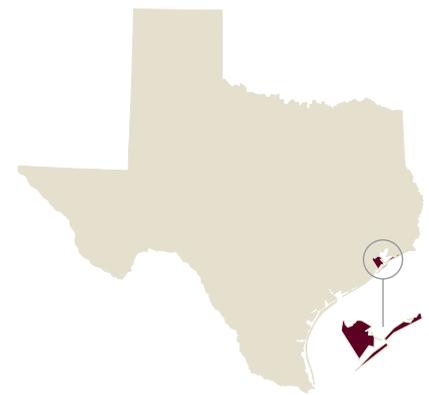




The Economic Value to Galveston County of Texas A&M University's Galveston Campus

Fiscal year of analysis 2021-22

Texas A&M University's Galveston Campus (Texas A&M at Galveston) 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 (September 1, 2021, to August 31, 2022). An electronic version of the executive summary and fact sheet are available at economicimpact.tamu.edu.



Galveston County, Texas

Economic impact analysis

Texas A&M at Galveston serves Galveston County. During the analysis year, Texas A&M at Galveston's spending on operations, constructions, and research, as well as the spending of its students and visitors added **\$58.8 million** to the county economy. When also accounting for former students, the impact sums to a value approximately equal to **\$87 million** in added income to the county economy, approximately **0.5%** of the county's total gross regional product (GRP). By comparison, this impact from Texas A&M at Galveston is nearly half as large as the entire Utilities industry in the county. Expressed in terms of jobs, Texas A&M at Galveston's impact supported **1,399 jobs**.

Operations spending impact

- Texas A&M at Galveston employed 623 full-time and part-time faculty and staff (excluding research employees). Payroll amounted to \$28.6 million (excluding payroll from research employees), much of which was spent in the county for groceries, mortgage and rent payments, dining out, and other household expenses. The university spent another \$55.9 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 **\$36 million** in income to the county economy in FY 2021-22.



Research spending impact

- Research activities at Texas A&M at Galveston impact the county economy by employing people and making purchases for equipment, supplies, and services. They also facilitate new knowledge creation in Galveston County through inventions, patent applications, and licenses. In FY 2021-22, Texas A&M at Galveston spent \$3.8 million on payroll and \$4.8 million on other expenses¹ to support research activities.
- Texas A&M at Galveston's research spending generated **\$7.4 million** in added income for the Galveston County economy in FY 2021-22.

Construction spending impact

- Texas A&M at Galveston 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 county economy.
- The net impact of Texas A&M at Galveston's construction spending in FY 2021-22 was **\$2.8 million** in added income for Galveston County.

Student spending impact

- Around 74% of students attending Texas A&M at Galveston originated from outside the county. Most of these students relocated to Galveston County. In addition, some in-county students, referred to as retained students, would have left Galveston County for other educational opportunities if not for Texas A&M at Galveston. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at county businesses.
- The expenditures of relocated and retained students in FY 2021-22 added **\$8.7 million** in income to the Galveston County economy.

Visitor spending impact

- Thousands of out-of-county visitors attracted to Galveston County for activities at Texas A&M at Galveston brought new dollars to the economy through their spending at hotels, restaurants, gas stations, and other county businesses.
- Visitor spending added approximately **\$4 million** in income to the Galveston County economy.

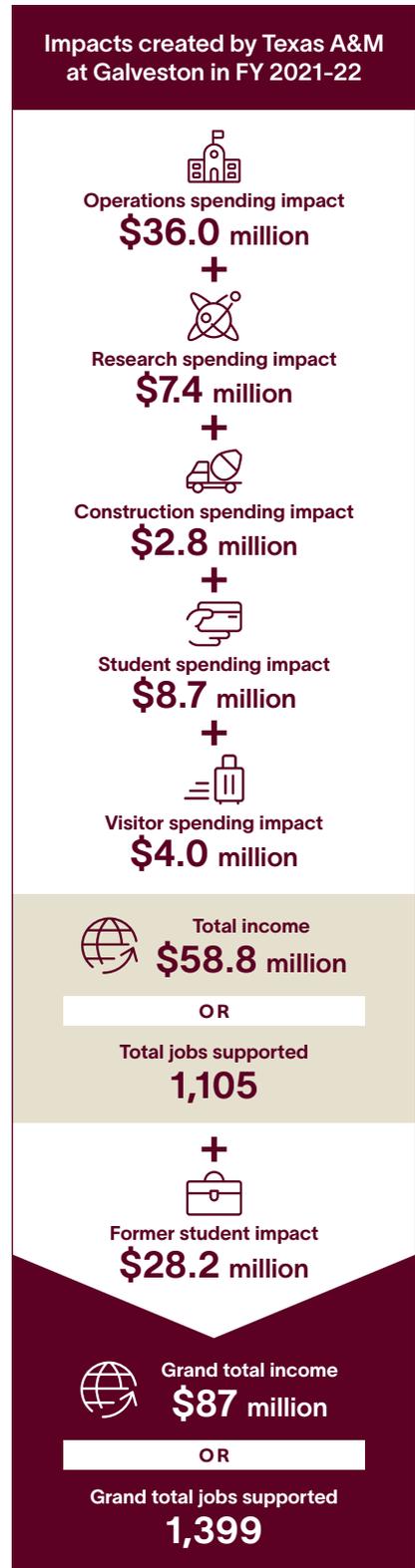
Total Texas A&M at Galveston impact

- The total Texas A&M at Galveston impact on the Galveston County economy amounted to **\$58.8 million** in added income, equivalent to supporting **1,105 jobs**.

Former student impact

- Over the years, students have studied at Texas A&M at Galveston and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in Galveston County.

¹ Excludes indirect costs because indirect costs are not necessarily spent during the analysis year.



- The net impact of Texas A&M at Galveston's former students currently employed in the county workforce amounted to **\$28.2 million** in added income in FY 2021-22.

Grand total impact

- The overall impact of Texas A&M at Galveston on Galveston County in FY 2021-22 amounted to **\$87 million** in added income, equal to the sum of the total Texas A&M at Galveston impact and the former student impact. This is equivalent to supporting **1,399 jobs** and is equal to approximately **0.5%** of the GRP of Galveston County.

Investment analysis

Student perspective

- Texas A&M at Galveston's FY 2021-22 students paid a present value of **\$27.9 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$25.4 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of **\$240 million** in increased earnings over their working lives. This translates to a return of **\$4.50** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **13.9%**.

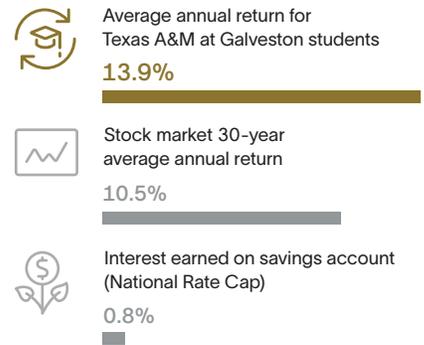
Taxpayer perspective

- Taxpayers provided Texas A&M at Galveston with **\$28.7 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 **\$78.2 million**. A reduced demand for government-funded services in Texas will add another **\$14.2 million** in benefits to taxpayers.
- For every dollar of public money invested in Texas A&M at Galveston, taxpayers will receive **\$3.20** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **5.7%**.

Social perspective

- In FY 2021-22, Texas invested **\$128.7 million** to support Texas A&M at Galveston. In turn, the Texas economy will grow by **\$1.2 billion**, over the course of students' working lives. Society will also benefit from **\$35.3 million** of public and private sector savings.
- For every dollar invested in Texas A&M at Galveston in FY 2021-22, people in Texas will receive **\$9.50** in return, for as long as Texas A&M at Galveston'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 at Galveston



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

