduate students attending UNC originated from outside the region. Some of these students relocated to Larimer and Weld Counties. In addition, some in-region students would have left Larimer and Weld Counties for other educational opportunities if not for UNC. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.
- The expenditures of relocated and retained students in FY 2017-18 added **\$63.3 million** in income to the Larimer and Weld economy.

## ALUMNI IMPACT

- Over the years, students have studied at UNC and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in Larimer and Weld Counties.
- The net impact of UNC's former students currently employed in the regional workforce amounted to **\$185.5 million** in added income in FY 2017-18.



**\$237.9 million**  
Operations Spending Impact



**\$4.7 million**  
Research Spending Impact



**\$25.9 million**  
Construction Spending Impact



**\$23.7 million**  
Spin-off Company Impact



**\$3.2 million**  
Visitor Spending Impact



**\$63.3 million**  
Student Spending Impact



**\$185.5 million**  
Alumni Impact



**\$544.2 million**  
TOTAL IMPACT

- OR -

**8,429**  
JOBS SUPPORTED





# Investment analysis

## STUDENT PERSPECTIVE

- UNC's FY 2017-18 students paid a present value of **\$123.6 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$116.2 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$807.8 million** in increased earnings over their working lives. This translates to a return of **\$3.40** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **12.9%**.

## TAXPAYER PERSPECTIVE

- Taxpayers provided UNC with **\$54.3 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 **\$197.1 million**. A reduced demand for government-funded services in Colorado will add another **\$51.8 million** in benefits to taxpayers.
- For every dollar of public money invested in UNC, taxpayers will receive **\$4.60** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **17.0%**.

## SOCIAL PERSPECTIVE

- In FY 2017-18, Colorado invested **\$444.1 million** to support UNC. In turn, the Colorado economy will grow by **\$2.4 billion**, over the course of students' working lives. Society will also benefit from **\$160.2 million** of public and private sector savings.
- For every dollar invested in UNC in FY 2017-18, people in Colorado will receive **\$5.80** in return, for as long as UNC's FY 2017-18 students remain active in the state workforce.

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



12.9%

Average annual return for UNC 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

**\$3.40**

in lifetime earnings



Taxpayers gain

**\$4.60**

in added tax revenue and public sector savings



Society gains

**\$5.80**

in added income and social savings

