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. 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**

The region the university serves is Brazos Valley and consists of Brazos, Burleson, Robertson, Grimes, Washington, Madison, and Leon Counties in Texas. During the analysis year, Texas A&M's spending on operations, research, and construction, along with its entrepreneurial activities and the spending of its students and visitors, added $2.7 billion in income to the Brazos Valley economy. When also accounting for former students, the impact sums to $3.4 billion in added income to the Brazos Valley economy, approximately equal to 18.5% of the region's total gross regional product (GRP). Expressed in terms of jobs, Texas A&M's impact supported 57,872 jobs. For perspective, the activities of Texas A&M and its students support one out of every four jobs in Brazos Valley.
Operations spending impact

- Texas A&M employed 13,724 full-time and part-time faculty and staff (excluding research employees). Payroll amounted to $779.3 million (excluding payroll from research employees), much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. The university spent another $802.2 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 billion in income to the regional economy in FY 2021-22.

Research spending impact

- Research activities at Texas A&M impact the regional economy by employing people and making purchases for equipment, supplies, and services. They also facilitate new knowledge creation in Brazos Valley through inventions, patent applications, and licenses. In FY 2021-22, Texas A&M spent $420.8 million on payroll and $428.6 million on other expenses (excluding indirect costs) to support research activities.

- Texas A&M’s research spending generated $729.5 million in added income for the Brazos Valley 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 regional economy.

- The net impact of Texas A&M’s construction spending in FY 2021-22 was $70.7 million in added income for Brazos Valley.

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 $165.4 million in added income for the Brazos Valley economy.

Student spending impact

- Around 81% of credit-bearing students attending Texas A&M originated from outside the region. Most of these students relocated to Brazos Valley. In addition, some in-region students, referred to as retained students, would have left Brazos Valley 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 regional businesses.

- The expenditures of relocated and retained students in FY 2021-22 added $412 million in income to the Brazos Valley economy.
Visitor spending impact
- More than a million out-of-region visitors attracted to Brazos Valley for activities at Texas A&M brought new dollars to the economy through their spending at hotels, restaurants, gas stations, and other regional businesses.
- Visitor spending added approximately $305.2 million in income to the Brazos Valley economy.

Total Texas A&M impact
- The total Texas A&M impact on the Brazos Valley economy amounted to $2.7 billion in added income, equivalent to supporting 46,096 jobs.

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, thousands of these former students are employed in Brazos Valley.
- The net impact of Texas A&M’s former students currently employed in the regional workforce amounted to $650.1 million in added income in FY 2021-22.

Grand total impact
- The overall impact of Texas A&M on the regional business community during the analysis year amounted to $3.4 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 57,872 jobs and is equal to approximately 18.5% of the GRP of Brazos Valley.
Investment analysis

Student perspective

- Texas A&M’s FY 2021-22 students paid a present value of $783.8 million to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent $843.5 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 $8.1 billion in increased earnings over their working lives. This translates to a return of $5.00 in higher future earnings for every dollar students invest in their education. Students’ average annual rate of return is 15.7%.

Taxpayer perspective

- Taxpayers provided Texas A&M with $586.7 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 $2.8 billion. A reduced demand for government-funded services in Texas will add another $508 million in benefits to taxpayers.

- For every dollar of public money invested in Texas A&M, taxpayers will receive $5.60 in return, over the course of students’ working lives. The average annual rate of return for taxpayers is 11.3%.

Social perspective

- In FY 2021-22, Texas invested $3.5 billion to support Texas A&M. In turn, the Texas economy will grow by $42 billion, over the course of students’ working lives. Society will also benefit from $1.4 billion of public and private sector savings.

- For every dollar invested in Texas A&M in FY 2021-22, people in Texas will receive $12.30 in return, for as long as Texas A&M’s FY 2021-22 students remain active in the state workforce.