



UNIVERSITY OF  
**CENTRAL  
ARKANSAS™**

# The Economic Value of the University of Central Arkansas **FACT SHEET**

The University of Central Arkansas (UCA) 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) 2018-19.



## Economic impact analysis

In FY 2018-19, UCA added **\$1.01 billion** in income to the Arkansas economy, a value approximately equal to **0.8%** of the state's total gross state product (GSP). Expressed in terms of jobs, UCA's impact supported **19,506 jobs**. For perspective, the activities of UCA and its students support **one out of every 85 jobs** in Arkansas.

### OPERATIONS SPENDING IMPACT

- UCA employed 2,014 full-time and part-time faculty and staff (not including research employees). Payroll amounted to \$106.6 million (excluding payroll from research employees), much of which was spent in the state for groceries, mortgage and rent payments, dining out, and other household expenses. The university spent another \$76.3 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 **\$110.5 million** in income to the state economy in FY 2018-19.

### RESEARCH SPENDING IMPACT

- Research activities at UCA impact the state economy by employing people and making purchases for equipment, supplies, and services. They also facilitate new knowledge creation in Arkansas. In FY 2018-19, UCA spent \$1.8 million on payroll and \$1.7 million on other expenses to support research activities.
- UCA's research spending generated **\$2.9 million** in added income for the Arkansas economy in FY 2018-19.



STATE OF ARKANSAS



## CONSTRUCTION SPENDING IMPACT

- UCA invests in construction 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.
- UCA's construction spending in FY 2018-19 generated an annual net impact of **\$4.1 million** in added income for the Arkansas economy. Projected construction expenditures for FY 2019-20 will create an additional undiscounted net added income of \$4.9 million.\*

## VISITOR SPENDING IMPACT

- Out-of-state visitors attracted to Arkansas for activities at UCA brought new dollars to the economy through their spending at hotels, restaurants, gas stations, and other state businesses.
- Visitor spending added approximately **\$299.9 thousand** in income to the Arkansas economy.

## STUDENT SPENDING IMPACT

- Around 14% of credit students attending UCA originated from outside the state. Some of these students relocated to Arkansas. In addition, some in-state students, referred to as retained students, would have left Arkansas for other educational opportunities if not for UCA. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at state businesses.
- The expenditures of relocated and retained students in FY 2018-19 added **\$18.2 million** in income to the Arkansas economy.

## ALUMNI IMPACT

- Over the years, students have studied at UCA and entered or re-entered the workforce with newly-acquired knowledge and skills. Using Emsi's Alumni Outcomes data, many of UCA's alumni are employed in the state workforce in industry sectors such as Health Care & Social Assistance, Educational Services, and Professional & Technical Services, with their top occupations being teachers & instructors, managers, chief executives, registered nurses, and accountants & auditors. Today, thousands of these former students are employed in Arkansas.
- The net impact of UCA's former students currently employed in the state workforce amounted to **\$878.4 million** in added income in FY 2018-19.

\* The FY 2019-20 construction spending impact should not be summed with the FY 2018-19 impacts.

IMPACTS CREATED  
BY UCA IN FY 2018-19



**\$110.5 million**  
Operations Spending Impact



**\$2.9 million**  
Research Spending Impact



**\$4.1 million**  
Construction Spending Impact



**\$299.9 thousand**  
Visitor Spending Impact



**\$18.2 million**  
Student Spending Impact



**\$878.4 million**  
Alumni Impact



**\$1.01 billion**  
TOTAL IMPACT

- OR -

**19,506**  
JOBS SUPPORTED





# Investment analysis

## STUDENT PERSPECTIVE

- UCA's FY 2018-19 students paid a present value of **\$64.2 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$91.5 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$807.3 million** in increased earnings over their working lives. This translates to a return of **\$5.20** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **19.1%**.

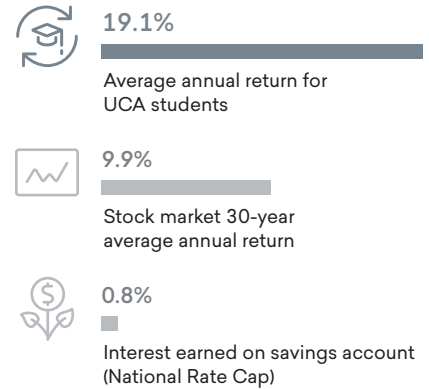
## TAXPAYER PERSPECTIVE

- Taxpayers provided UCA with **\$81.3 million** of funding in FY 2018-19. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$148 million**. A reduced demand for government-funded services in Arkansas will add another **\$28.8 million** in benefits to taxpayers.
- For every dollar of public money invested in UCA, taxpayers will receive **\$2.20** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **5.7%**.

## SOCIAL PERSPECTIVE

- In FY 2018-19, Arkansas invested **\$312.9 million** to support UCA. In turn, the Arkansas economy will grow by **\$2.5 billion**, over the course of students' working lives. Society will also benefit from **\$191.5 million** of public and private sector savings.
- For every dollar invested in UCA in FY 2018-19, people in Arkansas will receive **\$8.60** in return, for as long as UCA's FY 2018-19 students remain active in the state workforce.

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



Source: Forbes' S&P 500, 1989-2018. FDIC.gov, 6-2019.



FOR EVERY \$1...



**Students** gain **\$5.20** in lifetime earnings



**Taxpayers** gain **\$2.20** in added tax revenue and public sector savings



**Society** gains **\$8.60** in added income and social savings

