Building the Next Great Texas University:

A Look at the Economic Impact

of

The University of Texas at San Antonio

Prepared by

The Institute for Economic Development

The University of Texas at San Antonio

April 2009
# TABLE OF CONTENTS

OVERVIEW ......................................................................................................................... 4  
THE ECONOMIC IMPORTANCE OF HIGHER EDUCATION IN TEXAS ........................................... 4  
ORGANIZATION OF REPORT .............................................................................................. 6  
ABOUT THE DATA ................................................................................................................ 7  

PART I: ROLE OF HIGHER EDUCATION .............................................................................. 8  
THE ALAMO CITY .................................................................................................................. 10  
UTSA IN REVIEW .................................................................................................................. 11  

PART II: ECONOMIC DEVELOPMENT MEANS BUSINESS .................................................. 14  

PART III: UTSA’S CONTRIBUTIONS TO HUMAN CAPITAL .................................................. 24  
EDUCATION AND WORK-LIFE EARNINGS ........................................................................... 24  
SAN ANTONIO MARKET SHARE .......................................................................................... 28  
DISTINGUISHED ALUMNI .................................................................................................. 30  

PART IV: ECONOMIC IMPACT ........................................................................................... 32  
CAPITAL EXPENDITURE IMPACT ......................................................................................... 34  
OPERATING BUDGET IMPACT .............................................................................................. 35  
FACULTY AND STAFF ECONOMIC IMPACTS ..................................................................... 36  
OUT-OF-MSA STUDENT EXPENDITURES IMPACTS ............................................................. 39  
VISITOR SPENDING ................................................................................................................ 41  
INSTITUTE FOR ECONOMIC DEVELOPMENT ECONOMIC IMPACT ................................. 44  
SUMMARY OF UTSA ECONOMIC IMPACTS ........................................................................ 45  

PART V: COMMUNITY BENEFITS, PUBLIC SERVICES AND OUTREACH ......................... 46  

PART VI: LOOKING TO THE FUTURE: FORECASTS AND CHALLENGES ....................... 54  

APPENDIX A ......................................................................................................................... 56
Overview

The Economic Importance of Higher Education in Texas

Institutions of higher education can have a profound impact in shaping a region’s future. However, assessing and quantifying the benefits derived from these large and complex institutions can be challenging due to their large mix of services. They serve as a vessel for training the future workforce, as a laboratory for developing research and in many cases an economic anchor (by which a community revolves.) Since the Texas Legislature acted to establish a university endowment in 1858, higher education has been recognized as a key factor in advancing the state’s competitive position. Since that time, many states have underscored the important role universities have in shaping the future workforce. Within Texas there are two more recent initiatives that have a profound effect on the state’s ability to remain competitive in the global economy (1) Closing the Gap 2015 and (2) university research expansion.

In 2005, Texas became only the fourth state to be classified as a minority-majority state. Led by the surging number of Hispanics, the minority population now accounts for 52 percent of the state’s total population.¹ Yet, a large gap exists among this group’s propensity to enroll and graduate from institutions of higher education and the rest of the population. Among the state’s Hispanic population, only about 9 percent have a college

¹² U.S. Census Bureau, May 2008
degree, compared to 30 percent of the Anglo population. In an effort to “close this gap” the Texas Higher Education Coordinating Board initiated an effort to increase the percentage of minorities participating in higher education. The goals of this initiative are focused around increasing minority participation in the higher education system, improving the success of college attendees, increasing the number of nationally recognized programs and increasing the level of top research conducted at Texas institutions of higher education.

These goals center around the state’s need to ensure that the growing minority segment of the population are accessing and completing top quality higher education programs at the same rate as their Anglo counterparts. According to the Texas Higher Education Coordinating Board, if this gap is not sufficiently closed, the state runs the risk of not having enough college graduates to adequately meet future needs for skilled labor, and losing ground in terms of state competitiveness and productivity. With the growth of the state’s minority population expected to grow to 55.3 percent of the total population by 2015, there is a concerted effort to put in place measures to ensure that the state is able to close the gap.

What began with the creation of the Texas Competitive Knowledge Fund and the Research Development Fund, efforts have centered around the importance of the state to increase the number of top caliber research institutions, commonly referred to as tier-one or premier research institutions. Recognizing the important role these institutions play in

3 http://www.thecb.state.tx.us/reports/pdf/0379.pdf
cultivating the state’s human capital and driving the Texas economy, the Texas Senate Higher Education Subcommittee held hearings in the summer of 2008 to gain a greater sense of the need for this new undertaking. Though no official definition exists for what constitutes a premier research institution, most view membership in the Association of American Universities (AAU) as a fair representation for this status. Currently, there are three Texas institutions listed as members of AAU: the University of Texas at Austin, Texas A&M University at College Station and Rice University in Houston. Given the sizable impact these institutions play in generating research activity for the state coupled with the increased pressures of globalization, many key leaders recognize the need for additional universities to be classified as premier research institutions. Such an action will likely unlock significant opportunities to enable the State of Texas to remain competitive in the global marketplace.

Study Purpose: What is the current economic impact of UTSA in 2008, and how is UTSA positioned to become a premier public research institution in terms of future economic benefits for Texas?

Organization of Report

The University of Texas at San Antonio (UTSA) is a vibrant and growing institution, whose impact touches many aspects of the region’s economy. Part I of this report outlines the role of higher education and describes the importance of maintaining a robust knowledge economy, particularly within the San Antonio MSA. Part II outlines

4 http://www.senate.state.tx.us/75r/Senate/commit/c535/c535_80.htm#Real
5 http://www.aau.edu/
UTSA’s role in contributing to research and economic development while Part III views the contributions UTSA has made to the area’s human capital.

Part IV assesses the economic impact of UTSA, through the spending patterns of its students, alumni, employees and visitors, through the relationships it maintains with its suppliers and contractors. Part V discusses UTSA’s role in contributing to the regions’ quality of life. Finally, Part VI briefly discusses the future of UTSA and the prospects for future development.

About the Data

For our analysis, we will use the San Antonio Metropolitan Statistical Area as defined in December 2008. The San Antonio MSA is an eight-county region that includes Bexar, Guadalupe, Comal, Medina, Atascosa, Wilson, Kendall and Bandera counties. The first part of our analysis deals with the direct expenditures within the community. These direct impacts are measured for the 2008 Fiscal-Year comprising September, 2007, through August, 2008. The data for estimating the economic impacts of UTSA were derived from financial statements, budget data and other information from several sources.

The University’s Office of Business Affairs provided data on operations, capital expenditures and spending. The Office for Research and the Office of Community Services provided relevant numbers regarding expenditures and numbers served by program. This information was augmented with data from the U.S. Census Bureau and U.S. Bureau of Economic Analysis. The primary data are reported in the Appendix.
Part I: Role of Higher Education

The primary role of a university is to provide education services to the population it serves. The ability of such an institution to enhance human capital while expanding society’s rate of knowledge creation is invaluable to the American economy. Colleges and universities have often been looked at as a key driver enabling us to compete in a global and technological marketplace, while also serving as an anchor for economic development. Some of the most prolific communities in the U.S. have a strong higher education cluster at their core. Silicon Valley in California, Boston’s Route 128 and North Carolina’s Research Triangle are fueled by growth not just of one college but by a collection of public and private institutions of higher education striving for academic and research excellence, linked closely with regional industry and community interest. But the desire to increase university capacity is not just limited to these communities. Take for instance the case of Miami, Florida. Being home to the highly ranked The University of Miami, as well as home to several other key private institutions has not kept the State of Florida from investing heavily in the development of neighboring Florida International University as well as Florida Atlantic University in nearby Boca Raton. Both are relatively young institutions and now rank amongst the largest in the country in terms of revenue and enrollment.

States invest in higher education in order to improve their human capital. These investments result in long-term economic benefits including: productivity and earnings gains of an educated workforce, new knowledge creation, market entry of products and services as a byproduct of research and development efforts, a supply of skilled professionals to meet labor market demands, and an improvement in the general quality
of life, among other benefits. Local businesses benefit from easy access to a large pool of part-time and full-time workers. These benefits are particularly important when unemployment rates are low and labor markets tight. Moreover, companies and agencies that depend on highly specialized skills often cluster around universities. This is especially true for high-tech and information-based companies.

In addition, the outreach and service units of the university provide valuable services to local businesses, government, non-profits, and families. Moreover, cultural and educational programs and facilities often are available to the general public and provide intangible benefits to the host community by improving the quality of life for local residents.

In addition to the benefits mentioned previously, there are short-run economic benefits that occur on a yearly basis. Universities purchase goods and services from businesses in their communities, who in turn, employ more citizens and purchase goods and services from other local businesses. These expenditures represent the multiplier effect of the university’s expenditures. This same multiplier effect can be seen in the university’s expenditures on construction and capital improvements and in the expenditures of faculty, staff and students on local goods and services.

This report will attempt to outline the various contributions and quantify the short-term economic impact of the University of Texas at San Antonio within San Antonio as well as throughout the State of Texas.
The Alamo City

“Look at San Antonio, and you’re seeing the diversification that’s coming.”

Steve Murdock, Ph.D.

Former Texas State Demographer and Former Director, U.S. Census Bureau

For years, Steve Murdock, former Texas state demographer and current Director of the U.S. Census Bureau has been referencing San Antonio’s current demographics as a preview of the future United States. The city’s large Hispanic population coupled with this group’s national growth rate make San Antonio’s demographics indicative of what the U.S. will look like in the near future.

The San Antonio MSA is one of the fastest growing cities in the state and country. With a population in excess of 1.9 million, it is the nation’s 30th largest MSA and the largest with a Hispanic majority. San Antonio has a strong diverse economy with industries focused in biotechnological, aerospace, manufacturing, tourism, financial services and information technology. It is currently home to five Fortune 500 companies and is the only U.S. city to house three Level 1 Trauma Centers. The city is also home to one of the largest concentration of military bases in the U.S. and is home to the manufacturing facility for the Toyota Tundra truck. The city’s enormous growth has also required that its higher education institutions ensure an adequate supply of quality, trained professionals to meet industry needs.

Given San Antonio’s role as a microcosm of the future U.S., developing a framework for understanding the needs of the Hispanic community will not only benefit

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6 U.S. Census Bureau
the city but can also serve as a roadmap that the rest of the nation can employ for developing strategies to meet associated challenges.

As one of the leading institutions of higher education in South Texas, UTSA has a central role in helping shape not only the future of San Antonio but all of South Texas. Outlining the economic gains that impact the community as well as the entire State of Texas are multifaceted, some easily quantifiable and others less so. An ideal view of the university’s true impact would be to compare the current economic landscape to one without the university’s presence. In other words, to compare current information to a hypothetical scenario of what San Antonio would look like without UTSA. Instead, this report will start by looking at the growth of the San Antonio region, and UTSA’s role within this context.

**UTSA in Review**

The University of Texas at San Antonio as its name implies, is located within the San Antonio MSA which is made up of eight counties in south central Texas, centering on Bexar County. According to the Texas State Data Center 2006 population estimates, of the total population living in the San Antonio MSA, 52 percent are Hispanic.  

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8 [http://txsdc.utsa.edu/](http://txsdc.utsa.edu/)
The University of Texas at San Antonio, the city's only comprehensive state university, was founded in 1969 with a mandate from the 61st Legislature to be a university of the "first class," offering bachelor's, master's and doctoral degrees "as are offered at leading American universities." The mandate further specified that UTSA would "serve the needs of the multicultural population of San Antonio, the South Texas region, and Texas, emphasizing programs that contribute to the technological, economic, and cultural development of the city, region, and state." From an original class of 670, UTSA has grown to an enrollment of more than 28,400, making it one of the fastest growing institutions of higher education in the country. UTSA offers 64 bachelor's, 47 master's and 21 doctoral degree programs, and with nine new doctoral programs in the planning stages it is rapidly moving toward classification as a doctoral/research intensive institution.

In addition to the university’s main campus located off Loop 1604 in northwest San Antonio, UTSA maintains two additional campuses: the Downtown Campus and the HemisFair Park Campus. All three campuses serve a large and growing minority population. More than 56 percent of UTSA’s student population come from a historically underserved population. In addition, many students at UTSA are the first in their family to attend college.

UTSA is committed to every student's success in school and in life. Offering programs that promote the importance of developing knowledge, building leadership

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9 10 http://admissionstop.rassaidev.com/college_details.php?cid=113

11 http://www.utsa.edu/about/
12 http://www.utsa.edu/About/
skills and participating in school activities helps students make the most of their college education. UTSA also supports the economic strengths of San Antonio by contributing to the advancement of key industries within the region, including biomedical, military, tourism, and the financial service industries. Many of these industries require a highly skilled and educated workforce.

By most accounts, UTSA is the single largest educational enterprise in South Texas. It is the region’s largest grantor of bachelor’s, master’s and doctoral degrees. It is the largest university employer and maintains the largest budget of any of the region’s non-medical school institutions of higher education. Over the past five years, funding for research and sponsored projects at UTSA has increased to more than $51 million ranking it among the top third of institutions of higher education in the United States.\(^\text{13}\) UTSA is also the first Texas university and one of only 50 in the nation with the “Center for Academic Excellence in Information Assurance Education” designation by the National Security Agency.\(^\text{14}\)

In fiscal year 2008, UTSA purchases totaled more than $55 million with 29.8 percent or $16.5 million designated or obtained from HUB (historically underutilized businesses) vendors.\(^\text{15}\) For the sixth time in the last eight years, UTSA is among the top 25 HUB programs in the state of Texas.

\(^{13}\) http://www.utsa.edu/about/Research/
\(^{14}\) http://www.utsa.edu/today/2004/12/cias.cfm?585C05110F421C57314F027D55
\(^{15}\) http://www.utsa.edu/ucomm/pa/releases/2007-12-07.pdf
Part II: Economic Development Means Business

"There is another aspect of our educational system that merits attention. Institutions of higher learning have served as the nation's research and development labs. These institutions train the innovators of the future."

--U.S. President Barack Obama, The Audacity of Hope

In today’s economic climate, any discussion of university research is often associated with terms such as “commercialization,” “technology transfer” and “spin-offs.” Though these concepts represent a very important role universities can play in advancing research, their prominence perhaps undervalues the true impact university research has on the economy- the ability to train knowledge workers and generate innovative ideas.

When it comes to training the nation’s growing Hispanic population, few universities maintain the depth and breadth as UTSA. According to Hispanic Outlook magazine, UTSA ranked fourth and tenth in the country in the total number of bachelor’s and master’s degrees awarded to Hispanics, respectively. UTSA was first in biological and medical science undergraduate degrees and second in architecture, business and marketing; fifth in English literature; sixth in mathematics and psychology; and tenth in engineering.

One of the indicators for innovation and regional competitiveness is the size and breadth of graduate programs, particularly in engineering and science related fields. Over the last 17 years, UTSA has aggressively sought to increase graduate education and research in San Antonio, particularly in doctoral programs. From Fall 2000 to Fall 2008, the enrollment of doctoral students at UTSA has grown from 58 to nearly 500.

UTSA’s commitment to graduate education and research is mirrored in terms of research expenditures. Amongst U.S. institutions with at least 25 percent Hispanic undergraduate enrollment UTSA ranked eighth for total R&D expenditures. Within the state of Texas, UTSA ranks third among all Texas universities (excluding health science centers) in research expenditures in the life sciences. UTSA also ranks second in the University of Texas System in research funding in the categories of biology, social sciences, arts and humanities, microelectronics and computer technology.

UTSA research expenditures and activities have grown substantially from 1999 to 2006. According to data reported by the National Science Foundation, federally funded research expenditures during that time period grew from $7.8 million to $30.2 million. With an increased emphasis on research and an administration focused on propelling the

<table>
<thead>
<tr>
<th>Year</th>
<th>Doctoral Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2000</td>
<td>58</td>
</tr>
<tr>
<td>Fall 2001</td>
<td>88</td>
</tr>
<tr>
<td>Fall 2002</td>
<td>154</td>
</tr>
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<td>Fall 2003</td>
<td>220</td>
</tr>
<tr>
<td>Fall 2004</td>
<td>289</td>
</tr>
<tr>
<td>Fall 2005</td>
<td>366</td>
</tr>
<tr>
<td>Fall 2006</td>
<td>424</td>
</tr>
<tr>
<td>Fall 2007</td>
<td>450</td>
</tr>
<tr>
<td>Fall 2008</td>
<td>464</td>
</tr>
</tbody>
</table>
university to premier research institution status, it is expected that continued growth in R & D activities is not only possible but expected.

In 2006, a core team of administrators, faculty, staff, students, alumni and external constituents identified a group of public universities situated in large metropolitan areas and without a medical school who measured higher on key performance indicators than UTSA. These universities, or aspirant institutions, were selected to serve as benchmarks by which UTSA could measure future growth. Rather than arbitrarily project UTSA’s future growth in R & D spending based on some factor of previous growth to estimate future R & D expenditures, future growth in research expenditure is presented in terms of potential performance as experienced by one of the aspirant institutions: the University of Central Florida (UCF). Data pertaining to UCF, as reported to the National Science Foundation for the reporting period 1999 to 2006, is presented as a surrogate for UTSA’s potential growth in securing federally funded research dollars. Apart from being identified as a short-term aspirant institution, UCF was selected to serve as a basis of projecting UTSA’s research possibilities because the difference between UCF’s first year expenditures and UTSA’s final reported expenditures most closely resemble the average annual percentage growth UTSA experienced from FY 04 to 06. Within an eight year period, UCF grew its proportion of federally funded research from $42 million to nearly $108 million. This growth in R & D demonstrates what is possible and highly likely based on UTSA’s track record in securing federally funded research.
In addition to UCF, there are several other universities that have experienced similar growth in R&D funding. For the same eight year reporting period, the University of Louisville increased its amount of federally funded research from $57 million to nearly $136 million. West Virginia University, Dartmouth College and the State University of New York at Albany each increased their amount of funding from $63, $69 and $64 million to $122, $200 and $274 million respectively\(^9\).

Though the economic environment from 2007 to 2014 is likely quite different of that from 1999 to 2006, the rapid growth in federally funded R&D at these aspirant universities does demonstrate that the ability of an institution to elevate its funding of sponsored programs by two to threefold within a relatively short period of time.

\(^9\) The Top American Research Universities, 2007 Annual Report, The Center for Measuring University Performance
Given UTSA’s established expertise on health, security and energy research coupled with expected increases in R&D funding for agencies such as the National Institutes of Health and the Department of Energy, UTSA appears perfectly positioned to experience the level of growth in R&D funding necessary to reach the $100 million annual threshold widely regarded to classify an institution as premier research university.

Research and development investments translate directly and indirectly to the development of industry clusters and the overall betterment of local economies. In some cases, a dollar invested in basic public research was found to yield an $8.38 investment in eight years\textsuperscript{19}. Universities stand at the forefront of innovation accounting for half of all basic research performed in the United States.\textsuperscript{20} Knowledge is transferred to industry as graduates enter the workforce, but it also occurs as university faculties interact with industries and communities through lectures, consulting, conferences, and volunteer work. Universities also formally transfer technology through the incubation of new firms and the licensing of technology developed from university research.

In fulfilling the university’s mission to partake in the “advancement of knowledge through research and discovery…” UTSA maintains a number of multidisciplinary research centers and institutes.\textsuperscript{21} Some of these centers include:

- South Texas Center for Emerging Infectious Diseases
- Neurosciences Institute
- Institute for Conventional, Alternative and Renewable Energy

\textsuperscript{20} American Research Universities: Institutions in Service to the Nation, 2001
www.aau.edu/WorkArea/showcontent.aspx?id=1130
\textsuperscript{21} UTSA Office of the Vice President for Research
http://vpr.utsa.edu/centers.php
These serve as key components in aiding community stakeholders in developing a greater understanding of local issues and appreciation for the local community. From studying emerging infectious diseases, to developing lean manufacturing processes, to conducting research on cultural and public policy issues, having these kinds of centers located within UTSA ensures that high quality research is being performed in response to issues of state and national importance. Three recent developments should have a profound impact on UTSA’s quest for premier research university status.

First, UTSA’s College of Engineering has been awarded a two year grant by the Department of Energy to study clean combustion, gasification and energy efficiency. The project will seek to improve ease of computations and the accuracy of computer codes used to describe the behavior of particles during combustion by using a Direct Numerical Simulation (DNS) code developed previously by UTSA Professor Efstathios Michaelides and his students. Researchers will simulate the flow and interactions of particles with gases in reactors, gasifiers, etc. This will allow them to deliver “boundary conditions” to the Department of Energy, which in turn will improve the ease of computations and accuracy of the existing code. The improved code will lead to the
development of more efficient reactors, which are designed to trap pollutants and other products of combustion.

Energy has been a significant focus for UTSA in the past year. In April 2008, the university began foundational work to form the Institute for Conventional, Alternative and Renewable Energy (ICARE), a consortium of industry, government and academic leaders to explore new directions, policies and best practices for the energy industry. The new institute is expected to debut in the late spring of 2009\textsuperscript{22}.

A second effort to advance R&D at UTSA was made with the recent receipt of a $1.2 million gift from the \textbf{Robert J. Kleberg, Jr. and Helen C. Kleberg Foundation} to purchase a second generation aberration corrected electron microscope. The instrument, one of only two in the world, will help nanotechnology researchers develop new cancer therapies and treatments that combat a variety of human diseases. The microscope will be available to scientists from across the globe and across many disciplines to advance research in their respective fields.

UTSA will house its new microscope in its Advanced Microscopy Laboratory under the supervision of world-renowned researcher Miguel Yacaman, chair of the College of Sciences’ Department of Physics and Astronomy. There, it will support first-class research in nanotechnology, materials science, medicine, biology, chemistry and engineering, allowing scientists to view images at a resolution of less than one Angstrom ($10^{-10}$ meters).

UTSA’s microscope is slated for installation in October 2009. The instrument takes six months to fabricate and three months to install. Once up and running,

\textsuperscript{22} Taken from UTSA Press Release \textit{UTSA Receives Federal Funding for Fossil Fuel Research}, January 27, 2009.
researchers from across the world can send samples to UTSA, then through remote access, conduct experiments without leaving their home laboratories\textsuperscript{23}.

Finally, UTSA has partnered with the Southwest Research Institute to join the Government-University-Industry Research Roundtable (GUIRR), an elite sub-unit of the National Academies.

GUIRR provides a platform for leaders in science and technology from academia, government and business to discuss and take action on national and international scientific matters. This includes such topics as university-industry partnerships, scientific training in academia, the relationship between academia, government and business, and the effects of globalization on U.S. research. Through roundtable meetings and working groups, GUIRR’s university and industry partners provide guidance and suggest possible solutions to streamline policies and procedures unique to the government-university-industry interface. This counsel, often documented in advisory reports, is distributed to key national leaders, including the President’s staff.

UTSA is GUIRR’s 17\textsuperscript{th} academic partner, joining institutions like Stanford University, Massachusetts Institute of Technology, the University of California at Berkeley and the University of Texas at Austin\textsuperscript{24}.

In addition to a fostering innovation through research activities, UTSA plays a key role in business creation through the activities of its \textbf{Institute for Economic Development (IED)}. The IED was founded in 1979 as the Center for Economic

\textsuperscript{23} Taken from UTSA Press Release, \textit{UTSA Receives $1.2M Gift from Kleberg Foundation}, January 22, 2009.

\textsuperscript{24} Taken from UTSA Press Release, \textit{UTSA, SwRI Partner to Join Elite National Research Roundtable}, March 10, 2009.
Development. It provides consulting, training, research, and information services to facilitate business growth and economic development. It also provides services for small to medium-sized businesses primarily in the 79 counties spanning across the Texas/Mexico border. Services include assistance in starting a new business, growing an existing business, and economic development planning.

In addition, IED offers services to manufacturing firms located in Texas, Louisiana and Oklahoma as well as research to other small business development centers throughout the U.S. Since its inception, IED programs have:

- Aided in the creation of 2,660 new businesses;
- Helped firms generate $10.2 billion in new sales and contracts;
- Helped companies to access $1.6 billion in capital;
- Helped create 41,116 new jobs;
- Helped retain an additional 35,655 jobs; and
- Helped generate $252 million in new taxes from business growth.

In 2008 alone, programs of the Institute aided over 30,000 business clients in increasing net sales by $818 million and gaining access to over $223 million in new capital. The IED has also aided client firms in creating 4,464 new jobs and retaining 3,897 at risk jobs. To carry out its program, the IED secures over $10.3 million annually from various state, federal agencies as well as individual clients and contributors.

In addition to its San Antonio-based programs and centers, there are nine satellite centers associated with other institutions of higher education located throughout the southwest Texas/border area focusing specifically on small business development. Satellite centers are located in Alpine, Austin/San Marcos, Corpus Christi, Eagle Pass,
Edinburg, El Paso, Laredo, San Angelo, and Victoria.

Given the purpose of this study is to assess the economic impact of UTSA on the San Antonio MSA, this report will quantify the benefits of the IED and only include the economic impact as it pertains to the activities that directly affect the San Antonio MSA.
Part III: UTSA’s Contributions to Human Capital

Increased life and career prospects are the primary reasons most students and families invest their time, talents and resources in pursuit of their higher education. These are also legitimate reasons for the public sector support of universities.

Numerous studies have focused on the enhanced income potential of various degree attainment levels as compared to those in the labor market with only a high-school education or less. Typically, wide margins of differences are found at each incremental level, ranging from Associate to Professional degrees. Extrapolation of these differentials over typical lifelong careers, with adjustments into present values, always yields impressive results. Many parents post these figures on their refrigerator doors as a motivator for their teens to excel in high school and pursue the college track.

Educational Attainment and Work-Life Earnings


Day and Newburger determined “synthetic” estimates of work-life earnings from the “working population’s” 1-year annual earnings and summing their age-specific

average earnings for people ages 25 to 64 years. The resulting totals represent what individuals with the same educational level could expect to earn, on average, in 1999 dollars (Kantrowitz adjusted their figures to 2007), during a hypothetical 40-year working life.” They defined a typical work-life as the period from age 25 through age 64. Day and Newburger acknowledge that some people stop working at ages other than 64, or start working before age 25, but believe that this range of 40 years provides a reasonable benchmark for most people.26

An estimate of UTSA aggregate incremental earnings impact from the 4,607 degrees it awarded in FY2008 alone would be $5.6 billion (in present value terms). Adjusting this amount for the estimated 86 percent of graduates who remain in Texas after graduation, results in a present value incremental earnings amount of $4.8 billion.

<table>
<thead>
<tr>
<th>Educational Attainment</th>
<th>UT San Antonio Graduates 2008</th>
<th>Incremental Earnings per Graduate</th>
<th>Total Work-Life Incremental Earnings</th>
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<td>High School</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bachelor's</td>
<td>3,649</td>
<td>$1,122,697</td>
<td>$4,096,721,353</td>
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<tr>
<td>Master's</td>
<td>910</td>
<td>$1,518,334</td>
<td>$1,381,683,940</td>
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<tr>
<td>Doctoral</td>
<td>48</td>
<td>$2,717,965</td>
<td>$130,462,320</td>
</tr>
<tr>
<td>Total</td>
<td>4,607</td>
<td>$5,358,996</td>
<td>$5,608,867,613</td>
</tr>
</tbody>
</table>

Adjusted: Estimated 86 % of UTSA graduates remain in Texas $4,823,626,147

*All figures in 2008 dollars

Figures are averages, and represent incremental earnings potential over and above a typical high-school degree recipient with a typical lifespan and career, which by comparison would earn $1,506,167 in 2008 dollars. As an example, a 2008 graduate with a Master’s degree would earn $1,518,334 above the $1,506,167 that he or she would

have earned with just a high school diploma. The total earnings over his or her forty-year work-life would be $3,024,501 or about $75,613 per year. This analysis does not differentiate among specific degree fields of study or granting institutions. For example, future surveying of UTSA graduates could better determine differences between careers (finance, teaching, science, etc.) and among institutions.

Some attempts have also been made to calculate the value of an incremental year of higher education, short of the typical “sheepskin effect” of certain levels of degree attainment. Shortfalls in completion rates and the more common norm of 5-6 years to attain a bachelor’s degree mean many students, and the state are dedicating time and resources toward higher education, but not always attaining degrees in the ideal pattern. Within the UT System, six year undergraduate completion rates in the same institution where originally enrolled ranged from a high of 72 percent at UT Austin, to lows of only 23-24 percent at some other institutions. The Illinois Board of Higher Education recently estimated this value of an incremental year to be $64,000 toward lifelong earnings potential. Further research here in Texas will be necessary to determine a similar measure for UT System students, for use in policy considerations.

In addition to greater earnings potential, graduates benefit from quality of life enhancements, which tend to improve fulfillment levels of students’ potential on a number of personal growth dimensions. These are often cited as student benefits of higher education and include:

- employment prospects and stability, better working conditions

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- health and lower incidences of serious illness and mortality
- family stability
- home and business ownership
- enhanced children’s educational attainment
- better family financial management and retirement planning
- greater civic and charitable involvement
- higher voting behavior and political participation
- assume more leadership roles
- lower incidence of criminal involvement
- lower incidence of poverty
- lower utilization of public welfare and other support

Below are several comparisons of quality of life enhancements accruing to college graduates overall.

<table>
<thead>
<tr>
<th>Comparison Category</th>
<th>High School Graduate</th>
<th>College Bachelor's Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of Families Below Poverty Line (1)</td>
<td>12.00%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Percent Lacking Health Insurance (2)</td>
<td>20.20%</td>
<td>7.50%</td>
</tr>
<tr>
<td>Unemployment Rates, Age 25 or Older (3)</td>
<td>4.60%</td>
<td>2.00%</td>
</tr>
<tr>
<td>Percent Who Volunteer in Community (4)</td>
<td>21.30%</td>
<td>43.60%</td>
</tr>
<tr>
<td>Percent Who Voted in the November 2002 Congressional Election (5)</td>
<td>40.50%</td>
<td>61.10%</td>
</tr>
</tbody>
</table>

San Antonio Market Share

The educational attainment of the adult population with a Bachelor’s or higher is a strong indicator of regional economic prosperity. In 1980, this population comprised 15.3 percent of the San Antonio MSA, compared to the then state average of 16.9. By 2007, this percentage grew to 24.3 nearing the state average of 25.2\(^{28}\). This “closing of the gap” is in large part a result of UTSA’s growth and prominence in the region.

UTSA is a sizable contributor to the overall educational attainment of the San Antonio MSA. As the San Antonio MSA has grown, so too has its supply of college educated professionals. From 1980 to 2007, the estimated number of residents 25 and older with bachelor’s degrees or higher has risen nearly three-fold from 96,025 to 300,114\(^{29}\). As the largest awarder of bachelor’s degrees in the San Antonio area, UTSA’s contributions to this segments’ growth has been sizeable. Of the nearly 5,450 spring 2009 graduates from San Antonio area institutions of higher education, UTSA graduated 2,699 or nearly half of the total\(^{30}\).

This impact is evident simply by looking at the number of graduates from UTSA and comparing that to the annual increase in the total number of residents 25 and older with a bachelor’s degree or higher.

\(^{28}\) American Community Survey 2007.

\(^{29}\) From U.S.A. Counties data

\(^{30}\) San Antonio Express News Local Grads upbeat despite economy May 9, 2009.
In 2007, the San Antonio MSA increased its population of adults 25 years and older with a bachelor’s degree or higher by 11,268 residents. This number includes those that graduated from local institutions as well as those coming to the San Antonio MSA from an outside area. During that same year UTSA graduated 4,547 students. Of course not all recent graduates stay within the San Antonio MSA upon graduation but the fact that UTSA is producing the equivalent of 40 percent of the annual gains in this population should speak volumes to the role UTSA is playing in shaping the region’s human capital.

With roughly 70 percent of these graduates remaining in the San Antonio MSA, UTSA graduates comprised 28 percent of the increase in adult population with a Bachelor’s degree or higher31.

UTSA’s continued growth and contribution to the educational advancement of the growing San Antonio MSA population is not only enabling employers in the area to ensure that they have an adequate supply of skilled professionals to meet their needs, it is

31 Based on composite data provided from the UTSA Career Services, UTSA Athletic Initiative Business Plan and the UT System.
also ensuring that the region is able to maintain a competitive position in the global marketplace.

Distinguished Alumni

Alumnus of the year for 2008 is A.J. Rodriguez. A.J. earned two degrees from UTSA in the College of Business. From 1997 until June 2008, he devoted enormous energy to the San Antonio Hispanic Chamber of Commerce as its president and CEO, helping minority-owned businesses gain fairness and equality in the marketplace. A.J. also advanced a variety of issues important to Hispanics and the small business community. He served as the Chamber’s advisor on all local, state, and national level issues and helped create the Hispanic Chamber’s Day of Advocacy, where local members meet directly with legislators in Austin.

A.J. also supervised the directors for Leadership San Antonio and Texas Scholars program. Under his leadership, the Hispanic Chamber achieved a 49 percent increase in membership and a 45 percent growth in total revenue.

A.J. is the new deputy city manager for the City of San Antonio, effective July 2008. He oversees the areas of economic development, intergovernmental affairs, international affairs, the library system, and parks and recreation.

A.J. was listed in the San Antonio Business Journal’s “40 under 40” in 2003 and named the UTSA College of Business Young Alumnus of the year in 2007. He serves on the Texas Association of Mexican American Chambers of Commerce Executive Committee Board and the City of San Antonio River Commission, and is a director of the Texas Lyceum. He also finds time to contribute to the advisory committee for JOVEN, a non-profit agency for high-risk youth and their families.32

Other Alumni of the Year

1986 Sarah Garrahan ’77
Judge, Bexar County Court at Law No. 4, San Antonio

1994 Mary Roman ’80
Judge, 175th District Court, San Antonio

32 UTSA Alumni Online
http://alumni.utsa.edu/s/1042/index.aspx?sid=1042&gid=1&pgid=343
1998 Howard Peak ‘75
Executive Director, Municipal Affairs, AT&T, San Antonio
Former Mayor of San Antonio

2003 Jeff W. Clarke ‘86
Senior Vice President, Dell Inc., Austin, Texas
Part IV: Economic Impact

“Next in importance to freedom and justice is popular education, without which neither freedom nor justice can be permanently maintained.”

--James A. Garfield, President of the United States
July 12, 1880

Methodology

Measuring a return on an investment is a key aspect for justifying project expenditures. For colleges and universities performing impact studies also serves to inform stakeholders as to the scope and breadth of their services. For some benefits pinpointing the measureable impact is difficult. This is especially true of early stage research and development activities, community services projects and classroom instruction. And for public universities (especially those in urban centers) determining the value of those expenditures or identifying the opportunity cost associated with partaking in those activities can be complicated.

Caffrey and Isaacs (1971)\(^{33}\) provide the basic primer for evaluating the local economic impacts of an educational institution. Typical impact studies utilize various forms of Input-Output modeling to link sectors with each other and with outside demands. They estimate the direct expenditures in several broad categories including: 1) expenditures for operations and maintenance; 2) capital expenditures; 3) faculty and staff spending; 4) student spending; and 5) expenditures of visitors. Data are collected from various surveys, interviews, and financial reports. Most studies of university impacts follow along these same lines with modifications. In this analysis, we will separate the expenditures of the university into four categories: 1) expenditures for operations and

maintenance; 2) capital expenditures); 3) faculty and staff spending; and 4) student and visitor spending.

While not all of these expenditures will be spent locally, the intent of this study is to measure the direct expenditures of each component within UTSA and estimate the additional economic impacts on the local region. In doing so it is important for researchers to look at new dollars, or dollars that originated outside the study area. This can be in the form of out-of-town student expenditures, or externally funded research. Though some studies argue that the presence of a university may also have the effect of retaining students who might otherwise leave the area and thus count local student expenditures, they fail to recognize that there is no guarantee that the students enrolled in the institution would leave to attend a school in another area. Perhaps these students would stay and seek employment thereby contributing to the local economy at a higher rate than they would as a student. Though an analysis could be made to identify their propensity to leave, in the absence of such speculation we employ a more conservative estimate and look solely at the expenditures of out-of-area students.

The intent is to identify how much is new spending and to resist the temptation to look at all dollars spent, since a portion of those funds would have taken place anyway. The ratio of total impact to direct spending is often referred to as the multiplier and can be expressed in terms of dollars and jobs. This multiplier is applied to determine the portion of indirect spending circulating in the economy, and is used to determine the

34 Traditionally, economic impact studies measure three types of economic impacts: direct, indirect and induced. The direct impacts include those first round expenditures of the University. Indirect and induced are those additional expenditures as a result of the initial direct expenditures. Businesses purchase goods and services from other businesses in order to serve the needs of the University. Additionally, employees of these businesses use their earnings to make additional purchases in the community.
induced effects or the changes in spending at the consumer level that result from the increases in spending.

The multiplier effect will then be calculated for each one of the direct economic impacts through the IMPLAN Input/Output (I/O) model. A widely used I/O model first developed by the United States Forest Service in 1979, it is now marketed by Minnesota IMPLAN Group (MiG, Inc.). The model utilizes benchmark tables provided by the Bureau of Economic Analysis as well as other statistical data to model transactions occurring within a region, state or the nation. IMPLAN is, in a sense, a general accounting system of the economic transactions taking place between industries, businesses (universities), and consumers in an economy. It estimates the impacts on total output (sales), personal income, taxes, and employment. By expanding its analysis beyond the direct impacts, IMPLAN provides a more complete picture of the economic effects of transactions. The latest available economic data set (2007) from IMPLAN is used to estimate the indirect and induced impacts of the UTSA components on the local MSA.

**Capital Expenditure Impact**

Recognizing that construction project patterns can vary considerably from year-to-year, this study used the average from the past five years (2004-2008) to determine a current typical amount for initial capital expenditures on construction, major equipment and other improvements. For the year 2008, this amount was roughly $79.5 million. This initial spending generated secondary effects for a combined total of over $132 million.
The construction of new facilities implies the hiring of workers and the buying of equipment and other items from suppliers across several industries. Workers employed in these activities spend their wages and salaries on consumption goods and services generating in turn more jobs. For 2008, capital expenditures in construction, equipment and other improvements had a total employment impact of 1,047 jobs.

**Operating Budget Impact**

The initial spending for regular operations of the university is close to $105 million, excluding labor compensation dollars for staff and faculty. This spending includes payments for utilities, telecommunications, repair and maintenance, material and supplies, travel and professional services, among other items. The combined effects of the initial and the secondary spending represent more than $131 million of business outputs.

<table>
<thead>
<tr>
<th>Operating Budget Economic Impacts at the MSA level 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Initial direct spending</strong></td>
</tr>
<tr>
<td>----------------------------</td>
</tr>
<tr>
<td>Operating Budget</td>
</tr>
</tbody>
</table>

Operations of the university imply expenditures on goods and services from its suppliers. The university hires directly 5,628 full- and part-time employees while
businesses impacted by the university operations hire 1,444 additional workers for a combined total of 7,209 jobs.

**Utilization of HUB suppliers**

In addition to the sheer size of the university’s budget, UTSA is very cognitive of how and to whom goods and services are purchased. Small Business and Historically Underutilized Business usage by university business offices is a way to strategically reinvest where it will do the most good. As small and minority businesses prosper, their owners and employees will be better positioned economically to provide a university education for their children, and will also be positioned to offer good jobs for graduates in their own regions across Texas.

In fiscal year 2008, UTSA purchases totaled in excess of $55 million, with 29.8 percent or $16.5 million obtained from HUB (historically underutilized businesses) vendors. For the sixth time in the last eight years, UTSA ranked among the Top 25 State agencies in Texas spending largest percentages with HUBs. Expenditures on HUBs across UTSA outperformed the state’s average of 13.5 percent.

**Faculty and Staff Economic Impacts**

UTSA is a sizable employer in the San Antonio area. In fiscal year 2008, UTSA employed 5,628 employees. In comparing this number with the number of employees from private companies in the area, the university has roughly the same number of
employees as the Baptist Health System and AT&T. Only H.E.B. Food Stores, USAA and two prominent healthcare systems have more employees than UTSA.

<table>
<thead>
<tr>
<th>Company</th>
<th>Business</th>
<th>Employed in San Antonio 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>H.E.B. Food Stores</td>
<td>Super Market Chain</td>
<td>23,000</td>
</tr>
<tr>
<td>USAA</td>
<td>Insurance</td>
<td>13,500</td>
</tr>
<tr>
<td>Methodist Healthcare</td>
<td>Healthcare</td>
<td>7,013</td>
</tr>
<tr>
<td>Baptist Health System</td>
<td>Healthcare</td>
<td>5,939</td>
</tr>
<tr>
<td>Harland Clarke</td>
<td>Printing</td>
<td>5,800</td>
</tr>
<tr>
<td>AT&amp;T</td>
<td>Telecommunications</td>
<td>5,300*</td>
</tr>
</tbody>
</table>

Source: From the San Antonio Economic Development Foundation web site, retrieved on December 9, 2008.
*Per Houston Chronicle article dated June 28, 2008

**Ability of UTSA to recruit top talent**

The University of Texas at San Antonio is not only an important employer in terms of the numbers of jobs but also an important employer of highly qualified professionals. According to the Texas Workforce Commission (TWC), the staffing patterns for the Alamo Workforce Development Area (WDA) show institutions of higher education typically hiring post-secondary teachers, managers and administrative personnel that earn more than the average wage of $34,609 in the region.
<table>
<thead>
<tr>
<th>Occupation</th>
<th>Annual mean wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education Administrators, Postsecondary</td>
<td>$76,577</td>
</tr>
<tr>
<td>Business Teachers, Postsecondary</td>
<td>$72,855</td>
</tr>
<tr>
<td>Administrative Services Managers</td>
<td>$71,894</td>
</tr>
<tr>
<td>Computer Systems Analysts</td>
<td>$64,742</td>
</tr>
<tr>
<td>Education Teachers, Postsecondary</td>
<td>$61,812</td>
</tr>
<tr>
<td>Business Operations Specialists, All Other</td>
<td>$61,046</td>
</tr>
<tr>
<td>Accountants and Auditors</td>
<td>$55,807</td>
</tr>
<tr>
<td>Biological Science Teachers, Postsecondary</td>
<td>$54,577</td>
</tr>
<tr>
<td>Art, Drama, and Music Teachers, Postsecondary</td>
<td>$50,950</td>
</tr>
<tr>
<td>Medical and Clinical Laboratory Technologists</td>
<td>$49,378</td>
</tr>
<tr>
<td>Health Specialties Teachers, Postsecondary</td>
<td>$43,764</td>
</tr>
<tr>
<td>Executive Secretaries and Administrative Assistants</td>
<td>$35,912</td>
</tr>
<tr>
<td>Alamo WDA average for all occupations</td>
<td>$34,609</td>
</tr>
</tbody>
</table>

Source: Texas Workforce Commission web site, tracer2, retrieved on December 9, 2008

Those highly qualified professionals represent an important asset for the community as studies have shown that higher educational attainments play an important role in the improvement of the quality of life in communities. Furthermore, the higher purchasing power of these professionals supports more jobs in the region.

For 2008, UTSA spent close to $214 million on labor compensation leading to a disposable income close to $171 million. This amount includes wages and salaries of full- and part-time faculty, staff, and students working at the university. By October 2008, there were 2,723 full-time and 2,845 part-time employees at the university. Expenditures by these workers supported additional jobs, related to the everyday spending of people on food, housing, transportation, and travel, among other consumption related items. As a result of these expenditures, a combined total close to $271 million on local business revenues are generated.
Faculty and Staff Economic Impacts at the MSA level 2008

<table>
<thead>
<tr>
<th></th>
<th>Initial direct spending</th>
<th>Output impact</th>
<th>Employment Impact</th>
<th>Personal income impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty/Staff expenditures</td>
<td>$171,271,015</td>
<td>$270,926,439</td>
<td>2,018</td>
<td>$98,730,607</td>
</tr>
</tbody>
</table>

Faculty and staff expenditures on consumption goods and services also support jobs in the local economy. For the year 2008, the total employment impact of these expenditures is 2,018 jobs.

Other Contributions of Employees and Retirees:

- Many employees are commonly involved in alternative summer employment, with businesses, community groups and consulting projects. Although the activities of summer session instructors and researchers are included in the expenditure and employment impacts already presented, those outside the university auspices are additional benefits to the local economy.

- Likewise with university retirees, who live off pension incomes and also may continue to contribute with part-time jobs. Their expenditures in the regional economy, tax contributions, volunteerism and the availability of their particular expertise as occasional consultants are all due in part to the presence of the universities as their former employers in the community.

Out-of-MSA Student Expenditures Impacts

Universities can be considered an “export” industry, similar to other businesses within a community. Universities can serve the needs of local people as well as attract individuals from other locations within Texas, the United States or the world. During the years that these individuals attend college, they contribute to the economy by spending on goods and services, circulating “new money” within the region.

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35 Students living off campus (67%) were estimated to spend a total of $13,330 each per nine-month school year and students living on campus (33%) were estimated to spend a total of $11,300. This figure is an average of student budgets supplied by the financial aid office of UTSA. Impacts are probably greater as this does not account for students who remain in the community during the summer months and student budgets from financial aid offices are considered conservative in nature.
In Fall 2008, a total of 28,413 students were enrolled at University of Texas at San Antonio. These students spent over $356 million in the local economy for goods and services. Not all student spending can be considered “new money.” Many students remain in their local communities to attend college and their money would have circulated throughout the local economy even without the presence of the University. Of the total $356 million dollars, $168 million can be considered “new money” – money spent by residents from outside the San Antonio MSA, including foreign and out-of-state students.\(^{36}\) This amount does not include room and board paid by students living at the university’s dorms at Chaparral Villages. Students from other counties that belong to the San Antonio MSA were not included in this out-of-region expenditures; they were estimated at 3.1 percent of the student population. After these deductions, 48 percent of student enrollment (13,844 students) was considered as out-of-MSA students.

<table>
<thead>
<tr>
<th></th>
<th>Students</th>
<th>Percentage</th>
<th>Direct Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>28,413</td>
<td>100.0%</td>
<td>$356,500,752</td>
</tr>
<tr>
<td>Non-MSA Residents</td>
<td>13,844</td>
<td>48.7%</td>
<td>$168,643,325</td>
</tr>
<tr>
<td>Out-of-State</td>
<td>639</td>
<td>2.2%</td>
<td>$8,017,597</td>
</tr>
<tr>
<td>Foreign</td>
<td>885</td>
<td>3.1%</td>
<td>$11,104,184</td>
</tr>
</tbody>
</table>

These direct expenditures impact local businesses through additional purchases by the directly impacted businesses and their employees. Considering the direct expenditures from new money alone (purchases by students from outside of the region), an additional $96 million is spent in local communities as a result of the presence of UTSA. The combined impact of direct and secondary spending is close to $264 million.

\(^{36}\) Students living off campus (67%) were estimated to spend a total of $13,330 each per nine-month school year and students living on campus (33%) were estimated to spend a total of $11,300. This figure is an average of student budgets supplied by the financial aid office of UTSA. Impacts are probably greater as this does not account for students who remain in the community during the summer months and student budgets from financial aid offices are considered conservative in nature.
These out-of-MSA student expenditures supported a combined total of direct and secondary jobs of 1,931 that contribute to the economic health of the area.

**Visitor Spending**

The number and types of visitors to the University of Texas San Antonio is highly variable. Collecting a census of all visitors to UTSA programs and events in a typical year is an immense task, and must rely on many estimates because the systematic compilation of such data would be a bureaucracy unto itself. Some visits requiring registration or tickets can be more definitive, such as continuing-education classes, sporting events, official pre-college visits, arts events, cultural festivals and graduations. Many regional Convention and Visitors Bureaus (CVBs) do a credible job of surveying an appropriate range of expenditures per type of stay from outsiders coming into town. Most economic impact studies of universities use surveys to arrive at more reliable data regarding visitors and their expenditures. Until direct surveying for UTSA visitor patterns and expenditures can be conducted in the future, some observations based on other similar university systems and their studies help exemplify what is surely a major category of economic impact, although not yet fully quantified here.
In 2007, the Center for Community and Business Research in conjunction with the Tourism Management Program at the UTSA College of Business, performed a study of the proposed athletics complex at UTSA\(^{37}\). The study projected the number of visitors to UTSA athletic events through 2016-2017 with 2007-2008 serving as the base year for these projections. To assess the total economic impact of visitors to UTSA athletic events this study utilizes the base year of the earlier athletic report, which measures the total economic impact of athletic visitors at nearly $12 million.

<table>
<thead>
<tr>
<th>Economic Impacts at the MSA level 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Output impact</strong></td>
</tr>
<tr>
<td>Athletic Visitors</td>
</tr>
</tbody>
</table>

In addition to the estimates of visitors to UTSA athletic events, and in lieu of an absence of quantifiable attendance records for other university events, this report uses data established by the Illinois Higher Education Coordinating Board to serve as a proxy for leisure visits not affixed to an athletic event. Through surveys of students at representative colleges, the Illinois Higher Education Coordinating Board found that there were an average of 9.01 total visits of family and friends per student per year. Applying this average to the nonresident UTSA students equates to an estimated total visits during FY 2008. The Tourism Research Division of the Governor’s Office Economic Development estimated the average daily per-person spending of leisure visitors to be $94 in 2004. If we assume a three percent rise per year, the average daily spending would be $106 in 2008. Assuming that visitors (family of out-of-area students) spend an average of two days per visit for a total estimated visitor spending of $212, the

\(^{37}\) Operations, Construction, and Tourism Impacts of a Proposed Athletics Complex at the University of Texas at San Antonio. Center for Community and Business Research and Tourism Management Program at the University of Texas at San Antonio College of Business, 2007.
total estimated visitor spending would total $25.8 million per year. This does not include the indirect and induced spending that would occur as a result of these direct expenditures nor the expenditures of those visiting the University prior to selecting a College.

<table>
<thead>
<tr>
<th>Economic Impacts at the MSA level 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Visitors (non-athletic)</td>
</tr>
<tr>
<td>Output impact</td>
</tr>
<tr>
<td>Employment impact</td>
</tr>
<tr>
<td>$25,788,528</td>
</tr>
<tr>
<td>407</td>
</tr>
</tbody>
</table>

Combined with the total estimated visitor expenditures for UTSA athletic events, the total economic impact of visitors to the university in 2008 was $37.6 million.

- Educational type visitors from outside the region include non-degree students who attend continuing and executive education offerings, as well as visitors on university business such as researchers, conference attendees, suppliers and consultants. At this time, there are no accurate estimates of these types of visitors.

- The University of Texas San Antonio also serves as a tourist destination, hosting special events, concerts, and museums. These activities include:
  - Folklife Festival - Almost 650,000 individuals and their organizations representing more than 40 ethnic groups from throughout the state came together to participate in the Annual Folklife Festival sponsored by the Institute of Texan Cultures during the period 2004 to 2008.  

- Sporting events attract individuals from throughout the state and nation. Some of the highlighted events include:
  - An estimated $55 million in direct economic impact was generated from UTSA’s hosting of the NCAA Men’s Final Four in 2004. UTSA has served as a host institution for numerous NCAA championship events including the 2002 Women’s Final Four and the 1998 Men's Final Four. UTSA has hosted the 2003 men's basketball South Regional and the 2001 and 1997 men's basketball Midwest Regionals. Recently scheduled NCAA championship events include the 2004 Men's Final Four, 2008 Men's Final Four and the upcoming 2010 Women's Final Four.

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Institute for Economic Development Economic Impact

As previously outlined, the Institute for Economic Development (IED) in 2008 alone, aided over 30,700 business clients in increasing net sales by $818 million and gaining access to over $223 million in new capital. The IED has also aided client firms in creating 4,464 new jobs and retaining 3,897 at risk jobs. To carry out its program, the IED secured over $10.3 million from various state, federal agencies as well as individual clients and contributors.

In addition to its San Antonio-based programs and centers, there are nine satellite centers associated with other institutions of higher education located throughout the southwest Texas/border area focusing specifically on small business development. Satellite centers are located in Alpine, Austin/San Marcos, Corpus Christi, Eagle Pass, Edinburg, El Paso, Laredo, San Angelo, and Victoria.

Since the IED services a large portion of the state, assessing its economic impact is best viewed in terms of the Texas economy. For the fiscal year 2008, the 4,464 new jobs created resulted in a total employment impact of 9,187 and a nearly $1.6 billion economic impact on the state.

State level impact analysis

<table>
<thead>
<tr>
<th>IED region Economic Impacts at the STATE level 2008</th>
<th>Initial direct employment</th>
<th>Initial direct output</th>
<th>Total employment impact</th>
<th>Total Output impact</th>
<th>Total Personal income impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>IED</td>
<td>4,464</td>
<td>$896,409,231</td>
<td>9,187</td>
<td>$1,585,102,396</td>
<td>$537,128,398</td>
</tr>
</tbody>
</table>

For purposes of maintaining consistency throughout this report, only the new jobs in the San Antonio MSA will be used to measure the additional impact UTSA has had on the community. When adjusted to reflect only the direct impact on the San Antonio
MSA, the IED activities resulted in 1,716 jobs directly impacted for a total economic output of over $405 million.

### MSA level impact analysis

<table>
<thead>
<tr>
<th>IED Economic Impacts at the MSA level 2008</th>
<th>Initial direct employment</th>
<th>Initial direct output</th>
<th>Total employment impact</th>
<th>Total Output impact</th>
<th>Total Personal income impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>IED</td>
<td>1,716</td>
<td>$249,339,226</td>
<td>2,917</td>
<td>$405,017,010</td>
<td>$155,074,160</td>
</tr>
</tbody>
</table>

### Summary of UTSA Economic Impacts

For the year 2008, UTSA directly and indirectly generates over $1.2 billion in annual business revenues in the San Antonio MSA and supports approximately 15,720 jobs. The total impact of $1.2 billion in annual outputs corresponds to the direct and secondary effects of UTSA’s capital, operations, personnel, out-of-MSA students, visitors and IED client expenditures. Out of the total annual business outputs, close to $131 million correspond to the operations of the university and close to $271 million correspond to faculty and staff expenditures in the local economy. Student expenditures account for $264 million of the total, while visitors to UTSA account for over $37 million. A sizable portion of the total impact came from the activities of the Institute for Economic Development. The direct output of IED clients generated a total economic impact of $405 million.

<table>
<thead>
<tr>
<th>Economic Impacts at the MSA level 2008</th>
<th>Output impact</th>
<th>Employment Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital expenditures</td>
<td>$132,092,585</td>
<td>1,047</td>
</tr>
<tr>
<td>Operating Budget</td>
<td>$131,785,501</td>
<td>7,209</td>
</tr>
<tr>
<td>Faculty/Staff expenditures</td>
<td>$270,926,439</td>
<td>2,018</td>
</tr>
<tr>
<td>Students expenditures</td>
<td>$264,277,799</td>
<td>1,931</td>
</tr>
<tr>
<td>Visitor expenditures</td>
<td>$37,621,481</td>
<td>594</td>
</tr>
<tr>
<td>IED</td>
<td>$405,017,010</td>
<td>2,917</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,241,720,815</strong></td>
<td><strong>15,716</strong></td>
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Part V: Community Benefits, Public Services and Outreach

A premier university is often more than just an economic anchor or a vehicle for generating business concepts or commercializing products. A premier university also has a profound impact on the region’s social fabric. University programs can greatly influence an area’s quality of life through stimulation of social and cultural activities.

The University of Texas at San Antonio has several programs that inspire social entrepreneurship. They perform needed outreach and counseling services to distressed populations, inspire artistic expression throughout the community and promote an appreciation for our cultural differences. Their economic impact may be difficult to quantify but their social impact on the lives of many Texans are immeasurable. The following are a list of community benefits often associated with a university’s civic engagement and service learning activities:

- Economic stability during down cycles occurs due to the relatively constant demand for higher-education services with each successive wave of high school graduating classes. It is also common for enrollments to actually expand during periods of higher unemployment, as some workers instead opt to retool and upgrade skills in the interim until new job opportunities open up.

- Volunteerism by members of the university also helps fill many service roles locally, diminishing demands for many kinds of public services which otherwise would need to be paid for.

- Student teacher placements with local independent school districts, internships with local businesses and governments, and class service-learning projects represent other benefits of labor and expertise from the university, which help advance community agendas, and usually at little or no cost. Such experiences often turn into a trial-employment period in which local schools and businesses can enjoy a low-cost and low-risk test of new talent, and then select great employees as keepers.

- Teacher education keeps the qualified instructor pipeline full, masters programs for administrators, and special projects to improve K-12 education are other benefits universities bring to their regional communities.
• In addition to the student expenditures benefits outlined above, their presence also contributes to spur greater local investments in affordable housing and other infrastructure improvements, such as streets and highways, and public transportation.

• Local government cost-avoidance benefits occur frequently, in instances where universities cover the expenses of their own police departments, student health clinics, parks space and recreation facilities, arts, culture and sports events venues, operate museum attractions, build and maintain their own roads, parking facilities and utility distribution systems. All communities surrounding campuses take advantage of these facilities to some degree.

• Communities with a high proportion of university-educated residents also enjoy some cost avoidance due to lower incidences of crime, unemployment, and illness, etc. generally found in this segment of the population.

• Communities also benefit from the free publicity and an enhanced state & national profile when hosting a major university. Media coverage of graduations, new research breakthroughs, Nobel Prizes and other scientific recognitions, major publications, federal grants, visiting national and international leaders, lecturers, artists, and sports programs helps put regions on the map. In publications such as U.S. News and World Report and Places Rated Magazine, quality universities are key factors helping to raise the ratings and esteem of communities.

• Fundraising activities also import new private-sector and outside resources to the community, such as Foundation grants, endowments, scholarship funds, and facilities. Examples include UTSA’s largest donor, Hong Kong businessman, Richard Liu. Mr. Liu was grateful to UTSA for assistance entering the U.S. market many years ago to source cowhides for his finished leather goods business, so he now funds scholarships and exchange programs with China.39

Some of the initiatives that epitomize UTSA’s commitment to the residents of San Antonio and South Texas and are not easily quantifiable in terms measuring their economic impact on the community are the Institute of Texan Cultures, the Southwest Guitar Festival and the Texas Pre-freshman Engineering Program.

39 http://programs.business.utsa.edu/international/liu_foundation/about_liu.asp
UTSA's **Institute of Texan Cultures** is a museum dedicated to enhancing the understanding of cultural history and its influence upon the people of Texas. The museum develops exhibits, programs, and special events that encourage acceptance and appreciation of our differences as well as our common humanity. The museum strives to provide a forum for diversity and a showcase for the dynamics of cultural history.

The museum has called San Antonio home since it established residency in the downtown building that was constructed as the Texas State Exhibits Pavilion for the 1968 HemisFair celebration.

One of the premiere events of the Institute is the **Folklife Festival**. Modeled after the 1968 Smithsonian Folklife Festival, the annual event brings together organizations representing more than 40 ethnic groups from throughout the state to celebrate and share their traditions and customs.

Today, the Institute fulfills its mandate as the state's center for multicultural education by investigating the ethnic and cultural history of the state and presenting the resulting information in a variety of ways:

- Providing daily tours and visitation of the 50,000-square-foot Exhibit Floor;
- Preparing publications, audiovisuals, educational resource kits, and other specialized teaching tools;
- Maintaining a library focusing on ethnic and cultural history;
- Maintaining a historical photo collection of more than 3 million images;
- Utilizing an outreach program to schools and other groups;
Coordinating programs and special events; and
Conducting teacher-training workshops.\(^{40}\)

The **Southwest Guitar Festival (SWGF)** was formed in 1991 by the guitar professors at UTSA, Southwest Texas State University, and UT Austin as a small regional festival for the guitar students of central Texas. In 1995, the festival moved permanently to San Antonio, where it has been held every two years or so. In 2000, the Festival hosted the Guitar Foundation of America’s International Convention and Competition, bringing over 400 guitarists, teachers, guitar makers, and afficionados of the guitar to San Antonio for one of the greatest weeks of classical guitar music in the United States.

In 2000 and 2003, the SWGF has been hailed by the press as “one of the ten best arts events in San Antonio” and “one of San Antonio’s most anticipated and loved events.” Along the way to becoming one of the premiere classical guitar festivals in the U.S. this event has partnered with and received assistance from the Instituto De México, the San Antonio Chamber Music Society, the Newman Family Charitable Trust, the D’Addario Foundation for the Performing Arts, Arts! San Antonio, Texas Public Radio, and the San Antonio Express-News.

In 2007, in addition to a stellar line up of concerts and master classes, UTSA introduced two new aspects to the festival. The first was the inaugural SWGF International Solo Competition for students. This is one of the few true international guitar competitions specifically for students in existence. The finals in 2007 featured

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\(^{40}\) [http://www.texancultures.com/museum/about.html](http://www.texancultures.com/museum/about.html)
guitarists from Australia, France, Nicaragua, and the United States. The second new event was our first SWGF Guitar Ensemble Fest. We invited all guitar ensembles from schools around the U.S. to come perform and receive adjudication and coaching from top professionals. This is a fantastic opportunity for students of the guitar to learn from and get to know some of the true stars of the concert guitar world, and to meet fellow students of the guitar from around the country and beyond.41

In addition to the Southwest Guitar Festival, UTSA contributes to a vibrant art and cultural environment by hosting major regional events such as the European Film Festival; numerous other concerts and art exhibits annually; several music camps for young performers; continuous public lectures and literary events; preparation of arts entrepreneurs; and the training of the majority of art and music teachers in the South Texas region. The Department of Music also provides teaching opportunities for many San Antonio Symphony musicians.

UTSA is actively engaged in Closing the Gaps outreach and recruitment efforts to improve access and achievement levels for diverse groups. The Texas Pre-freshman Engineering Program (PREP) was developed to specifically address the region’s deficiencies in ensuring that area youth have the math, science and engineering skills necessary to compete in the global marketplace.

Ever summer, over 1,000 predominately minority San Antonio youth participate in the program. Founded in 1979, the eight-week, mathematics-based academic program is held each summer at nine local colleges and universities. Designed for students in grades 6–11, PREP promotes high achievement and provides students with the necessary

41 http://www.swgf.org/about.php
reinforcement to successfully pursue higher education and careers in math, science, engineering and technology. With a focus on building a high quality and diverse 21st century workforce, the PREP program is effective in reaching women and members of minority groups, groups traditionally underrepresented in science and engineering programs.42

Other Outreach and Service Programs:

**Diploma Dash** Established in 1983 as a way to raise needed funds for student scholarships, the UTSA Alumni Diploma Dash has become a huge event in San Antonio, enrolling more than 1,000 runners and walkers. The race has attracted many elite participants through the years including UTSA alumna and 2008 Olympic marathon runner, Liza Hunter-Galvan.

**Great Conversation!** This signature fund-raising event supports Honors College scholarships. It features more than 60 tables of regional leaders and professionals discussing various topics related to science, politics, leisure, education, business and the arts. Attendees enjoy a buffet supper and the topical conversation begins over coffee and dessert.

**Higher Education Honor Roll** Community service is very important to the mission and vision of UTSA, as a result numerous volunteer programs are offered to students, faculty and staff. The Corporation for National and Community Service honored the university in 2009 with a place on the President’s Higher Education Community Service Honor Roll for exemplary service efforts and service to America’s communities. The community service honor is the highest federal recognition a school can achieve for its commitment to service-learning and civic engagement. Honorees for the award were chosen based on the scope and innovation of service projects, percentage of student participation in service activities, incentives for service and the extent to which the school offers academic service-learning courses.

**Office of P-20 Initiatives** The University of Texas at San Antonio established the Alliance for Education in 1990 in response to the city of San Antonio's Target '90 agenda. The focus of this effort was to increase the educational attainment of the local workforce, specifically those from underserved and underrepresented populations. The Alliance for Education administered two programs with a full-time permanent staff of two professional members. Today, this department is now known as the Office of P-20 Initiatives with its focus geared to increase access via partnerships and collaborations with schools, business and industry and community-based organizations and foundations.

http://www.prep-usa.org/portal/texprep/
to strengthen the quality of education in San Antonio and South Texas from kindergarten to college. The Office of P-20 Initiatives coordinates, facilitates, and implements over 20 outreach programs serving over 20,000 students, parents and educational professionals in South Texas, with an annual operating budget exceeding $3 million. As a comprehensive university and system-wide effort, the Office of P-20 Initiatives seeks to provide leadership in education reform and facilitate university involvement in public education through intervention programs, research and service.

The Office of Community Outreach (OCO) was established in November 1999 to increase UTSA’s visibility in targeted communities in South Texas and to foster appropriate, mutually beneficial partnerships with these communities. The OCO works with educational, business and civic leaders in communities served by UTSA to promote higher education as an economic development resource. The OCO in concert with community leaders addresses barriers that inhibit or prevent area residents from enrolling at UTSA. Special events bring community leaders to UTSA and take UTSA executive officers into South Texas communities. The OCO works closely with the Admissions Office as well as other university offices in supporting student recruitment efforts.

The Office of Extended Education serves the region’s adult, professional and continuing education needs through a range of targeted programs that match the university’s unique resources with the lifelong learning needs of the region. Operating out of the UTSA Downtown Campus, the Office of Extended Education works collaboratively with academic and nonacademic units of the university to develop and present seminars, online courses, conferences and programs for the general public, professional and governmental agencies, and businesses. The UTSA Extended Education Web page provides information on seminars, online courses, conferences and programs that are open to the university and local communities. The Office of Extended Education also provides specialized training to organizations needing customized training programs for their employees.

The Downtown Special Events Office is responsible for scheduling, coordinating and managing special events at the Downtown Campus. The Downtown Campus has clearly become the venue of choice for university organizations as well as many community organizations, and the office operates as a “one-stop shopping” experience for on- and off-campus users of university facilities. The office manages cash handling, logistical operations and designs, implements control systems for managing various resources needed for events and provides logistical support for Extended Education.

UTSA Mexico Center fosters academic, research, cultural and programmatic exchanges with universities and organizations in Mexico, engaging students, faculty and staff, and promoting a better understanding of Mexico and its relationship to the United States. The UTSA Mexico Center provides a forum for communication between policy makers, scholars, business representatives and professionals from the United States and Mexico to bring about mutual understanding and productive relationships.
The Child and Adolescent Policy Research Institute is the administrative host for research and programs from across colleges and disciplines united in their research interests in child and adolescent development.
Part VI: Looking to the Future: Forecasts and Challenges

In 2006, The University of Texas at San Antonio President Ricardo Romo launched UTSA 2016, a ten-year strategic plan aimed at making the institution one of the preeminent public research universities in Texas. The plan was the culmination of an 18-month process involving faculty, students, staff, alumni, community leaders, and other stakeholders and the beginning of UTSA’s commitment to becoming a premier public research institution.

As the largest university in South Texas, UTSA is in a key position to capitalize on the area’s regional assets and develop research opportunities of particular interest to the region’s economy. The plan sets forth a strategy to improve student success and enrich educational experiences at both the undergraduate and graduate levels, while promoting access and affordability within the state’s Closing the Gaps initiative.

With over 18,000 students graduating from area high schools each year, UTSA serves an important role in preparing these individuals to become key contributors to the area’s knowledge economy. The university’s prominence in graduating Hispanics in degree programs such as biology, business, engineering, social sciences, education, and architecture is a key component in ensuring the state has a skilled supply of knowledge workers. These programs are centered around cutting-edge research in biology, aging, information assurance and security, emerging technologies, transportation, infectious diseases, and water resource management.
Already home to many areas of excellence in education, research, and public outreach, UTSA 2016 is serving as an integrated strategic framework to guide the university as it makes important decisions that will shape the future of the institution and the communities within which it resides. As a leader in higher education and public service, UTSA is well on its way to becoming one of the premiere public research universities in Texas.
Appendix A


Assumptions and Limitations

As with any national-level survey and accompanying statistical analysis, *The Big Payoff* used a number of assumptions and is subject to limitations.

Assumptions

- The estimates assume current cross-sectional earnings are representative of the patterns in future earnings.
- The average earnings of individuals in each age group have been based on all members within an age group without regard to work history, past performance, or other factors which may affect pay.
- The estimates do not account for any future productivity gains in the economy, and therefore, the estimates may be low.
- Their report assumes uninterrupted labor force participation from age 25 to 64.
- The earnings are based on currently surviving workers. Past research indicates that these work-life estimates may be inflated differentially by education level because of different mortality rates.

Limitations

- Selecting only resident, noninstitutional populations with earnings excludes a segment of adults with less education. This results in a higher estimate of the earnings of people with less education, and consequently, may understate the
difference in work-life earnings between workers with less education and workers with more.

- Their report does not cover other factors which may affect earnings such as:
  - College major
  - Continuity of occupation
  - Motivation and effort of individuals
  - Occupation
  - Gender
  - Marital status
  - Family responsibilities
  - Income requirements
  - Area of residence
  - Local job markets

Statistics from sample surveys are subject to sampling and nonsampling error.