

FACT SHEET

The Economic Value of the University of Akron

The University of Akron (UA) 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) 2016-17.



IMPACT ON BUSINESS COMMUNITY

During the analysis year, UA and its research, and entrepreneurial activities, along with its students and visitors added **\$2.7 billion** in added income to the UA Service Area* economy, approximately equal to **1.7%** of the region's total gross regional product (GRP). UA's impact supported **36,732** jobs in FY 2016-17. For perspective, this means that one out of every 47 jobs in the UA Service Area is supported by the activities of UA and its students. The economic impacts of UA break down as follows:

Operations spending impact

- UA employed 4,118 full-time and part-time employees for its day-to-day operations in FY 2016-17. Payroll for these employees amounted to \$244.8 million, much of which was spent in the UA Service Area to purchase groceries, clothing, and other household goods and services. The university spent another \$152.9 million to support its day-to-day operations.
- The net impact of university payroll and expenses in the UA Service Area during the analysis year was approximately **\$348.3 million** in income.

Research spending impact

- Research activities at UA impact the regional economy by employing people and making purchases for equipment, supplies, and services. They also facilitate new knowledge creation in the UA Service Area through inventions, patent applications, and licenses. In FY 2016-17, UA spent **\$21 million** on payroll to support research activities.

* For the purposes of this report, the UA Service Area is defined as Cuyahoga, Medina, Portage, Stark, Summit, and Wayne Counties in Ohio.

**IMPACTS CREATED BY UA IN
FY 2016-17**

ADDED INCOME	JOBS
\$348.3 million	5,615
Operations spending impact	
\$41.7 million	641
Research spending impact	
\$15.7 million	102
Start-up and spin-off company impact	
\$65.6 million	1,406
Student spending impact	
\$24.6 million	676
Visitor spending impact	
\$2,157.2 million	28,292
Alumni impact	
\$2.7 billion	36,732
Total impact	

- UA's research spending generated **\$41.7 million** in added income for the UA Service Area economy.

Start-up and spin-off company impact

- UA creates an exceptional environment that fosters innovation and entrepreneurship, evidenced by the number of start-up and spin-off companies created by the university.
- In FY 2016-17, UA's start-up and spin-off companies generated **\$15.7 million** in added income for the UA Service Area economy.

Impact of student spending

- Around **28%** of students attending UA originated from outside the region. Some of these students relocated to the UA Service Area. In addition, a number of students would have left the region if not for UA. These relocated and retained students spent money for everyday needs such as groceries, transportation, and rent at regional businesses.
- The expenditures of relocated and retained students during the analysis year added approximately **\$65.6 million** in income to the UA Service Area economy.

Visitor spending impact

- Out-of-region visitors attracted to the UA Service Area for activities at UA brought new dollars to the economy through their spending at hotels, restaurants, gas stations, and other regional businesses.
- Visitor spending added approximately **\$24.6 million** in added income for the UA Service Area economy.

Alumni impact

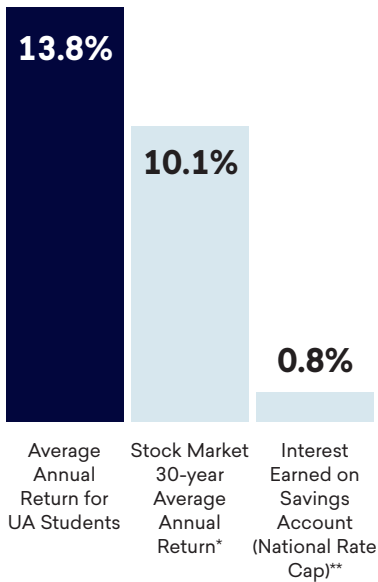
- Over the years, students have studied at UA and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in the UA Service Area.
- The impact of former students currently employed in the regional workforce amounted to **\$2.2 billion** in added income during the analysis year.

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

Student perspective

- UA's FY 2016-17 students paid a total present value of **\$208 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forewent **\$187.8 million** in money that they would have earned had they been working instead of learning.

STUDENT RATE OF RETURN



* Forbes' S&P 500, 1987-2016.

** FDIC.gov, 7-2017.

- In return for the monies invested in the university, students will receive a present value of **\$1.9 billion** in increased earnings over their working lives. This translates to a return of **\$4.80** in higher future earnings for every \$1 that students invest in their education. The average annual return for students is **13.8%**.

Taxpayer perspective

- In FY 2016-17, state and local taxpayers in Ohio paid **\$133.1 million** to support the operations of UA. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$934.4 million** in benefits to taxpayers. Savings to the public sector add another **\$57.9 million** in benefits due to a reduced demand for government-funded services in Ohio.
- Dividing benefits to taxpayers by the associated costs yields a **7.5** benefit-cost ratio, i.e., every \$1 in costs returns \$7.50 in benefits. The average annual return on investment for taxpayers is **16.0%**.

Social perspective

- The economic base in Ohio will grow by **\$12.8 billion** over the course of the students' working lives. Society will also benefit from **\$243.4 million** in present value social savings related to reduced crime, lower unemployment, and increased health and well-being across the state.
- For every \$1 that society spent on UA FY 2016-17 educations, society will receive a cumulative value of **\$19.70** in benefits, for as long as the FY 2016-17 student population at UA remains active in the state workforce.

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

STUDENTS

\$4.80

Gained in lifetime earnings for STUDENTS

TAXPAYERS

\$7.50

Gained in added taxes and public sector savings for TAXPAYERS

SOCIETY

\$19.70

Gained in added state revenue and social savings for SOCIETY

