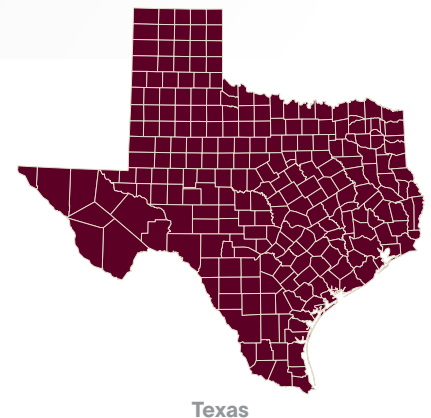


The Economic Value to Texas of Texas A&M University

Fiscal year of analysis 2021-22



Texas A&M University (Texas A&M) creates a significant positive impact on the business community and generates a return on investment to its major stakeholder groups—students, taxpayers, and society. Using a two-pronged approach that involves an economic impact analysis and an investment analysis, this study calculates the benefits received by each of these groups. This analysis covers all university components in Texas, including the Galveston Branch Campus, School of Law, and all Health Science Center activities. Results of the analysis reflect fiscal year (FY) 2021-22 (September 1, 2021, to August 31, 2022). An electronic version of the executive summary and fact sheet are available at economicimpact.tamu.edu.

Economic impact analysis

In FY 2021-22, Texas A&M's spending on operations, research, and construction, along with its entrepreneurial activities and the spending of its students and visitors, added **\$7.5 billion** in income to the Texas economy. When also accounting for former students, the impact sums to a value approximately equal to **\$20.8 billion** in added income to the Texas economy, approximately **0.9%** of the state's total gross state product (GSP). Expressed in terms of jobs, Texas A&M's impact supported **244,647 jobs**. For perspective, the activities of Texas A&M and its students support **one out of every 78 jobs** in Texas.

Operations spending impact

- Texas A&M employed 15,246 full-time and part-time faculty and staff (excluding research employees). Payroll amounted to \$847.6 million (excluding payroll from research employees), much of which was spent in the state for groceries, mortgage and rent payments, dining out, and other household expenses. The university spent another \$881.5 million on day-to-day expenses related to facilities, supplies, and professional services (excluding research and construction expenditures).
- The net impact of the university's operations spending added **\$1.2 billion** in income to the state economy in FY 2021-22.

Research spending impact

- Research activities at Texas A&M impact the state economy by employing people and making purchases for equipment, supplies, and services. They also facilitate new knowledge creation in Texas through inventions, patent applications, and licenses. In FY 2021-22, Texas A&M spent **\$476.7 million** on payroll and **\$494.3 million** on other expenses (excluding indirect costs) to support research activities.
- Texas A&M's research spending generated **\$1.1 billion** in added income for the Texas economy in FY 2021-22.

Construction spending impact

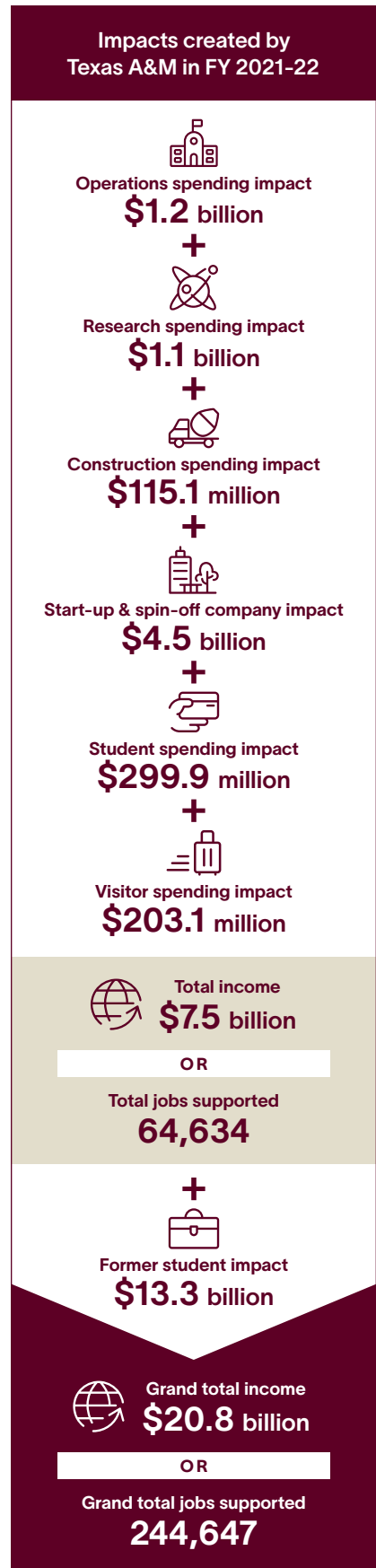
- Texas A&M invests in construction each year to maintain its facilities, create additional capacities, and meet its growing educational demands, generating a short-term infusion of spending and jobs in the state economy.
- The net impact of Texas A&M's construction spending in FY 2021-22 was **\$115.1 million** in added income for Texas.

Start-up and spin-off company impact

- Texas A&M creates an exceptional environment that fosters innovation and entrepreneurship, evidenced by the number of start-up and spin-off companies created as a result of the university.
- In FY 2021-22, Texas A&M's start-up and spin-off companies generated **\$4.5 billion** in added income for the Texas economy.

Student spending impact

- Around 14% of credit-bearing attending Texas A&M originated from outside the state. Most of these students relocated to Texas. In addition, some in-state students, referred to as retained students, would have left Texas for other educational opportunities if not for Texas A&M. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at state businesses.
- The expenditures of relocated and retained students in FY 2021-22 added **\$299.9 million** in income to the Texas economy.



Visitor spending impact

- Hundreds of thousands of out-of-state visitors attracted to Texas for activities at Texas A&M brought new dollars to the economy through their spending at hotels, restaurants, gas stations, and other state businesses.
- Visitor spending added approximately **\$203.1 million** in income to the Texas economy.

Total Texas A&M impact

- The total Texas A&M impact on the Texas economy amounted to **\$7.5 billion** in added income.

Former student impact

- Over the years, students have studied at Texas A&M and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, hundreds of thousands of these former students are employed in Texas.
- The net impact of Texas A&M's former students currently employed in the state workforce amounted to **\$13.3 billion** in added income.

Grand total impact

- The overall impact of Texas A&M on the state in FY 2021-22 amounted to **\$20.8 billion** in added income, equal to the sum of the total Texas A&M impact and the former student impact. This is equivalent to supporting **244,647 jobs** and is equal to approximately **0.9%** of the GSP of Texas.



Investment analysis

Student perspective

- Texas A&M's FY 2021-22 students paid a present value of **\$854.3 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$1 billion** in money that they would have earned had they been working instead of attending the university.
- In return for their investment, students will receive a cumulative present value of **\$10.1 billion** in increased earnings over their working lives. This translates to a return of **\$5.30** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **16.5%**.

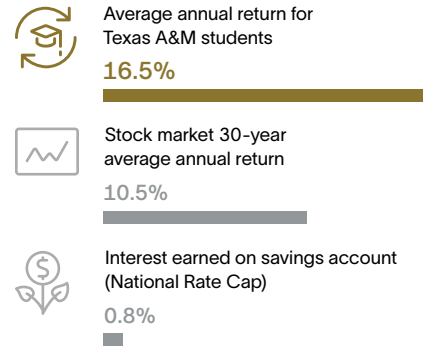
Taxpayer perspective

- Taxpayers provided Texas A&M with **\$704.2 million** of funding in FY 2021-22. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$3.5 billion**. A reduced demand for government-funded services in Texas will add another **\$583.4 million** in benefits to taxpayers.
- For every dollar of public money invested in Texas A&M, taxpayers will receive **\$5.90** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **13.0%**.

Social perspective

- In FY 2021-22, Texas invested **\$4 billion** to support Texas A&M. In turn, the Texas economy will grow by **\$53.8 billion** over the course of students' working lives. Society will also benefit from **\$1.7 billion** of public and private sector savings.
- For every dollar invested in Texas A&M in FY 2021-22, people in Texas will receive **\$13.80** in return, for as long as Texas A&M's FY 2021-22 students remain active in the state workforce.

Students see a high rate of return for their investment in Texas A&M



Source: Forbes' S&P 500, 1992-2021. FDIC.gov, 2-2022.

