



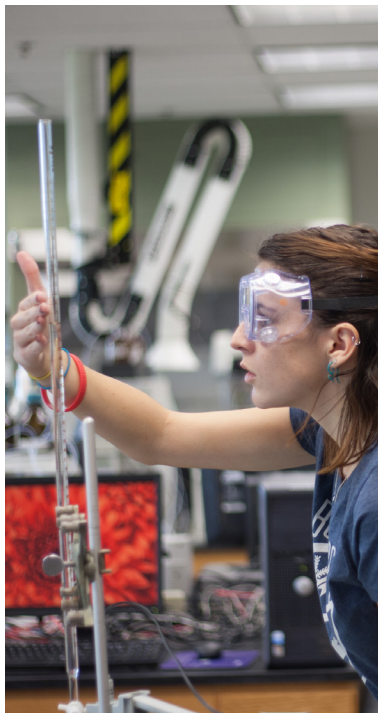
UNIVERSITY OF
NORTHERN COLORADO

FACT SHEET

The Economic Value of the University of Northern Colorado

April 2017

University of Northern Colorado (UNC) 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) 2015-16.



IMPACT ON BUSINESS COMMUNITY

During the analysis year, UNC and its entrepreneurial activities, students, and visitors added **\$329.2 million** in added income to the UNC Service Area economy (Larimer and Weld Counties), approximately equal to **1.3%** of the region's total gross regional product. By comparison, this impact from the university is larger than the entire Utilities industry in the region. The economic impacts of UNC break down as follows:

Operations spending impact

- UNC employed 1,713 full-time and part-time employees (less research employees) in FY 2015-16. Payroll amounted to **\$139.5 million** (excluding payroll from research employees), much of which was spent in the UNC Service Area to purchase groceries, clothing, and other household goods and services. The university spent another **\$69.9 million** to support its day-to-day operations, excluding research expenditures.
- The net impact of university payroll and expenses in the UNC Service Area during the analysis year was approximately **\$173.5 million** in added income.

**IMPACTS CREATED BY UNC IN
FY 2015-16**

ADDED INCOME	JOBS
\$173.5 million	2,307
Operations spending impact	
\$3.1 million	43
Research spending impact	
\$1.9 million	32
Construction spending impact	
\$42 million	654
Student spending impact	
\$108.7 million	2,255
Alumni impact	
\$329.2 million	5,291
Total impact	

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 the UNC Service Area through inventions and patent applications. In FY 2015-16, UNC spent **\$2.2 million** on payroll to support research activities.
- UNC's research spending generated **\$3.1 million** in added income for the UNC Service Area economy.

Construction spending impact

- UNC commissioned contractors to build or renovate its facilities during the analysis year, generating a short-term infusion of spending and jobs in the regional economy.
- The net impact of UNC's construction spending in FY 2015-16 was **\$1.9 million** in added income for the UNC Service Area.

Impact of student spending

- Around 70% of students attending UNC originated from outside the region. Some of these students relocated to the UNC Service Area. In addition, a number of students would have left the region if not for UNC. These relocator and retained students spent money on groceries, transportation, rent, and so on at region businesses.
- The expenditures of relocator and retained students during the analysis year added approximately **\$42 million** in added income to the UNC Service Area economy.

Alumni impact

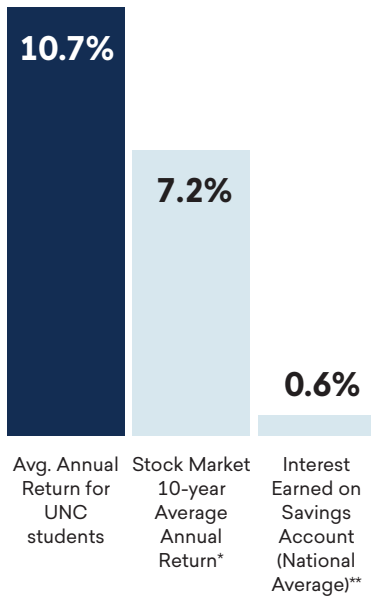
- Over the years, students have studied at UNC and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in the UNC Service Area.
- The accumulated contribution of former students currently employed in the regional workforce amounted to **\$108.7 million** in added income during the analysis year.

**RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS,
AND SOCIETY**

Student perspective

- UNC's 2015-16 students paid a total of **\$119.1 million** to cover the cost of tuition, fees, books, and supplies. They also forwent **\$103.6 million** in money that they would have earned had they been working instead of learning.

STUDENT RATE OF RETURN



* Forbes' S&P 500, 1994-2014.

** FDIC.gov 12-2016.

- In return for the monies invested in the university, students will receive a present value of **\$679.6 million** in increased earnings over their working lives. This translates to a return of **\$3.10** in higher future earnings for every \$1 that students invest in their education. The average annual return for students is **10.7%**.

Taxpayer perspective

- In FY 2015-16, state and local taxpayers in Colorado paid **\$36.7 million** to support the operations of UNC. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$234.7 million** in benefits to taxpayers. Savings to the public sector add another **\$85.1 million** in benefits due to a reduced demand for government-funded services in Colorado.
- Dividing benefits to taxpayers by the associated costs yields a **8.7** benefit-cost ratio, i.e., every \$1 in costs returns \$8.70 in benefits.

Social perspective

- Society as a whole in Colorado will receive a present value of **\$2.6 billion** in added state revenue over the course of the students' working lives. Society will also benefit from **\$493.9 million** in present value social savings related to reduced crime, lower unemployment, and increased health and well-being across the state.
- For every dollar that society spent on UNC educations during the analysis year, society will receive a cumulative value of **\$9.30** in benefits, for as long as the FY 2015-16 student population at UNC remains active in the state workforce.

For every **\$1** spent by...

<p>STUDENTS</p> <p>\$3.10</p> <p>Gained in lifetime earnings for STUDENTS</p>
<p>TAXPAYERS</p> <p>\$8.70</p> <p>Gained in added state revenue and social savings for TAXPAYERS</p>
<p>SOCIETY</p> <p>\$9.30</p> <p>Gained in added taxes and public sector savings for SOCIETY</p>

