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Economic Impact of the University of Texas-Pan American

University of Texas-Pan American

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Economic Impact of The University of Texas-Pan American



Submitted to:

**Dr. Robert S. Nelsen
President
The University of Texas-Pan American**

Submitted by:

**Office of Institutional Research & Effectiveness
The University of Texas-Pan American
Edinburg, TX**

November 2010



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Table of Contents

I. Executive Summary	1
II. Introduction	2
A. About The University of Texas-Pan American	2
B. Purpose of the Report	4
III. Methodology	5
IV. Results.....	6
A. Economic Contribution of University Expenditure	6
B. Economic Contribution of Faculty and Staff Spending	10
C. Economic Contribution of Student Spending	12
D. Aggregate Economic Contribution of UTPA	15
E. Social Impact of UTPA.....	16
V. Conclusions.....	17

This study was conducted to determine the economic and social impacts of The University of Texas-Pan American (UTPA) on McAllen-Edinburg-Mission Metropolitan Statistical Area's (MSA) economy.

University-related expenditures (operating and new construction), faculty/staff spending and student spending were used to calculate the total economic impact of UTPA. The overall economic impact of the University is understated as it excludes the spending made by visitors who attend the University's events and activities throughout the year. Visitor spending is excluded as there is no sound methodology to estimate this spending and its impact.

The Impact Analysis for Planning (IMPLAN) input-output economic modeling system was used to obtain the output and employment impacts. IMPLAN is a widely used, nationally renowned economic modeling system.

Highlights

- In FY 2009-10, The University of Texas-Pan American had an annual **impact of almost half a billion dollars (\$492.8 million)** on the McAllen-Edinburg-Mission MSA's economy.
- The **total employment impact was 5,873 full-time equivalent jobs.**
- Nearly **45%** (\$217.1 million) **of the total impact arises as a result of student spending.**
- UTPA also has an **immeasurable social impact on the local economy.** Even though this social impact cannot be measured in monetary terms, it is immense. UTPA:
 - supplies a pool of educated graduates who choose to remain in the region and apply their skills in the workforce;
 - provides educated staff and faculty experts who assist local businesses, organizations and communities in various areas of their day-to-day operations by serving on their boards or in an advisory capacity;
 - conducts research that helps economic development entities, city offices and state agencies to make informed decisions regarding their operations and services in the area;
 - improves the standard of living of its graduates resulting in increased tax receipts;
 - provides classes for people in the workforce so that they can keep up with technological and other changes/advancements in their jobs;
 - contributes to an educated workforce in the State of Texas, hence helping in "*Closing the Gaps;*" and
 - conducts events, conferences, camps and other cultural and outreach activities that bring tens-of-thousands of students, parents and community members to the University each year, exposing them to the opportunities available at the University to better their lives through higher education.

II.

Introduction

A. About The University of Texas-Pan American

The University of Texas-Pan American (UTPA) is one of the largest Hispanic Serving Institutions of higher education in the United States. It is located in the City of Edinburg, 18 miles from the U.S.-Mexico border (Exhibit 1).

Forbes magazine rated UTPA fifth among the 12 Texas public universities on the “Best Colleges” list and 114th of 210 public universities in the nation (*Forbes*, August 2010). Among other criteria, one of the major criterion used in these rankings is students’ evaluations of courses and instructors.

UTPA is the 10th largest of 38 public universities in the state and the fifth largest of nine academic institutions in The University of Texas System (Texas Higher Education Coordinating Board, Fall 2009).

Exhibit 1
Location of The University of Texas-Pan American



According to *The Hispanic Outlook in Higher Education* (May 3, 2010), UTPA is among the top 100 best U.S. colleges for Hispanics including:

- 2nd in the nation in the number of bachelor’s degrees, 4th in the number of master’s degrees and 19th in the number of doctoral degrees awarded to Hispanics.
- 3rd in education and 4th in business, management and marketing for the number of doctoral degrees awarded to Hispanic students.
- The national rankings for the number of bachelor's degrees awarded to Hispanics at UTPA by academic program are as follows:
 - 1st in English Literature
 - 1st in Foreign Language
 - 1st in Multi-interdisciplinary Studies
 - 1st in Parks, Recreation, Leisure & Fitness
 - 2nd in Biological & Biomedical Sciences
 - 2nd in Health Sciences
 - 2nd in Mathematics
 - 4th in Business & Marketing
 - 4th in Communications
 - 4th in Security & Protective Services
 - 5th in Public Administration
 - 6th in Psychology
 - 10th in Engineering
 - 10th in Visual & Performing Arts

Exhibit 2	
Milestones	
1927-1933	Edinburg College
1933-1948	Edinburg Junior College
1948-1952	Edinburg Regional College
1952-1971	Pan American College
1971-1989	Pan American University
1989-present	The University of Texas Pan American

The University of Texas-Pan American was founded in 1927 as Edinburg College, a two-year community college governed by the Edinburg School District. Five name changes later, on September 1, 1989, UTPA became a member of The University of Texas System (Exhibit 2).

UTPA has grown from 196 students in 1927 to 18,744 in Fall 2010. In the 1950s and 1960s, the school was moved from its original four-acre site in downtown Edinburg to a 186-acre campus a few blocks west. The new campus was purchased in 1952 at a cost of \$628,091. Construction began soon after, and has not stopped since.

In addition to its main campus, UTPA leases land from Cameron County to house the Coastal Studies Laboratory at South Padre Island. UTPA also owns/leases several other off-campus facilities in Edinburg, McAllen and Starr County. The Academic and Administrative Support Annex, which houses community and business assistance centers, high school to university programs, a

testing center, a reading recovery laboratory and art department studios for graduate students, is located 1.5 miles from the main campus. Next to the Annex is the Valley Outreach Center, also known as the Go-Center. Both these buildings are owned by UTPA and located in Edinburg. Another building owned by UTPA, also in Edinburg, is the Haggar Building which houses Surplus, Central Receiving, Records Management, and the Print Shop. The Haggar Building is being renovated to relocate the Art Department, which is currently housed at the Fine Arts Building on campus. Two buildings located in McAllen and leased by UTPA are the Transfer Center on Pecan Boulevard and the McAllen Teaching Center near the La Plaza Mall. The University of Texas-Pan American at Starr County is located in Rio Grande City, Texas.

When the school became a four-year institution in the early 1950s, the name Pan American was selected because it reflected the institution's desire to bridge the cultures of North and South America and to mirror the cultural and ethnic diversity of the University. The same environment exists today. Almost 88% of UT Pan American students are Hispanic, reflecting the demographic characteristics of the immediate region. The University enjoys the distinction of having one of the largest enrollments of Hispanic students in the United States.

As of Fall 2010, UTPA has a total enrollment of 18,744 students. UTPA offers 56 undergraduate programs, 57 graduate programs, three doctoral programs (International Business,



Educational Leadership and Rehabilitation Counseling), and two cooperative doctoral programs (Pharmacy and Spanish). With three other doctoral programs (Manufacturing Engineering, Developmental Education and Clinical Psychology) in the pipeline, UTPA is poised to attain Carnegie Classification as a doctoral university by 2015.

UTPA is located in Hidalgo County and the majority of the student body (80.9%) comes from this county. The southernmost four counties of Texas (Cameron, Hidalgo, Starr and Willacy) make up the Rio Grande Valley (RGV) of Texas. Almost 93% of UTPA's students come from the RGV, and only 7% are Out-of-Valley residents (Exhibit 3).

Exhibit 3: Student Enrollment Residency Distribution Fall 2010

Student Headcount	Number	Percent
Hidalgo County	15,171	80.94%
Cameron County	1,338	7.14%
Starr County	762	4.06%
Willacy County	158	0.84%
Rio Grande Valley Residents	17,429	92.98%
Other Texas Residents	695	3.71%
Other U.S. Residents	118	0.63%
Mexican Nationals	347	1.85%
Other Foreign Nationals	155	0.83%
All Out-of Valley Residents	1,315	7.02%
All Students	18,744	100.00%

Source: CBM001 data file, Fall 2010, Office of Institutional Research and Effectiveness, The University of Texas-Pan American, Edinburg, TX.

The University of Texas-Pan American plays a vital role not only in the economy of Edinburg, but also in the economy of Hidalgo County, also known as the McAllen-Edinburg-Mission Metropolitan Statistical Area (MSA). Although the primary mission of UTPA is to provide higher education opportunities to the residents of South Texas, it is important to recognize that the University also has a substantial economic and social impact in this region.



B. Purpose of this Study

The purpose of this study is to analyze the economic impact of The University of Texas-Pan American on the local economy. This study looks at the impact of operating expenditures, new construction, faculty/staff spending and student spending. It also looks at the social impact of this institution. The results of this study are based on data from fiscal year 2009-10 which includes the period from September 1, 2009 to August 31, 2010.

The Impact Analysis for Planning (IMPLAN) input-output economic modeling system was used to obtain the economic impact of UTPA on the McAllen-Edinburg-Mission Metropolitan Statistical Area (MSA). IMPLAN is a widely used, nationally renowned economic modeling system which was developed by the Minnesota IMPLAN Group (MIG Inc.) in Minneapolis, Minn.

IMPLAN is an interactive, computer-based modeling system which consists of regional data bases and software. IMPLAN can be described as an accounting system of economic transactions that take place among industries, businesses (such as a university) and consumers in an economy. These transactions create an economic impact in terms of dollars (output) and jobs (employment).

In the case of this study, when UTPA spends money in the form of purchases, salaries, construction, etc., it is creating an economic impact; some of this money is re-spent one or more times in the local economy, thereby creating additional economic impact. This additional economic impact is also called the multiplier effect. Multipliers are related to three kinds of effects:

1. **Direct effects** are changes in the local economy caused by some economic change in the area. An example would be new construction at the university or a new business moving into the area. The university or the new business will make local purchases, which will cause a change in the overall level of economic activity in the area.
2. **Indirect effects** are the changes in inter industry purchases as they respond to the new demands of the directly affected industries. An example would be when the university purchases from an existing business, this business has to make purchases to produce the goods/services that the university demands. This and the subsequent rounds of purchases are classified as indirect effects.
3. **Induced effects** reflect changes in inter industry spending resulting from household spending. This spending comes from household income generated from the direct and indirect effects.

For this study, data on University expenditures and faculty/staff salaries was obtained from UTPA's budget office. This data is for FY 2009-10 (September 1, 2009 to August 31, 2010). When the information for this study was put together, the fiscal year was not yet over, hence the budget office provided the best estimates possible.

Data for student spending was calculated from the FY 2009-10 Cost of Attendance (COA) worksheets provided by the Student Financial Services office.

The economic impact of UTPA is estimated using the methodology discussed in the previous section. The analysis takes into account three expenditure categories: University expenditures (these include operating expenditures and expenditures made on new construction), spending by faculty and staff, and spending by students. There are other local expenditures that are related to UTPA activities. These include spending by visitors on events, conferences, theatre productions, etc. These expenditures have not been included in the study due to data-gathering constraints.

The results of the study are organized as follows:

- A. Economic Contribution of University Expenditures
- B. Economic Contribution of Faculty and Staff Spending
- C. Economic Contribution of Student Spending
- D. Aggregate Economic Contribution of UTPA (University expenditures, faculty/staff spending and student spending combined)
- E. Social Impact of UTPA

A. Economic Contribution of University Expenditures

The University of Texas-Pan American spent \$124.5 million in FY2010 to support its educational mission. These expenditures include operating expenditures (\$119.5 million) and new construction expenditures (\$5 million). Operating expenditures include expenditures for instruction, research, public service, academic support, student services, institutional support, and operations and maintenance of buildings/grounds. These expenditures exclude faculty, staff or student salaries and wages to avoid double counting, as faculty/staff spending and student spending are discussed separately in sections B and C of this chapter.

Exhibit 4 shows the breakdown of University expenditures into “University operations” and “new construction” and also the “total economic impact” of both expenditures put together. Direct expenditures of \$119.5 million in “University operations” led to a total output impact of \$174.3 million; and 1,976 full-time-equivalent (FTE) jobs directly related to “University operations” led to a total of 2,455 jobs in the local economy. Also, \$5 million spent on “new construction” by the University led to a total output impact of \$6.1 million; and 36 directly related FTE jobs led to a total of 46 FTE jobs in the local economy.

Added together, direct expenditures of \$124.5 million on University operations and new construction led to a total output impact of \$180.4 million and accounted for an employment impact of 2,501 full-time equivalent (FTE) jobs in the local economy. In other words, University expenditures added \$55.9 million in indirect and induced spending and also accounted for 489 FTE indirect and induced jobs in the local area (Exhibit 4).

Exhibit 4: Output and Employment Impacts of UTPA Expenditures in FY 2009-10

University Expenditures	University Operations	New Construction	Total Economic Impact
Direct Spending (millions US\$)	\$119.5	\$5.0	\$124.5
Indirect/Induced Spending (millions US\$)	\$54.8	\$1.1	\$55.9
Total Output Impact (millions US\$)	\$174.3	\$6.1	\$180.4
Direct Employment (FTE jobs)	1,976	36	2,012
Indirect/Induced Employment (FTE jobs)	479	10	489
Total Employment Impact (FTE jobs)	2,455	46	2,501

The data for “University operations” is graphically presented in Exhibits 5 and 6. Exhibit 5 shows the direct expenditures of \$119.5 million leading to indirect and induced spending of \$54.8 million for a total output impact of \$174.3 million. Similarly, Exhibit 6 shows that University operations created 1,976 FTE jobs leading to 479 FTE indirect and induced jobs for a total of 2,455 FTE jobs in the local economy.

Exhibit 5: Output Impact of UTPA Operations in FY 2009-10

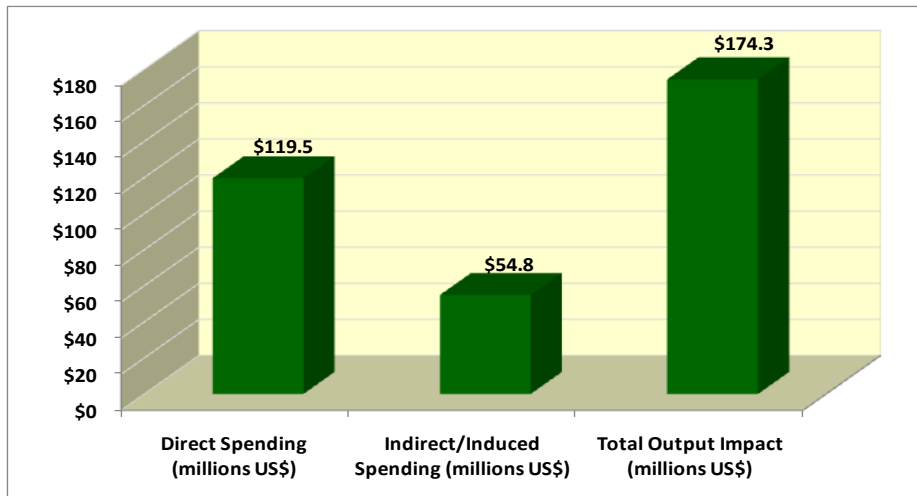
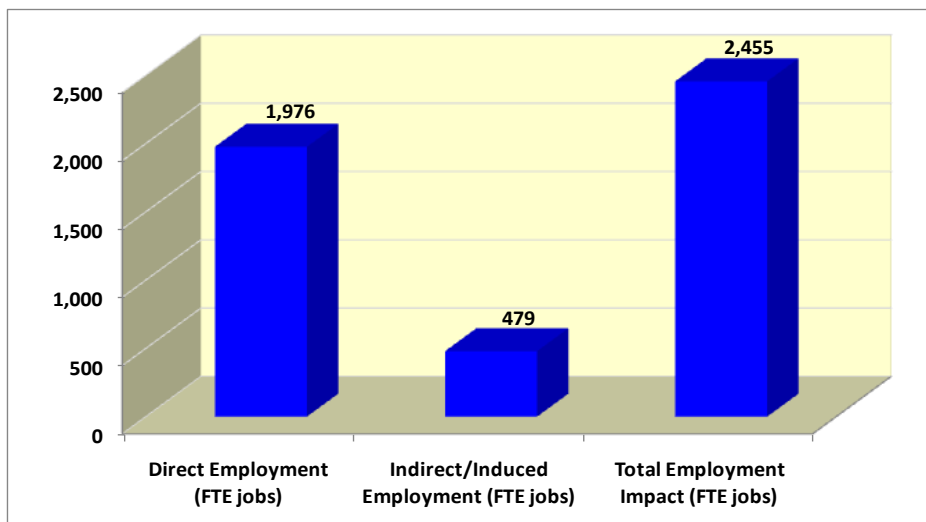


Exhibit 6: Employment Impact of UTPA Operations in FY 2009-10



Exhibits 7 and 8 show the impact of “new construction” on the local economy. The \$5 million spent on new construction led to indirect and induced impacts of \$1.1 million for a total output impact of \$6.1 million in the local economy. Also, new construction spending generated 36 directly related jobs leading to 10 indirect and induced jobs for a total of 46 jobs in the local economy.

Exhibit 7: Output Impact of UTPA’s New Construction in FY 2009-10

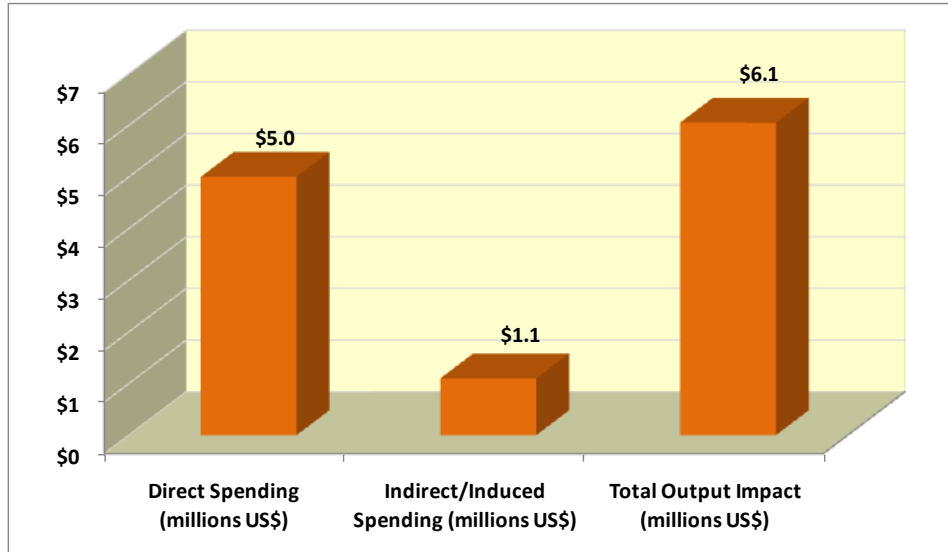
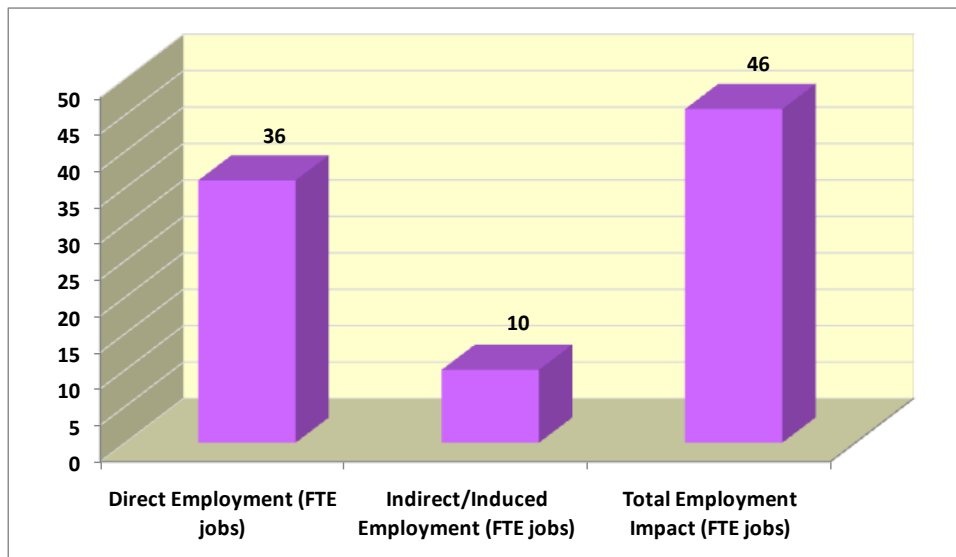


Exhibit 8: Employment Impact of UTPA’s New Construction in FY 2009-10



UTPA is poised for growth and will soon be renovating Troxell Hall (dormitories) and the Haggard Building. It is also exploring the purchase of real estate for office buildings. UTPA will also be constructing the Fine Arts Academic and Performance Complex with expected completion in 2013. Other projects being considered for future years are the new Science Building II, College of Business Administration addition and renovation, Rapid Response Advanced Manufacturing Center, Student Union Phase II, and a General Classroom Building.

Exhibits 9 and 10 show the total output and employment impacts of University expenditures. Exhibit 9 shows that \$124.5 million directly spent by UTPA leads to indirect and induced spending of \$55.9 million for a total output impact of \$180.4 million. Exhibit 10 shows that University expenditures create 2,012 directly related jobs leading to 489 indirect and induced jobs for a total of 2,501 FTE jobs in the local economy.

Exhibit 9: Total Output Impact of UTPA Expenditures in FY 2009-10

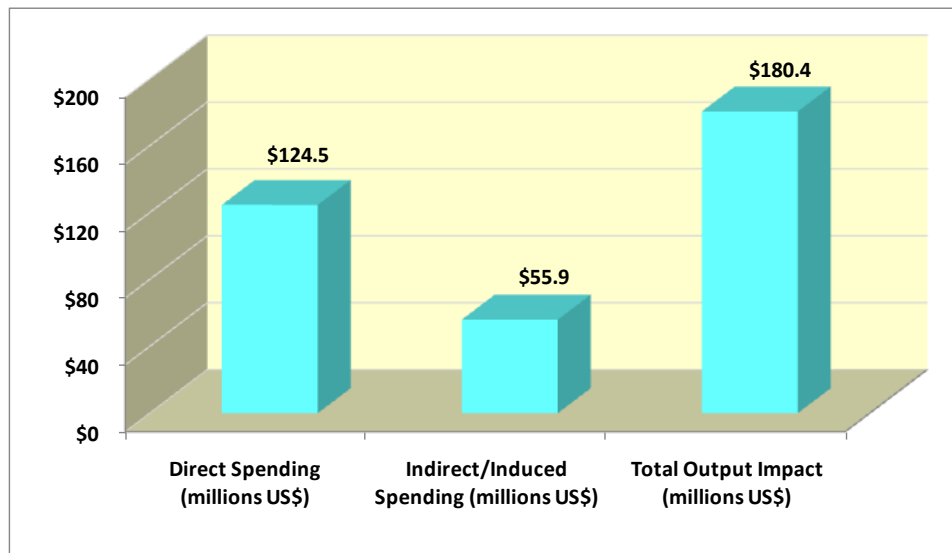
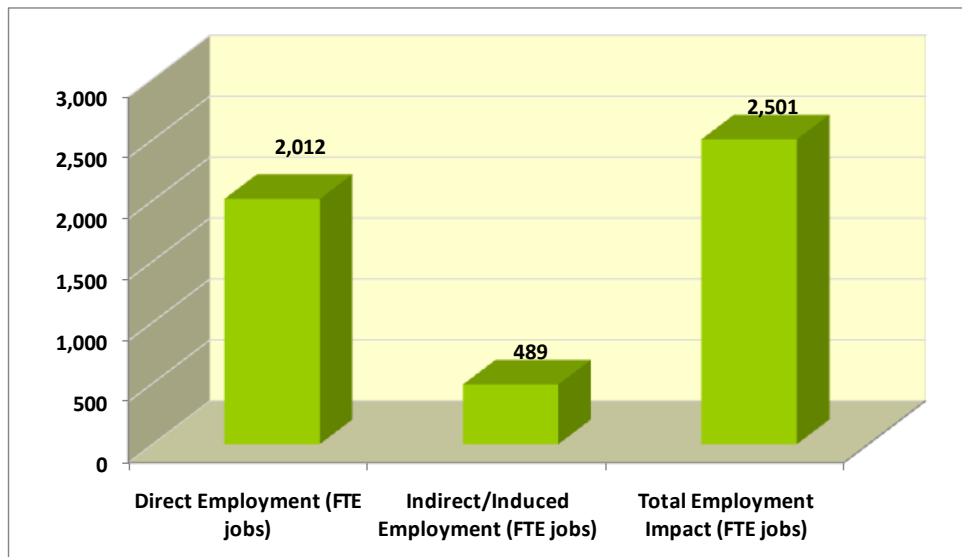


Exhibit 10: Total Employment Impact of UTPA Expenditures in FY 2009-10



B. Economic Contribution of Faculty and Staff Spending

The University of Texas-Pan American is among the top 10 employers in Hidalgo County. In FY 2009-10, UTPA paid \$139.6 million in gross salaries (including benefits) to its employees (faculty, staff and student workers). The amount of \$139.6 million is the best estimate available from UTPA’s budget office at the time of this study (late Summer 2010). Students’ salaries and wages (an estimated \$7.8 million) were not included in the total amount of \$139.6 million to avoid double counting, as student spending is discussed separately in the next section of this chapter. Employee benefits (estimated at \$27.7 million) were also not included as they do not contribute to disposable income. From the \$104.1 million now remaining for faculty and staff salaries, the disposable income was determined based on the 2008



Consumer Expenditure survey for the Southern region (which encompasses Texas). It was estimated that 78.8% of gross income translates to disposable income. Therefore, \$104.1 million translated to a disposable income of \$82 million. This disposable income available for consumption was allocated to spending categories, such as food, apparel, health care, etc., based on the guidelines put forth by the Bureau of Labor Statistics (BLS) Consumer

Expenditure survey. The output and employment impacts generated by IMPLAN are discussed below.

Direct spending of \$82 million led to a total output impact of \$95.3 million. This consumption also generated a total of 1,030 jobs in the local area (Exhibit 11).

Exhibit 11: Economic and Employment Impacts of Faculty and Staff Spending in FY 2009-10

Faculty/Staff Spending	Economic Impact of Faculty/Staff Spending
Direct Spending (millions US\$)	\$82.0
Indirect/Induced Spending (millions US\$)	\$13.3
Total Output Impact (millions US\$)	\$95.3
Direct Employment (FTE jobs)	791
Indirect/Induced Employment (FTE jobs)	239
Total Employment Impact (FTE jobs)	1,030

Exhibits 12 and 13 present the total output and employment impacts of faculty and staff spending separately in graphical format. Exhibit 12 shows that \$82 million directly spent by UTPA faculty and staff leads to indirect and induced spending of \$13.3 million for a total economic impact of \$95.3 million. Exhibit 13 shows that faculty and staff spending creates 791 directly related jobs leading to 239 indirect and induced jobs for a total of 1,030 FTE jobs in the local economy.

Exhibit 12: Output Impact of Faculty and Staff Spending in FY 2009-10

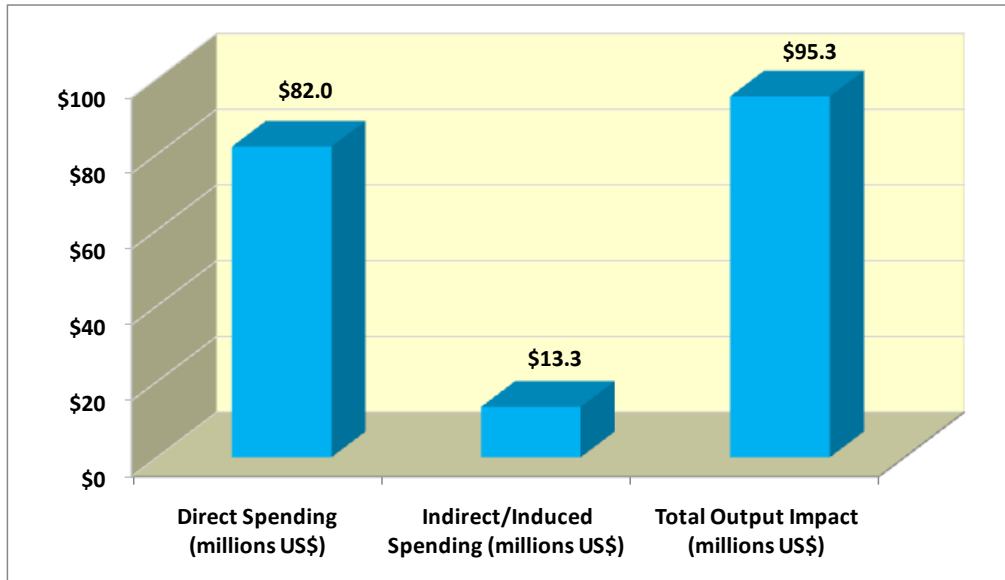
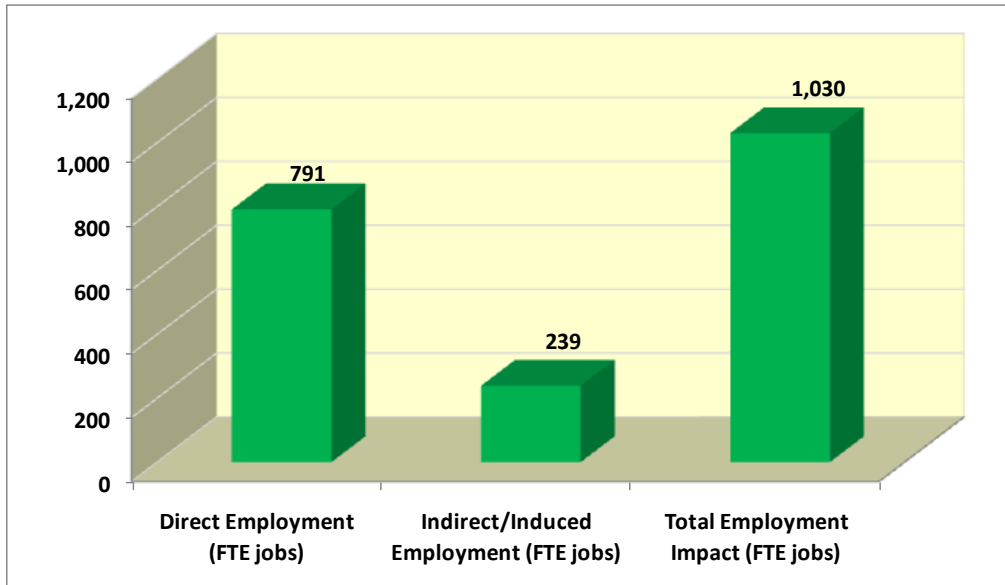


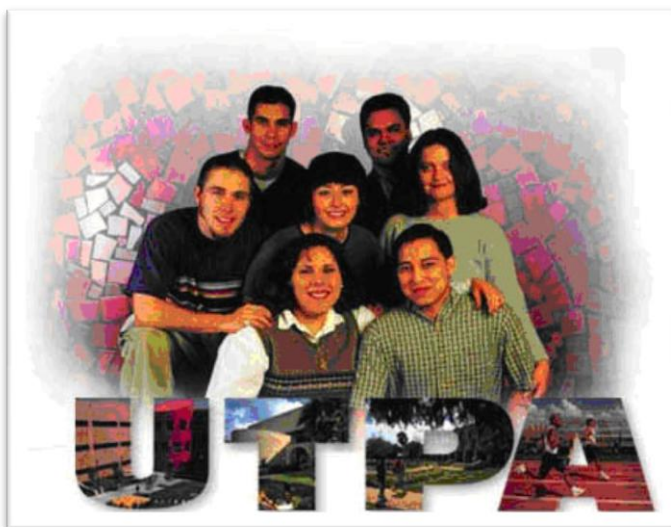
Exhibit 13: Employment Impact of Faculty and Staff Spending in FY 2009-10



C. Economic Contribution of Student Spending

The Cost of Attendance (COA) tables developed by the Student Financial Services office were used in order to get an estimate of student spending. Expenditures for students in four different categories were used: (i) undergraduate students who live on-campus, (ii) undergraduate students who live off campus, (iii) graduate students who live on campus, and (iv) graduate students who live off campus.

Expenses of students who live at home with parents/family are less than that of those who live on their own. As it was not possible to determine how many students live at home with parents/family and how many live on their own, the cost of living for both these categories was averaged and used for the off-campus category of students.



Student expenditures do not include tuition and fees paid by them as that has been included in the University's operating expenditures. For on-campus students, room and board is also not included in the cost of attendance, as that too has been integrated in the University's operating expenses.

Exhibit 13 shows the expenditures made by students based on their level (undergraduate or graduate) and living status (on- or off-campus) for the 2009-10 academic year. In Fall 2009 students spent \$97.9 million, and in Spring 2010 students spent \$91.8 million, for a total of \$189.7 million. The amount spent by students in Spring 2010 was less than that spent in Fall 2009 as the number of students during any given spring semester is less than the number of those attending during the fall semester. In Fall 2009, there were 18,337 students at UTPA, and in Spring 2010 there were 17,237 students.

Exhibit 13: Student Spending by Full/Part-time Status in Fall 2009 and Spring 2010

Fall 2009 Spending by Category of Student	# of full-time students ¹	COA per student per semester	# of part-time students ²	COA per student per semester	# of part-time students ³	COA per student per semester	Spending
On-Campus Students (Undergraduate)	604	\$ 1,726	14	\$ 1,726	4	\$ 1,476	\$ 1,072,572
Off-Campus Students (Undergraduate)	11,182	\$ 5,370	1,898	\$ 5,370	2,245	\$ 5,120	\$ 81,727,460
On-Campus Students (Graduate)	14	\$ 1,976	2	\$ 1,726	-	-	\$ 31,116
Off-Campus Students (Graduate)	759	\$ 6,508	1,615	\$ 6,258	-	-	\$ 15,046,242
Total	12,559		3,529		2,249		\$ 97,877,390
Spring 2010 Spending by Category of Student	# of full-time students ¹	COA per student per semester	# of part-time students ²	COA per student per semester	# of part-time students ³	COA per student per semester	Spending
On-Campus Students (Undergraduate)	591	\$ 1,726	21	\$ 1,726	9	\$ 1,476	\$ 1,069,596
Off-Campus Students (Undergraduate)	9,919	\$ 5,370	1,974	\$ 5,370	2,400	\$ 5,120	\$ 76,147,464
On-Campus Students (Graduate)	13	\$ 1,976	4	\$ 1,726	-	-	\$ 32,592
Off-Campus Students (Graduate)	755	\$ 6,508	1,551	\$ 6,258	-	-	\$ 14,619,698
Total	11,278		3,550		2,409		\$ 91,869,350

¹ In this category full-time undergraduates include those enrolled in 12 or more hours and full-time graduates include those enrolled in 9 or more hours.

² In this category part-time undergraduates include those enrolled in 9 to 11 hours and part-time graduates include those enrolled in 1 to 8 hours.

³ In this category part-time undergraduates include those enrolled in 1 to 8 hours.

Direct student spending of \$189.7 million led to an output impact of \$217.1 million and helped generate a total of 2,342 jobs in the local economy (Exhibit 14).

Exhibit 14: Economic and Employment Impacts of Student Spending in FY 2009-10

Student Spending	Economic Impact of Student Spending
Direct Spending (millions US\$)	\$189.7
Indirect/Induced Spending (millions US\$)	\$27.4
Total Output Impact (millions US\$)	\$217.1
Direct Employment (FTE jobs)	1,819
Indirect/Induced Employment (FTE jobs)	523
Total Employment Impact (FTE jobs)	2,342

Exhibit 15 shows this output impact in a graphical format, where \$189.7 million of student spending leads to an additional indirect and induced spending of \$27.4 million for a total impact of \$217.1 million.

Exhibit 16 shows the employment impact of student spending, with 1,819 direct FTE jobs leading to 523 FTE indirect and induced jobs for a total of 2,342 FTE jobs in the local economy.

Exhibit 15: Output Impact of Student Spending in FY 2009-10

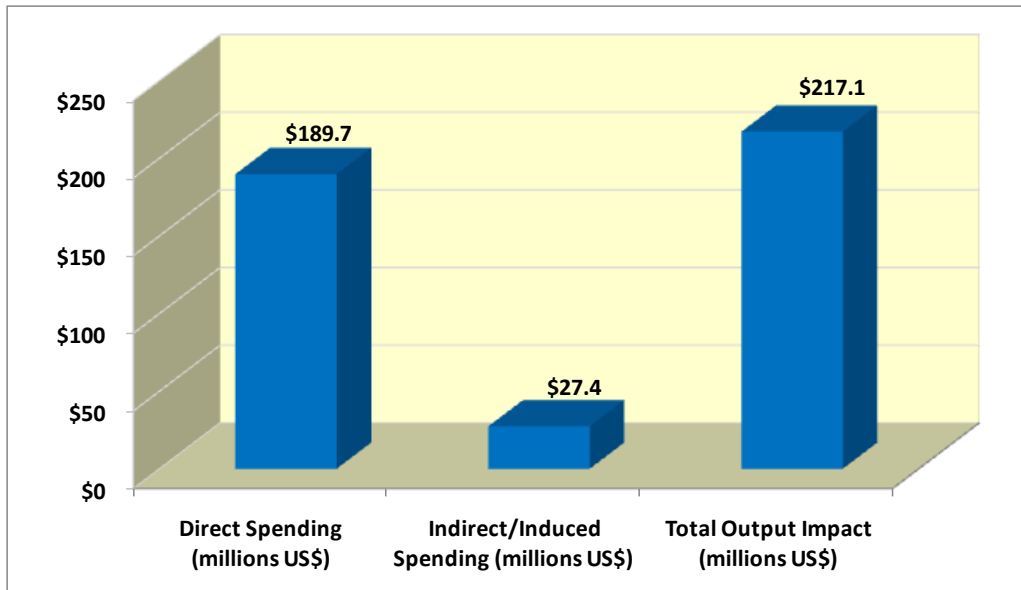
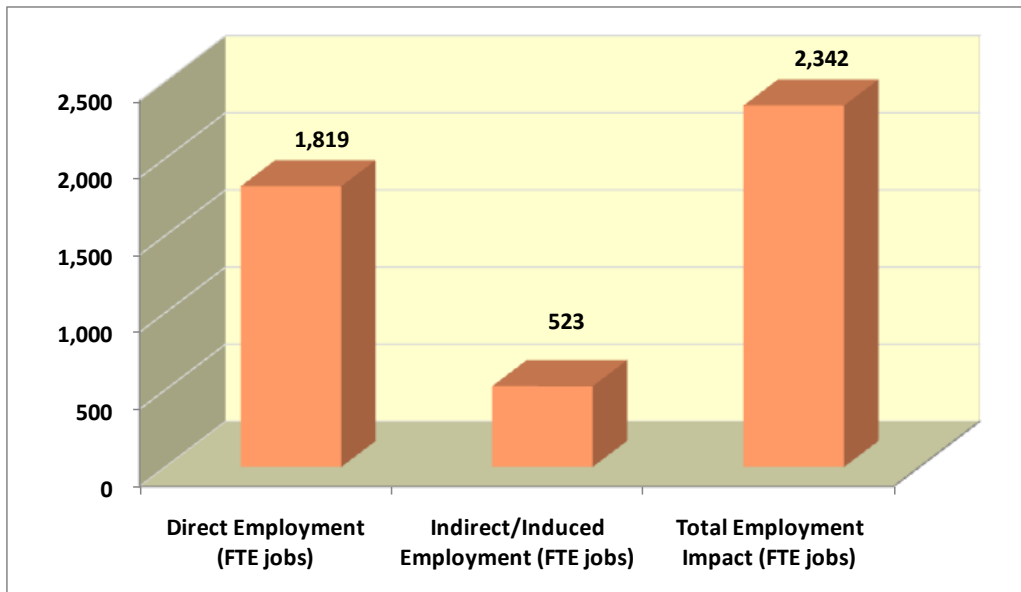


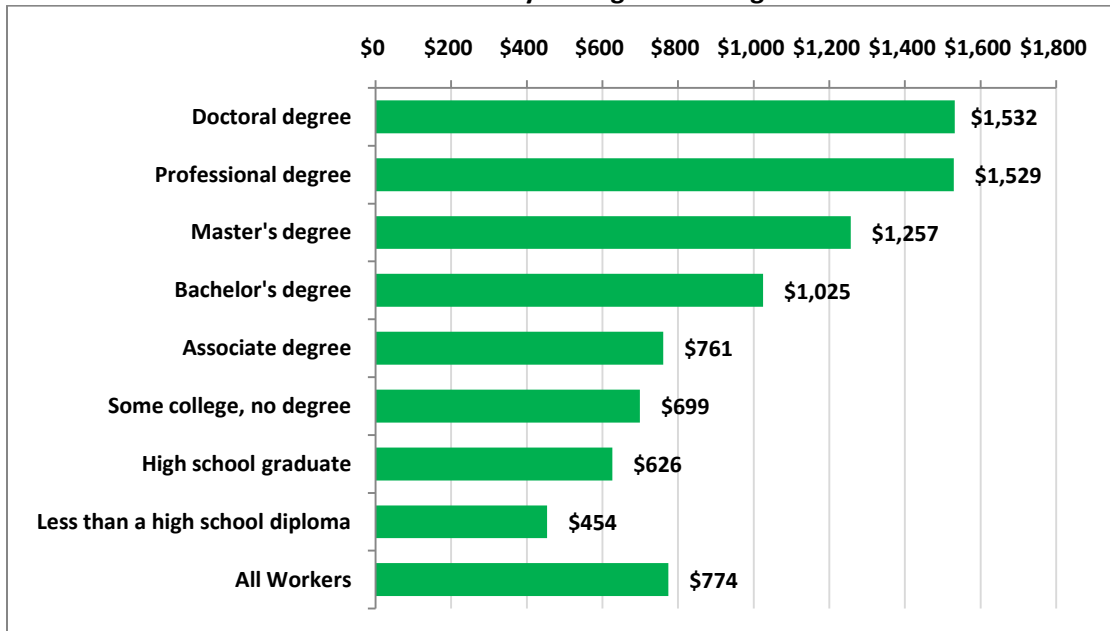
Exhibit 16: Employment Impact of Student Spending in FY 2009-10



UTPA has seen a growth of 8% in student enrollment over the last five years. This growth rate is expected to continue in the future. UTPA’s enrollment target for 2015 is 20,000 students. The economic impact will continue to rise with the growth in students, faculty, and staff.

According to the Bureau of Labor Statistics, the median weekly income of all full-time employed persons in the U.S. with a bachelor’s degree is \$1,025 as compared to \$626 per week for those with a high school diploma. See Exhibit 17 for median weekly wages by educational attainment levels in the U.S.

Exhibit 17: Education Pays in Higher Earnings Per Week



Source: Bureau of Labor Statistics, Current Population Survey, 2009.

D. Aggregate Economic Contribution of UTPA (University expenditures, new construction, faculty/staff spending and student spending combined)

When all categories of spending discussed in sections A to C above are aggregated, we see that direct spending of \$396.2 million associated with UTPA leads to an economic impact of \$492.8 million, and 4,622 direct jobs lead to a total of 5,873 jobs in the local economy (Exhibit 18).

Exhibit 18: Economic and Employment Impacts of UTPA in FY 2009-10

UTPA's Aggregate Spending	University Operations	New Construction	Faculty/Staff Spending	Student Spending	Total
Direct Spending (millions US\$)	\$119.5	\$5.0	\$82.0	\$189.7	\$396.2
Indirect/Induced Spending (millions US\$)	\$54.8	\$1.1	\$13.3	\$27.4	\$96.6
Total Output Impact (millions US\$)	\$174.3	\$6.1	\$95.3	\$217.1	\$492.8
Employment (FTE jobs)					
Direct Employment (FTE jobs)	1,976	36	791	1,819	4,622
Indirect/Induced Employment (FTE jobs)	479	10	239	523	1,251
Total Employment Impact (FTE jobs)	2,455	46	1,030	2,342	5,873

Exhibit 19 shows the output impact of direct aggregate spending of \$396.2 million leading to indirect and induced spending of \$96.6 million for a total impact of \$492.8 million.

Exhibit 20 shows the employment impact of UTPA's aggregate spending generating 4,622 direct FTE jobs leading to 1,251 indirect and induced FTE jobs for a total of 5,873 FTE jobs in the local economy.

Exhibit 19: Output Impact of Aggregate Spending Associated with UTPA in FY 2009-10

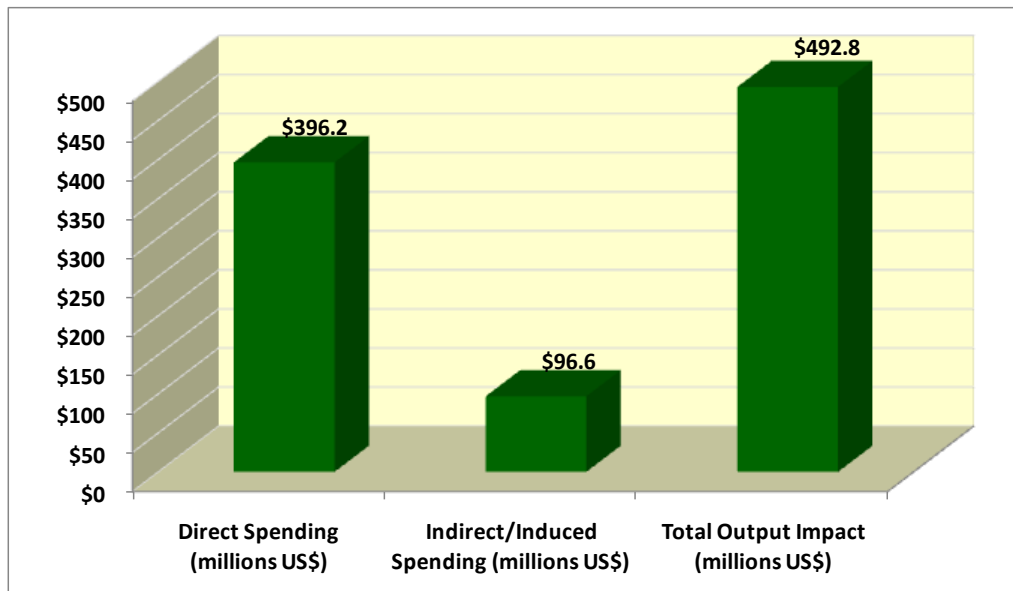
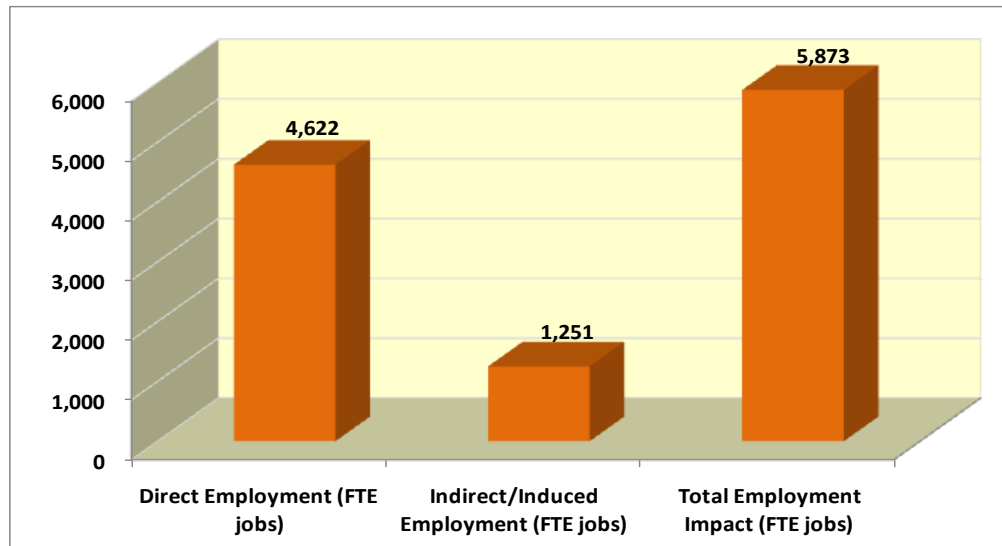


Exhibit 20: Employment Impact of Aggregate Spending Associated with UTPA in FY 2009-10



E. Social Impact of UTPA

UTPA also has an immeasurable social impact on the local economy. Even though this social impact cannot be measured in monetary terms, it is immense. Some of the major intangible impacts of UTPA are as follows:

- Most UTPA graduates stay in the local region and contribute by applying their knowledge and skills in the local workforce.
- UTPA has a large pool of faculty and staff experts who benefit the local region by providing their expertise to local businesses, organizations and communities, assisting them in various areas of their day-to-day operations by serving on their boards or in an advisory capacity.
- Business and economic research conducted by UTPA faculty and staff helps economic development entities, city/county offices and state agencies to make informed decisions regarding their operations and services in the area. Also, research in other areas such as the sciences, arts, social sciences and other fields has far-reaching effects, impacting knowledge not only in the local area but at the national and international levels.
- Higher education helps improve the standard of living of its graduates resulting in increased tax receipts, leading to better services in the area.
- A more educated workforce reduces the burden on the welfare system and other social services.
- Continuing education classes provided by UTPA to individuals in the local workforce help them keep up with technological and other changes/advancements in their jobs.
- One of the state's major initiatives is Closing the Educational Gaps in Texas, as well as between Texas and other states. It has four goals: to close the gaps in student participation, student success, excellence and research. UTPA is contributing significantly toward this state initiative.
- UTPA conducts events, conferences, camps and other cultural and outreach activities that bring tens-of-thousands of students, parents and community members to the University each year, exposing them to the opportunities available at the University to better their lives through higher education.

This study estimates the economic and social impact of The University of Texas-Pan American on the local economy. Total local spending includes the University's operating expenditures and new construction, faculty and staff spending, and student spending. Total local spending associated with UTPA amounted to \$396.2 million during the 2009-10 fiscal year. These expenditures have a multiplier effect of \$96.6 million leading to a total impact of \$492.8 million. Almost three additional jobs in the local economy are generated for every 10 jobs associated with UTPA spending.

UTPA also has a substantial social impact on the local economy as it helps in improving human capital resulting from a higher earning potential of an educated workforce, and the creation of more knowledge and skills leading to an overall enhancement in the quality of life of the people in terms of better jobs and working conditions. Cultural activities and events held at the University also provide intangible benefits to people in the local communities.

Overall, the results show that UTPA is a major economic contributor to the McAllen-Edinburg-Mission economy. In the coming years, the role of UTPA and its related expenditures is expected to increase due to population growth in the region and new academic program offerings at the University.