



The Economic Value of the University of Central Florida



The University of Central Florida (UCF) 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. Results of the analysis reflect fiscal year (FY) 2021-22.

Economic impact analysis

In FY 2021-22, UCF added **\$8.1 billion** in income to the Florida economy, a value approximately equal to **0.6%** of the state's total gross state product (GSP). Expressed in terms of jobs, UCF's impact supported **91,933 jobs**.

Operations spending impact

- UCF employed 8,166 full-time and part-time faculty and staff. Payroll amounted to \$629.3 million, much of which was spent in the state for groceries, mortgage and rent payments, dining out, and other household expenses. The university spent another \$511.7 million on day-to-day expenses related to facilities, supplies, and professional services.¹

¹ Research employees and their payroll as well as non-pay expenses for research and construction are excluded from this impact as they are included in the following impacts.

- The net impact of the university's operations spending added **\$851.8 million** in income to the state economy in FY 2021-22.

Construction spending impact

- UCF invests in capital projects 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 UCF's construction spending in FY 2021-22 was **\$11.1 million** in added income for Florida.

Research spending impact

- Research activities at UCF impact the state economy by employing people and making purchases for equipment, supplies, and services. They also facilitate new knowledge creation in Florida through inventions, patent applications, and licenses. In FY 2021-22, UCF spent \$129.2 million on payroll and \$56.5 million on other expenses² to support research activities.
- UCF's research spending generated **\$238.2 million** in added income for the Florida economy in FY 2021-22.

Start-up company impact

- UCF creates an exceptional environment that fosters innovation and entrepreneurship evidenced by the number of start-up companies created as a result of the university.
- In FY 2021-22, UCF's start-up companies generated **\$34.2 million** in added income for the Florida economy.

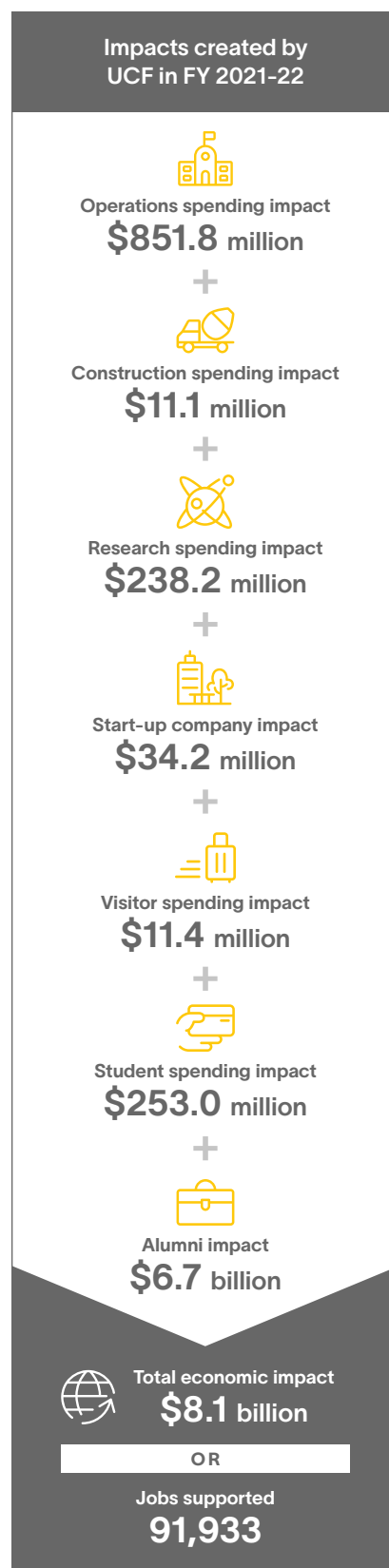
Visitor spending impact

- Tens of thousands of out-of-state visitors attracted to Florida for activities at UCF brought new dollars to the economy through their spending at hotels, restaurants, gas stations, and other state businesses.
- Visitor spending added approximately **\$11.4 million** in income to the Florida economy.

Student spending impact

- Around 9% of students attending UCF originated from outside the state. Most of these students relocated to Florida. In addition, some in-state students, referred to as retained students, would have left Florida for other educational opportunities if not for UCF. 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 **\$253.0 million** in income to the Florida economy.

² Excludes indirect costs because indirect costs are not necessarily spent during the analysis year.



Alumni impact

- Over the years, students have studied at UCF and entered or re-entered the workforce with newly acquired knowledge and skills. Today, hundreds of thousands of these former students are employed in Florida.
- According to Lightcast's Alumni Outcomes data, many of UCF's graduates are employed in the state workforce in industry sectors such as Professional & Technical Services; Health Care & Social Assistance; and Manufacturing, with their top occupations being chief executives, managers, software developers and software quality assurance analysts and testers, and first-line supervisors of office and administrative support workers.
- The net impact of UCF's former students currently employed in the state workforce amounted to **\$6.7 billion** in added income in FY 2021-22.

Investment analysis

Student perspective

- UCF's FY 2021-22 students paid a present value of **\$334.1 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent a value of **\$383.8 million** in time and money had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of **\$5.5 billion** in increased earnings over their working lives. This translates to a return of **\$7.70** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **23.4%**.

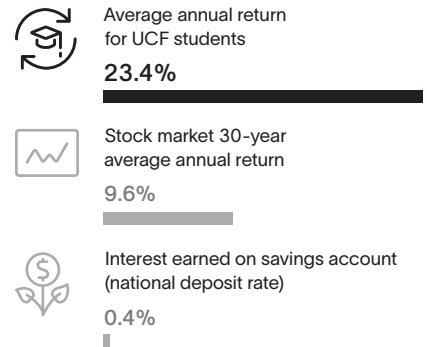
Taxpayer perspective

- Taxpayers provided UCF with **\$545.7 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 **\$1.2 billion**. A reduced demand for government-funded services in Florida will add another **\$274.7 million** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$1.5 billion**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in UCF, taxpayers will receive **\$2.70** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **6.2%**.

Social perspective

- In FY 2021-22, Florida invested **\$1.8 billion** to support UCF. In turn, the Florida economy will grow by **\$26.1 billion**, over the course of students' working lives. Society will also benefit from **\$972.2 million** of public and private sector savings.
- For every dollar invested in UCF in FY 2021-22, people in Florida will receive **\$14.70** in return, for as long as UCF's FY 2021-22 students remain active in the state workforce.

Students see a high rate of return for their investment in UCF



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

