Impact on the State Economy

During the analysis year, the University of Illinois and its alumni added $13.9 billion in income to the Illinois economy, approximately equal to 2.0% of the Gross State Product. The economic impacts of the University of Illinois break down as follows:

Operations spending impact
- The University of Illinois employed 34,996 full-time and part-time employees in FY 2014. Payroll amounted to $3.3 billion, much of which was spent in Illinois to purchase groceries, clothing, and other household goods and services. The University spent another $2.1 billion to support its day-to-day operations.
- University payroll and expenses spending added a net impact of approximately $4.3 billion in Illinois income in FY 2014.

Impact of student spending
- Approximately one-third of students attending the University of Illinois originated from outside the state. Some of these students relocated to Illinois and spent money on groceries, transportation, rent, and so on at state businesses.
- The expenditures of students who relocated to the state during the analysis year added approximately $165.4 million in income to the economy.

Alumni impact
- The University of Illinois gives students who attend, even for a short time, new skills which add value to the economy.
- In total, those added skills enabled former University of Illinois students currently employed in the state workforce to add $9.5 billion in income to the economy during the analysis year.
Return on investment to students, society, and taxpayers

Student perspective

- The University of Illinois’ FY 2014 students paid a total of $1.1 BILLION to cover the cost of tuition, fees, books, and supplies. They also forwent $1.2 BILLION in money that they would have earned had they been working instead of learning.

- In return for their investment in education at the University, FY 2014 students will receive a present value of $8.7 BILLION in increased earnings over their working lives. This translates to a return of $3.70 in higher future income for every $1 that students invest in their education. The average annual return for students is 14.7%.

Social perspective

- Illinois society will receive a present value of $29.1 BILLION in added state income over the course of the students’ working lives. Society will also benefit from $4.5 BILLION in present value social savings related to reduced crime, lower unemployment, and increased health and well-being across the state.

- For every dollar that society spent on University of Illinois educations during the analysis year, society will receive a cumulative value of $5.00 in benefits, for as long as the FY 2014 student population at the University of Illinois remains active in the state workforce.

Taxpayer perspective

- In FY 2014, Illinois taxpayers paid $793.4 MILLION in direct support of the operations of the University of Illinois. The net present value of the added tax revenue stemming from the students’ higher lifetime incomes and the increased output of businesses amounts to $2.9 BILLION in benefits to taxpayers. Savings to the public sector add another $752.6 MILLION in benefits due to a reduced demand for government-funded services in Illinois.

- Dividing benefits to taxpayers by the associated costs yields a 4.6 benefit-cost ratio; i.e., every $1 spent returns $4.60 in benefits. The average annual return on investment for taxpayers is 19.3%.

Jobs based on income

These jobs represent full- and part-time jobs that would not have occurred in the state without the University. They are calculated by jobs to sales ratios specific to each industry. Based on the added income created by the University of Illinois, the jobs are as follows:

- Operations spending impact = 42,411 jobs
- Impact of student spending = 3,334 jobs
- Alumni impact = 131,144 jobs

Overall, the added income created by the University of Illinois and its students supported 176,889 jobs.

For every $1 spent by...

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<thead>
<tr>
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<th>Benefit</th>
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<tr>
<td>STUDENTS</td>
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<td>Gained in lifetime income for STUDENTS</td>
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<tr>
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<td>Gained in added state income and social savings for SOCIETY</td>
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<tr>
<td>TAXPAYERS</td>
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<td>Gained in added taxes and public sector savings for TAXPAYERS</td>
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