



THE ECONOMIC IMPACTS & BENEFITS OF

# THE UNIVERSITY OF MEMPHIS

AND ITS INVESTMENTS IN RESEARCH ACTIVITIES

# ECONOMIC IMPACTS



**OPERATIONS**

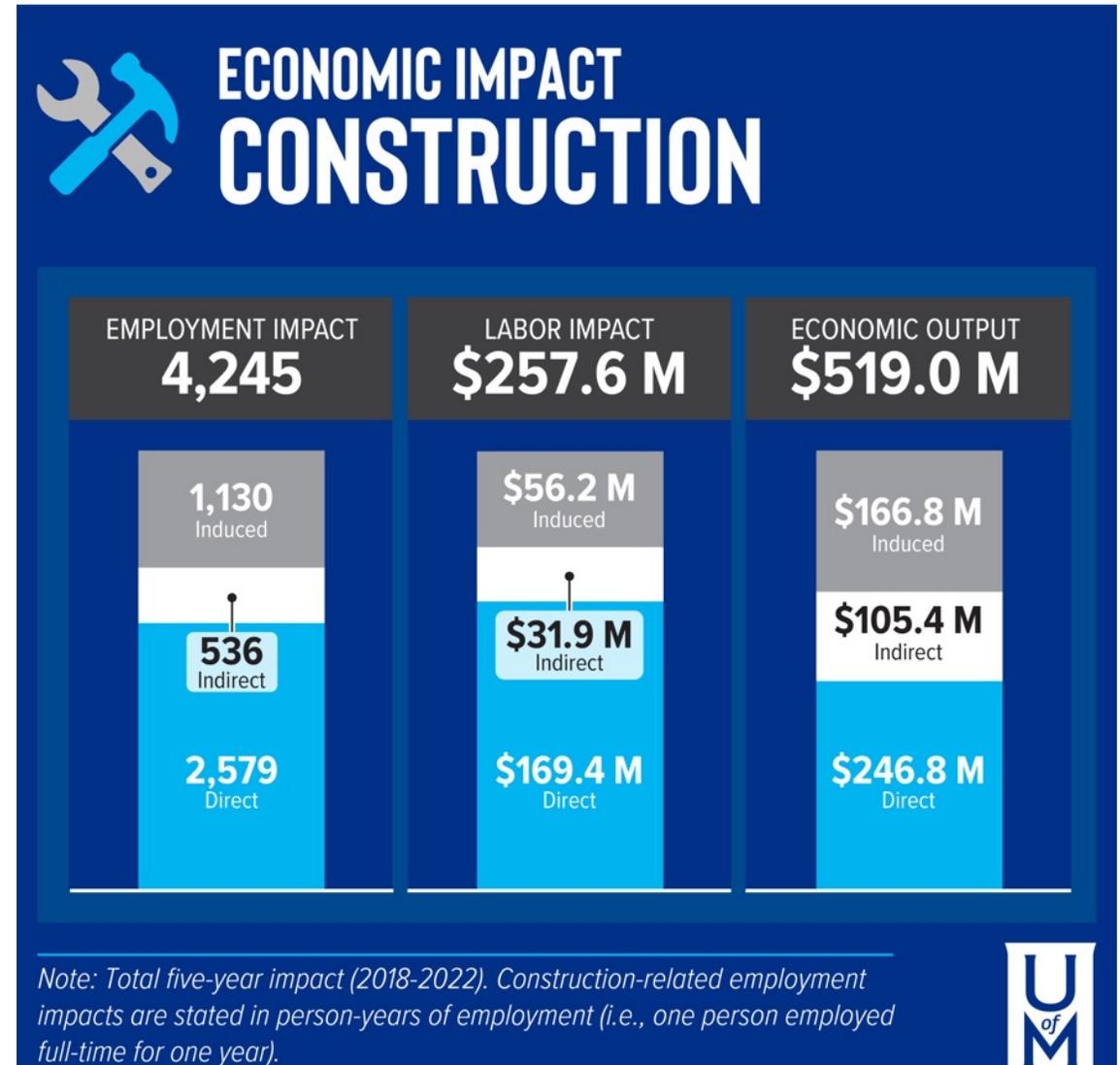
<b>9,904</b>	<b>\$475.7 M</b>	<b>\$1,068.5 M</b>
<b>ANNUAL EMPLOYMENT SUPPORTED</b>	<b>ANNUAL LABOR INCOME SUPPORTED</b>	<b>ANNUAL ECONOMIC IMPACT</b>

## The Operations of a Critical Economic Driver:

- This report shows is that the University of Memphis is a stable and recurring economic driver for the community
- The UofM represents a highly diversified academic research institution producing wide-ranging and transformational growth from one of Tennessee’s major economic nodes.

# The Yield of Capital Invested

- Our capital investments supported by the State of Tennessee and private fundraising are modernizing and expanding the physical infrastructure necessary to provide the highest quality academic and research instruction for our students.
- With over 1600 acres of dedicated space on our Memphis campuses and Lambuth at Jackson, Tennessee, the University of Memphis is ever developing the technical and innovative spaces indicative of a major urban research hub.
- With nearly 400 academic degrees and certificates offered the University of Memphis is effectively competing globally as a top-tier, highly-ranked institution.



# The Impact of Research and the March to Carnegie R1:

- The University is focused on developing a diverse community of researchers engaged in pioneering work to develop creative ways to enhance the human experience
- We have engaged in public-private partnerships to reduce the space between innovation and action and increase the relevance of the University's research efforts relative to the state's economic development and diversification goals.



## RESEARCH IMPACTS

### ECONOMIC OUTPUT

**\$168.0 M**

**\$551.45 M**

### LABOR INCOME

**\$75.2 M**

**\$218.5 M**

### EMPLOYMENT

**1,190**

**880**



2020e



Five-Year Total/Avg.



# The ROI of R1:

- With a further emphasis on STEM programs, graduate enrollment and improving the University's grant award capture, the University of Memphis is well positioned to be the next R1 institution in the state of Tennessee.
- For every UofM \$1.00 in research funding: **Translates to a total of \$2.18 in the Memphis economy / A greater than 2:1 ratio**
- As of 2018 UofM ranks 39th among 135 R2 Institutions
- There are only 131 R1 Institutions in the U.S.
- Research funding has increased 70% in the last year
- R1 Universities' R&D Expenditures are 10x more than R2
- The demand clearly exists, given the University of Memphis' undergraduate field of study trends, but the capacity for graduate STEM research lags. A greater focus on STEM fields at all levels will be key for the University to move into the ranks of Research 1 institutions.



## INCREMENTAL ECONOMIC IMPACTS OF ACHIEVING R1 STATUS

ECONOMIC OUTPUT

**\$218.0 M**

LABOR INCOME

**\$98.0 M**

EMPLOYMENT

**1,550**



# STEMming in Growth:

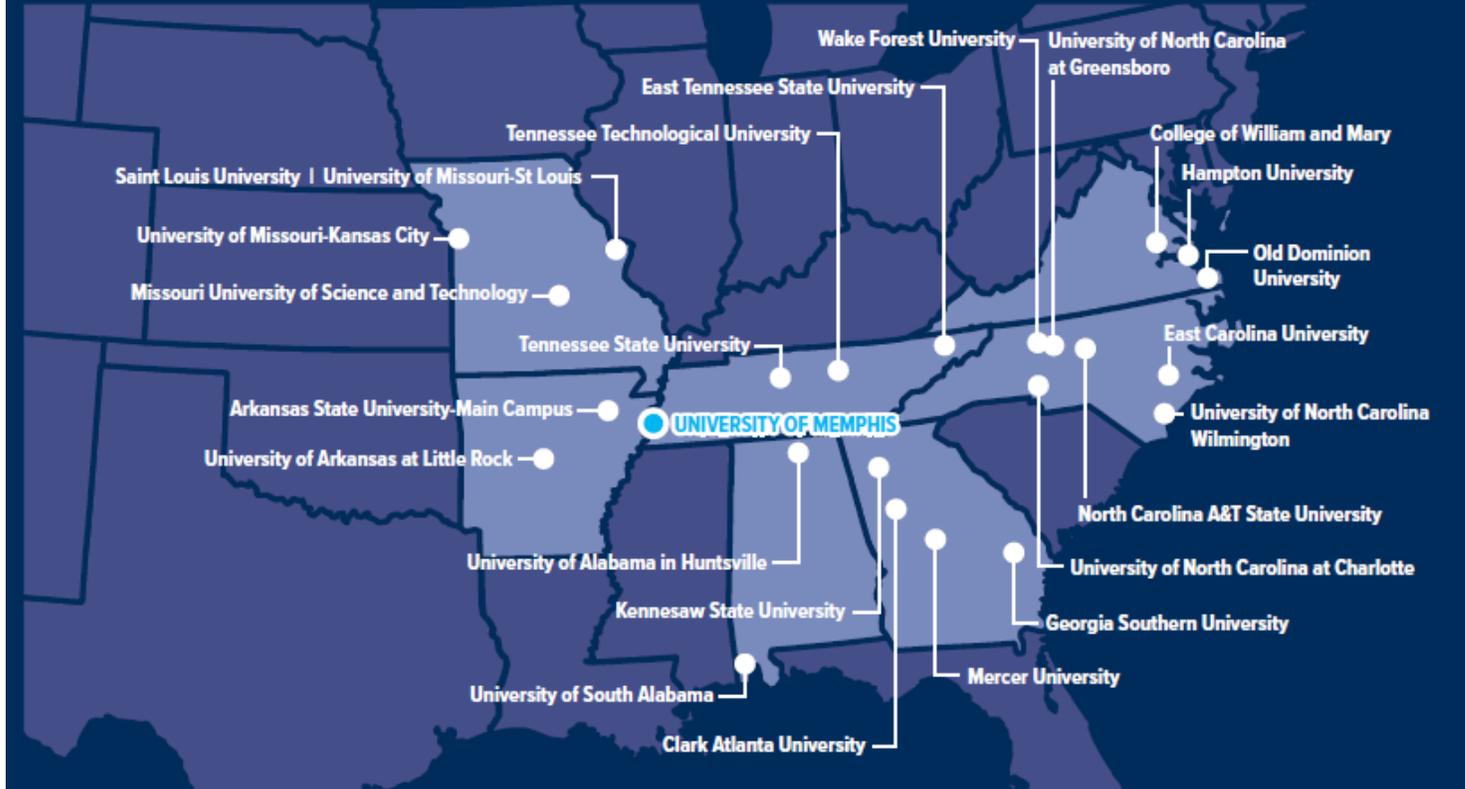
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- The University of Memphis expects enrollment in areas supported by the proposed new STEM Research and Classroom center to increase by 12 percent annually over the next four years, pushing STEM enrollment from 1,700 to over 2,500.
- By graduate count, the proposed facility would support growth in annual graduates of 64 percent, from roughly 320 annually to nearly 530.

***The new facility would more than double STEM enrollment in 4 years and produce a 64% increase in the number of graduates annually.***



## REGIONAL R2 INSTITUTIONS



# The University of Memphis and Peer Institutions

- Nationwide, 16 states and the District of Columbia have exactly two Research 1 institutions.
- Within Tennessee and its eight surrounding border states, there are 21 R1 institutions and 25 R2 institutions, including the University of Memphis.
- The UofM ranked 6th among regional R2s in 2018. Since these rankings were released, the University's research spending has increased from a total of \$49.7 million to \$65.6 million and forecasted to reach \$77M in 2020.

# AddED Value of Higher Ed

- The University of Memphis awards nearly 4,500 degrees each year, including bachelor's, master's and doctoral degrees.
- Of these graduating students, over 70 percent tend to stay in the Memphis area and over 80 percent remain in Tennessee to live and work following graduation. Simple translation - ***the University helps to add over 3,500 degree-holding individuals to the state's workforce every year.***
- Bachelors Degree: Tigers earn nearly 10% more than degrees from other area colleges.
- Advanced Degree: Tigers earn 22% more than their peers.

## THE ECONOMIC VALUE OF EDUCATION

### MEDIAN EARNINGS BY EDUCATION



Five-Year Average **\$110 M**

ANNUAL ADDITIONAL LABOR INCOME FOR THE STATE

BECAUSE STUDENTS EARNING DEGREES AT THE UNIVERSITY OF MEMPHIS  
REMAINED IN THE STATE OF TENNESSEE

# DIRECT IMPACT

The direct expenditures of the University on its operations, research and construction-related activities.

# INDIRECT IMPACT

The vendor purchases of goods and services that support the University's operations, research and construction activities.

# INDUCED IMPACT

Consumer spending in the local economy sourced to employee wages.

# TOTAL IMPACT

The combined impact of the direct spending of the University, vendor purchases and overall employee spending throughout the local community.

## The Ripple: \$5B in an Elevator

- The University is demonstrating increased investments and economic output of approximately \$572 million in 2020 (estimated), which is up 9.5 percent from the prior year.
- Over the course of those five years, the University's expenditures have directly contributed between \$507.6 million and \$572.2 million to the local economy on an annual basis.
- Additionally, over the same time period, its supplier purchases have contributed between \$163.5 million and \$191.5 million annually, and the inducing spending contributed between \$244.5 million and \$304.8 million annually.
- During the past five years, the University was responsible for nearly **\$4.8 billion** in economic activity.

- **Operations Ripple**

- For every job at the UofM, 1.5 jobs are supported throughout the community
- For every \$1.00 in direct economic activity sourced at the UofM, a total of \$1.87 is spent through local economy
- In total, the University of Memphis supported between \$381.5 million and \$475.7 million of local salaries and wages between the years 2016 and 2020 for a five-year total of over \$2 billion

- **Research Ripple**

- Effect of direct wages equates to 1.7 times during 2020
- Research efforts alone accounted for \$218.5 million in wages in the last 5 years
- Every research position at the UofM translates into two total positions in the Memphis area

- **Hard Hat Ripple**

- For every \$1.00 directly invested in construction-related activities at the University, a total of \$2.10 in economic output is generated

