

NC STATE UNIVERSITY

Economic Benefit of the University of North Carolina System on North Carolina's Economy

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Economic Benefit of Higher Education

**“Few institutions have more to offer in
propelling economic development on both
a national and local basis than our
nation’s colleges and universities.”**



-- Richard Rosan (Urban Land Inst., 2002)

Focus of This Study

The three core missions that the University of North Carolina (UNC) campuses are engaged in:

- ✓ Teaching
- ✓ Research
- ✓ Service



**FOCUS ON BENEFITS, NOT
IMPACT**

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Teaching

Teaching activities are primarily—but not confined to—developing learning and skills among students enrolled in degree programs.



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Research

Research is focused study by both undergraduate and graduate faculty, staff, and students on improving the understanding of phenomenon and relationships that can ultimately result in new discoveries and findings to improve the quality of life.



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Service

Service includes those activities that extend the teaching and research of faculty, staff, and students outside the bounds of academia directly to the people and communities of the state.



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Benefit of Teaching

The annual benefit of the UNC teaching function is measured as the expected net lifetime increment to earnings of graduates who remain working in NC after receiving their degree, plus the additional spending in the state done by out-of-state students.

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PROCESS

Average salary for degree
minus next lowest degree's
salary

- * net of costs to student
- * by degree and by major
- * over work career
- * “discounted” sum



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Issues

Conceptual

- * may understate if there are values not captured by salary
- * may overstate if due to inherent skills and traits

Technical

- * work span
- * change in salary difference
- * discount rate
- * multiplier effects



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Results for 2008-09 Graduating Class, in 2011\$

\$6.1 BILLION

51,000 JOBS

Benefit of Out-of-State Students

ALMOST \$400 MILLION

10,455 JOBS

Research and Sponsored Programs

Wide range of activities

Economic benefit ultimately rests on benefit of practical application of the research results

But, deriving such benefits is project specific and based on unknown future uses



Some Proxy Results (Lower Bound)

In academic year 2008-09, UNC System faculty activities led to:

\$1.2 billion and 25,000 jobs from federal and private funding

Both 2009/10 and 2010/11: \$1.5 billion and 29,000 jobs

Service

**Cooperative Extension
Industrial Extension
School of Government
Small Business and Tech
Development
UNC Healthcare
Area Health Education
Centers**



Measures of Service Benefit (2010-2011)

**Clinic, surgical, outpatient, emergency room
visits: 1.6 million persons**

Extension Service contacts: 6 million persons

Teachers and public officials trained: 45,000

CONCLUSION

BENEFITS ARE:

**SERIOUS
SUBSTANTIAL
SIGNIFICANT**

**WILL VARY ANNUALLY –
DRIVEN BY THE ECONOMY**

