



Wednesday, Feb. 17, 2010  
 Current Weather for  
 NWA:  
 F  
[more »](#)

Welcome **Jeff Cooperstein**  
[Edit](#) | [Help](#) | [Logout](#)

- [Home](#)
- [News](#)
- [Sports](#)
- [Opinion](#)
- [Business](#)
- [Features](#)
- [Media](#)
- [Weeklies](#)
- [Blogs](#)
- [Homes](#)
- [Jobs](#)
- [Classif](#)
- [College](#)
- [Professional](#)
- [High School](#)
- [Outdoors](#)
- [ARpreps.com](#)
- [WholeHogSports.com](#)

## UA study: Campus boosts state by \$725 million a year

By [Evie Blad](#)

Wednesday, February 17, 2010

[Print item](#)

FAYETTEVILLE — Arkansas' flagship university contributes \$725.4 million to the state's economy each year, according to a study released Tuesday.

The nine-month study calculated economic impact by tallying money spent by the university, related research companies, students and visitors, and income, sales and property tax generated by students, faculty and staff.

"We have always known that the University of Arkansas' impact on the state is considerable," Chancellor G. David Gearhart said. "But we now have accurate data to support those claims."

The \$30,000 study was completed internally by the University of Arkansas at Fayetteville's Center for Business and Economic Research. A study by an external research firm would have cost an estimated \$150,000, Gearhart said.

"It is actually quite common for a university to examine itself, largely because the quality of the research is so well-done," he said.

Center Director Kathy Deck said the report shows that every dollar the university spends results in a \$1.80 contribution to the state's economy. By comparison, every dollar spent in the state's construction industry produces about \$1.50 in spending.

"I always tell people to be careful with multipliers," Deck said. "It's easy to overstate your case, but I think this is a very respectable figure."

The report's research team calculated the multiplier by surveying students, examining UA budgets and using data from peer institutions to calculate spending of campus visitors.

UA spent \$393.5 million of its 2008 budget in Arkansas, including supplies and salaries for faculty and staff, the report showed.

UA students spend \$173.7 million annually, not including tuition and fees, a figure calculated through surveys of spending habits, Deck said. Visitors to campus



Arkansas Democrat-Gazette/WILLIAM MOORE As Chancellor G. David Gearhart (r) listens, Kathy Deck, Director of the Center for Business and Economic Research at the Sam M. Walton College of Business at the University of Arkansas answers questions about a study done by the center to assess the impact of the university on the local economy Tuesday, February 16, 2010 at the Innovation Center at the Research and Technology Park in Fayetteville.

Photo by [William Moore](#)

### Today's Most Discussed Stories

- [Womack Looks At New Office](#) (21 comments)
- [HOW WE SEE IT: Courthouse Deck Back On Track](#) (1 comment)
- [NEW HIGH SCHOOL Lincoln Ponders Millage](#) (1 comment)
- [Boozman departure for Senate run draws Gravette man to race](#) (3 comments)
- [Fat Tuesday Is Here Again](#) (1 comment)
- [COMMENTARY Boozman's Senate Chances](#) (26 comments)



**CLICK FOR MONEY**  
**SAVING COUPONS**

©2010 KFC

### February events

S	M	T	W	T	F	S
31	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27

[Previous month](#) [Next month](#)

and Razorbacks athletic events spend an estimated \$127.5 million annually. Research companies located in Arkansas because of UA relationships spend \$9.5 million.

In addition, students, faculty and staff contribute \$21.1 million annually in sales, property and income taxes, Deck said.

Vice Chancellor for Advancement Brad Choate said UA fundraisers planned to use the new figure to "make a case" for the university to potential donors.

"It documents the university's importance to every corner of the state, not just Northwest Arkansas," he said.

However, Vanderbilt University economist John Siegfried, a specialist in the economics of higher education, criticized impact reports compiled by public universities for inflating their influence by taking credit for effects that cannot be exclusively attributed to their presence.

Impact figures include faculty salaries and sales taxes in separate categories, even though they represent the same dollar cycled through the economy in multiple phases, Siegfried said in a 2006 paper published in the Economics of Education Review.

To be considered objective, economic impact studies must prove the counterfactual, "how much better off area residents are with the institution than they would be in its absence," which means industries and population that would be present despite a university's absence cannot be calculated in the total impact. For example, if students didn't attend UA-Fayetteville, they may attend another university in the state, contributing the same impact.

Universities in suburban and rural areas without nearby counterparts can more easily claim credit for their impacts, Siegfried said.

Deck said UA researchers attempted to preserve the study's credibility by limiting the \$725.4 million figure to primary and secondary impacts, not counting data like alumni income in the total.

"I think the study fulfills its goal of taking a quantitative look at a very complex institution," she said.

Beyond that figure, the study found that Arkansas' 60,245 UA-Fayetteville alumni make up 2.1 percent of the state's total population, but they earn 4.9 percent of its total income, about \$1.2 billion annually.

The value of the education the UA provides students extends beyond what can be measured by the study, Deck said.

"There is no other fact that is more equitable with economic success than the educational attainment and skills of its labor force," she said.

The study is available online at [economicimpact.uark.edu](http://economicimpact.uark.edu).

To contact this reporter:

[eblad@arkansasonline.com](mailto:eblad@arkansasonline.com)

Northwest Arkansas, Pages 7 on 02/17/2010

## Comments

To report abuse or misuse of this area please hit the "Suggest Removal" link in the comment to alert our online managers. Please read our [comment policy](#).

Use the comment form below to begin a discussion about this content.

## Post a comment



Jeff Cooperstein (screen name: [jcooperstein\\_walton.uark.edu](#))

[Change your User information](#)

[Change your avatar](#)

Enfamil

Colic?  
Fussiness and gas?  
Spit-up?  
We have  
a solution.

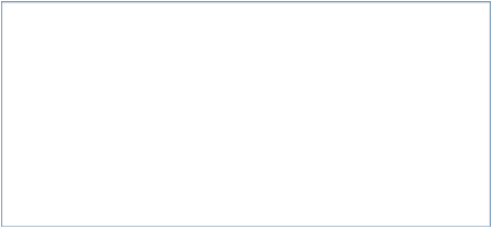
Nutramigen  
LIPIL

Enfamil  
Gentlease  
LIPIL

Enfamil  
A.R.  
LIPIL

Find out which  
formula is best  
for your baby.

» Get a FREE SAMPLE



Preview comment