



The Economic Value of the University of Louisiana at Lafayette to Louisiana



THE UNIVERSITY OF LOUISIANA AT LAFAYETTE (UL Lafayette) creates value in many ways. The university plays a key role in helping students increase their employability and achieve their individual potential. The university facilitates new company developments and draws visitors and students to the state, generating new dollars and opportunities for Louisiana. UL Lafayette provides students with the education, training, and skills they need to have fulfilling and prosperous careers. Its student and employee volunteers support the state economy through the output and employment generated by state businesses and organizations. Furthermore, UL Lafayette is a place for students to meet new people, increase their self-confidence, and promote their overall health and well-being.

UL Lafayette influences both the lives of its students and the state economy. The university supports a variety of industries in Louisiana, serves state businesses, and benefits society as a whole in Louisiana from an expanded economy and improved quality of life. Additionally, the benefits created by UL Lafayette extend to the state government through increased tax revenues and public sector savings.

This study measures the economic impacts created by UL Lafayette on the business community and the benefits the university generates in return for the investments made by its key stakeholder groups—students, taxpayers, and society. The following two analyses are presented:

 **Economic impact analysis**

 **Investment analysis**

All results reflect employee, student, and financial data, provided by the university, for fiscal year (FY) 2021-22. Impacts on the Louisiana economy are reported under the economic impact analysis and are measured in terms of added income. The returns on investment to students, taxpayers, and society in Louisiana are reported under the investment analysis.



UL Lafayette influences both the **lives of its students** and the **state economy**.



UL Lafayette promotes economic growth in Louisiana through its direct expenditures and the resulting expenditures of visitors, students, and state businesses. The university serves as an employer and buyer of goods and services for its day-to-day operations. Numerous spin-off companies have formed as a result of programs and knowledge at UL Lafayette. The university's reputation and activities attract visitors and students from outside Louisiana, whose expenditures benefit state vendors. UL Lafayette encourages its students and employees to volunteer in the community, helping businesses and organizations grow. In addition, UL Lafayette is a primary source of higher education to Louisiana residents and a supplier of trained workers to state industries, enhancing overall productivity in the state workforce.

Operations spending impact



UL Lafayette adds economic value to Louisiana as an employer of state residents and a large-scale buyer of goods and services. In FY 2021-22, the university employed 2,762 full-time and part-time employees. For the operations impact we focus on the 1,582 full-time and part-time faculty and staff, including graduate assistants (excluding research), 97% of whom lived in Louisiana. Total payroll (excluding research) at UL Lafayette was \$107.9 million, much of which was spent in the state for groceries, mortgage and rent payments, dining out, and other household expenses. In addition, the university spent \$70.7 million on day-to-day expenses related to facilities, supplies, and professional services (excluding research).

UL Lafayette's day-to-day operations spending added \$111.1 million in income to the state during the analysis year. This figure represents the university's payroll, the multiplier effects generated by the in-state spending of the university and its employees, and a downward adjustment to account for funding that the university received from state sources. The \$111.1 million in added income is equivalent to supporting 1,577 jobs in the state.

Research spending impact



Research activities impact the economy by employing people and requiring the purchase of equipment and other supplies and services. Over the last four years, UL Lafayette received 78 invention disclosures, filed 45 new patent applications, and produced three licenses.



In FY 2021-22, UL Lafayette spent \$80.5 million on payroll to support research activities. This, along with \$84.1 million in other research spending,¹ created a net total of \$141.7 million in added income for the state economy. This added income is equivalent to supporting 2,013 jobs.

UL Lafayette research developments

Fiscal year	Inventions	Patents	Licenses
2018-19	17	11	1
2019-20	27	8	1
2020-21	13	17	0
2021-22	21	9	1
Total	78	45	3

Source: UL Lafayette.

UL Lafayette Reveals Role in Historic COVID-19 Vaccine's Development

The road to the first globally available COVID-19 vaccine ran through UL Lafayette. Trials involving nonhuman primates at UL Lafayette's New Iberia Research Center (NIRC) helped determine the effectiveness of the Pfizer-BioNTech vaccine, the world's first fully tested COVID-19 immunization approved for emergency use.

The United Kingdom was the first nation to issue an emergency authorization for the use of the Pfizer-BioNTech vaccine. The United States, the European Union and other countries soon followed suit. Studies have shown that the vaccine is 95% effective at preventing COVID-19 after two doses.

A publication in the peer-reviewed journal Nature was the first public confirmation of the university's participation in the history-making effort. Rhesus macaques at NIRC were immunized as part of nonhuman primate clinical trials of the vaccine. Staff administered vaccines, collected samples, and observed the animals. NIRC staff helped facilitate transfer of the vaccinated animals to the Southwest National Primate Center, which is affiliated with the Texas Biomedical Research Institute.

The center in San Antonio includes a biosafety level 3 facility, which means it can securely handle live, airborne infectious agents such as

COVID-19. In Texas, about a month after receiving vaccinations at NIRC, the rhesus macaques underwent the challenge phase of the trial in which they were exposed to COVID-19. Results showed the vaccine offered protection from the virus.

The federal Food and Drug Administration authorized the Pfizer-BioNTech vaccine for emergency use in mid-December 2020, about a year after COVID-19 first emerged globally. The NIRC is the nation's largest academically affiliated, nonhuman primate research center. NIRC is home to more than 8,500 nonhuman primates.

Spin-off company impact



UL Lafayette creates an exceptional environment that fosters innovation and entrepreneurship, evidenced by the number of UL Lafayette spin-off companies created in the state.² These spin-off companies were created and fostered through university programs or faculty and alumni and have a clear link to UL Lafayette. In FY 2021-22, UL Lafayette spin-off companies added \$153.3 million in income to the Louisiana economy, which is equivalent to supporting 1,853 jobs.

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

² For confidentiality, the limited number of start-up companies are included with spin-off companies.

Visitor spending impact



Thousands of visitors from outside the state were attracted to UL Lafayette during the analysis year to attend commencement, sports events, and other activities sponsored by the university. While in the state, visitors spent money for lodging, food, transportation, and other personal expenses. The off-campus expenditures of the university's out-of-state visitors generated a net impact of \$1.4 million in added income for the state economy in FY 2021-22. This \$1.4 million in added income is equivalent to supporting 29 jobs.

Student spending impact



Approximately 10% of degree-seeking students attending UL Lafayette originated from outside the state in FY 2021-22, and some of these students relocated to Louisiana to attend UL Lafayette. These students may not have come to the state if the university did not exist. In addition, some in-state students, referred to as retained students, would have left Louisiana if not for the existence of UL Lafayette. While attending the university, these relocated and retained students spent money on groceries, accommodation, transportation, and other household expenses. This spending generated \$31.1 million in added income for the state economy in FY 2021-22, which supported 616 jobs in Louisiana.

Volunteerism impact

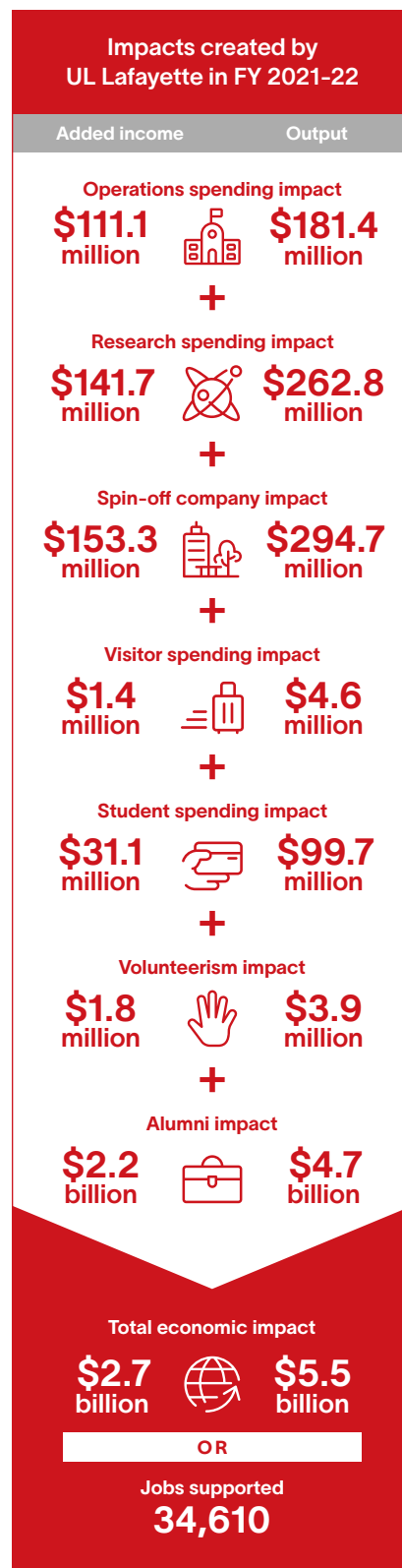


UL Lafayette encourages its students and employees to volunteer in Louisiana, where they can work with businesses and organizations to help meet their goals. The work of these student and employee volunteers allows businesses and organizations to grow, increasing their output and impacting the economy at large. The work of UL Lafayette student and employee volunteers is equivalent to \$872.4 thousand in earnings.³ In terms of actual impact to the Louisiana economy, UL Lafayette student and employee volunteers generated an impact of \$1.8 million in added income for the state in FY 2021-22, equivalent to supporting 68 jobs.

Alumni impact



The education and training UL Lafayette provides for state residents has one of the greatest impacts. Since the establishment of the university, students have studied at UL Lafayette and entered the state workforce with greater knowledge and new skills. Today, thousands of former UL Lafayette students are employed in Louisiana. As a result of their education from UL Lafayette, the students receive higher earnings and increase the productivity of the businesses that employ them. In FY 2021-22, UL Lafayette alumni generated \$2.2 billion in added income for the state economy, which is equivalent to supporting 28,454 jobs.



Note: Lightcast recommends a focus in income when measuring economic impact and for comparisons across economic impact studies.

³ By state value per volunteer hour was provided by Independent Sector (see https://independentsector.org/resource/vovt_details/).



Total impact

UL Lafayette added \$2.7 billion in income to the Louisiana economy during the analysis year, equal to the sum of the operations and research spending impacts; the spin-off company impact; the visitor and student spending impacts; the volunteerism impact; and the alumni impact. For context, the \$2.7 billion impact was equal to approximately 1.0% of the total gross state product (GSP) of Louisiana. This contribution that the university provided on its own is half of the entire Information industry in the state.

UL Lafayette's total impact can also be expressed in terms of jobs supported. The \$2.7 billion impact supported 34,610 state jobs, using the jobs-to-sales ratios specific to each industry in the state. This means that one out of every 78 jobs in Louisiana is supported by the activities of UL Lafayette and its students. In addition, the \$2.7 billion, or 34,610 supported jobs, stemmed from different industry sectors. For instance, among non-education industry sectors, the activities of UL Lafayette and its alumni in the Health Care & Social Assistance industry sector supported 4,586 jobs in FY 2021-22. If the university did not exist, these impacts would not have been generated in Louisiana.

UL Lafayette impacts by industry (jobs supported)



One out of every 78 jobs in Louisiana is supported by the activities of UL Lafayette and its students.

Center for Visualization and Decision Informatics

The National Science Foundation-funded Center for Visualization and Decision Informatics uses big data and visualization technology to create environments that enable decision-makers to more thoroughly explore all factors that might affect their decisions.

It is the only NSF Industry/University Cooperative Research Center in the nation that focuses on visualization and big data analytics. It has academic partners in the United States and Finland. It also has about 40 private industry and governmental members, such as Cancer Treatment Centers of America, Capital One, CGI, Intel, Johnson & Johnson, Louisiana Health Care Quality Forum, Nokia Networks, and Northrop Grumman Aerospace Systems.



Investment analysis



An investment analysis evaluates the costs associated with a proposed venture against its expected benefits. If the benefits outweigh the costs, then the investment is financially worthwhile. The analysis presented here evaluates UL Lafayette as an investment from the perspectives of students, taxpayers, and society in Louisiana.

Student perspective



In FY 2021-22, UL Lafayette served 17,884 degree-seeking and 1,609 non-credit students. In order to attend the university, the students paid for tuition, fees, books, and supplies. They also took out loans and will incur interest on those loans. Additionally, students gave up money they would have otherwise earned had they been working instead of attending college. The total investment made by UL Lafayette's students in FY 2021-22 amounted to a present value of \$268.4 million, equal to \$139.5 million in out-of-pocket expenses (including future principal and interest on student loans) and \$128.9 million in forgone time and money.

In return for their investment, UL Lafayette's students will receive a stream of higher future earnings that will continue to grow throughout their working lives. For example, the average UL Lafayette bachelor's degree graduate from FY 2021-22 will see annual earnings that are \$21,500 higher than a person with a high school diploma or equivalent working in Louisiana. Over a working lifetime, the benefits of the bachelor's degree over a high school diploma will amount to an undiscounted value of \$946 thousand in higher earnings per graduate. The present value of the cumulative higher future earnings that UL Lafayette's FY 2021-22 students will receive over their working careers is \$1.1 billion.

The students' benefit-cost ratio is 4.2. In other words, for every dollar students invest in UL Lafayette in the form of out-of-pocket expenses and forgone time and money, they will receive a cumulative value of \$4.20 in higher future earnings. Annually, the students' investment in UL Lafayette has an average annual internal rate of return of

Students see a high rate of return for their investment in UL Lafayette



Average annual return for UL Lafayette students
13.9%



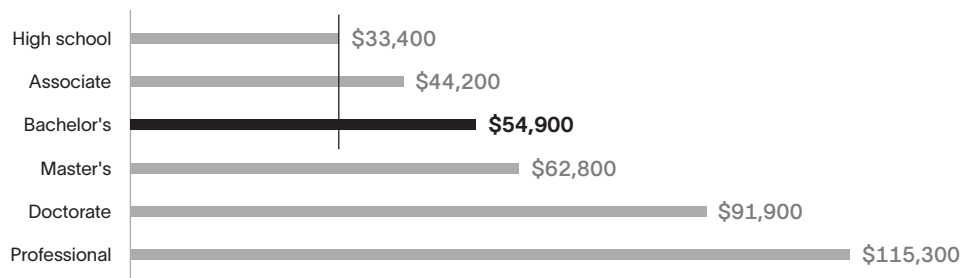
Stock market 30-year average annual return
10.5%



Interest earned on savings account (National Rate Cap)
0.8%

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

The average bachelor's degree graduate from UL Lafayette will see an increase in earnings of **\$21,500** each year compared to a person with a high school diploma or equivalent working in Louisiana.



Source: Lightcast employment data.

13.9%, which is impressive compared to the U.S. stock market's 30-year average rate of return of 10.5%.

Taxpayer perspective



UL Lafayette generates more in tax revenue than it receives. These benefits to taxpayers consist primarily of taxes that the state government will collect from the added revenue created in the state. As UL Lafayette students will earn more, they will make higher tax payments throughout their working lives. Students' employers will also make higher tax payments as they increase their output and purchases of goods and services. By the end of the FY 2021-22 students' working lives, the state government will have collected a present value of \$168.1 million in added taxes.

Benefits to taxpayers will also consist of savings generated by the improved lifestyles of UL Lafayette students and the corresponding reduced government services. Education is statistically correlated with a variety of lifestyle changes. The education that UL Lafayette students receive will generate savings in three main categories: 1) healthcare, 2) justice system, and 3) income assistance. Improved health will lower students' demand for national health care services. In addition, costs related to the justice system will decrease. UL Lafayette students will be more employable, so their reduced demand for income assistance such as welfare and unemployment benefits will benefit taxpayers. For a list of study references, contact the university for a copy of the main report. Altogether, the present value of the benefits associated with an education from UL Lafayette will generate \$49.3 million in savings to state taxpayers.

Total taxpayer benefits amount to \$217.3 million, the present value sum of the added taxes and public sector savings. Taxpayer costs are \$71.3 million, equal to the amount of state government funding UL Lafayette received in FY 2021-22. These benefits and costs yield a benefit-cost ratio of 3.0. This means that for every dollar of public money invested in UL Lafayette in FY 2021-22, taxpayers will receive a cumulative present value of \$3.00 over the course of the students' working lives. The average annual internal rate of return for taxpayers is 7.3%, which compares favorably to other long-term investments in the public and private sectors.

For every dollar of public money invested in UL Lafayette, taxpayers will receive a cumulative value of **\$3.00** over the course of the students' working lives.

Social perspective



Society as a whole in Louisiana benefits from the presence of UL Lafayette in two major ways. Primarily, society benefits from an increased economic base in the state. This is attributed to the added income from students' increased lifetime earnings (added student income) and increased business output (added business income), which raise economic prosperity in Louisiana.

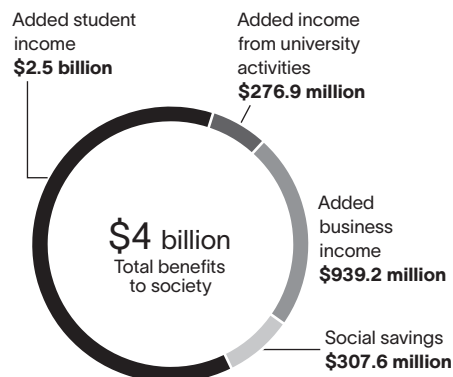


Benefits to society also consist of the savings generated by the improved lifestyles of UL Lafayette students. As discussed in the previous section, education is statistically correlated with a variety of lifestyle changes that generate social savings. Note that these costs are avoided by the consumers but are distinct from the costs avoided by the taxpayers outlined above. Healthcare savings include avoided medical costs associated with smoking, alcohol dependence, obesity, drug abuse, and depression. Justice system savings include avoided costs to the government and society due to less judicial activity. Income assistance savings include reduced welfare and unemployment claims. For a list of study references, contact the university for a copy of the main report.

Altogether, the social benefits of UL Lafayette equal a present value of \$4 billion. These benefits include \$2.5 billion in added student income, \$939.2 million in added business income, \$276.9 million in added income from university activities, as well as \$307.6 million in social savings related to health, the justice system, and income assistance in Louisiana. People in Louisiana invested a present value total of \$499.9 million in UL Lafayette in FY 2021-22. The cost includes all the university and student costs.

The benefit-cost ratio for society is 8.0, equal to the \$4 billion in benefits divided by the \$499.9 million in costs. In other words, for every dollar invested in UL Lafayette, people in Louisiana will receive a cumulative value of \$8.00 in benefits. The benefits of this investment will occur for as long as UL Lafayette's FY 2021-22 students remain employed in the state workforce.

Social benefits in Louisiana from UL Lafayette



Source: Lightcast impact model.

Preserving and Promoting the Heritage of the Acadiana Region

UL Lafayette is committed to the preservation, study, and promotion of Louisiana's and Acadiana's cultural heritages. It offers academic degrees and programs that embody the commitment and help make the area's history an economic asset for the region.

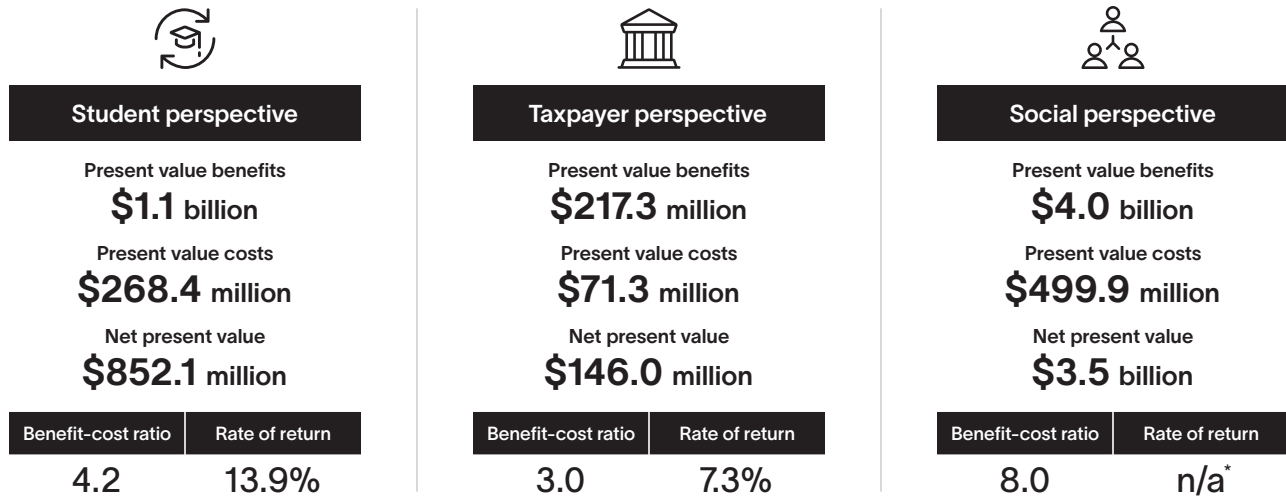
The following are other examples of ways the university is preserving the region's cultural heritages:

- UL Lafayette is the world's leading center for the study of Cajun and Creole cultures. The Center for Louisiana Studies has, since 1973, maintained an extensive archive on Cajun and Creole folklore that includes audio and video recordings, some dating back to the 1930s; photographs; and other artifacts. The Center makes these materials available to researchers, artists, students, and others.
- The Ernest J. Gaines Center, established in 2008, supports scholarly studies of the life and work of Gaines, one of the most important Southern novelists of the 20th century and former writer-in-residence emeritus at UL Lafayette.
- UL Lafayette was the first university in the United States to offer a Ph.D. in francophone studies. The program provides in-depth study and research related to the linguistic and cultural heritages of Louisiana's Cajun and Creole communities and of France, Belgium, Quebec, Haiti, and other francophone communities in the Caribbean, North Africa, and West Africa.



Summary of investment analysis results

The results of the analysis demonstrate that UL Lafayette is a strong investment for all three major stakeholder groups—students, taxpayers, and society. As shown, students receive a great return for their investments in an education from UL Lafayette. At the same time, taxpayers’ investment in UL Lafayette returns more to government budgets than it costs and creates a wide range of social benefits throughout Louisiana.



* The rate of return is not reported for the social perspective because the beneficiaries are not necessarily the same as the original investors.

Recognized for Excellence in Diversity

For the fifth year in a row, UL Lafayette has earned the Higher Education Excellence in Diversity (HEED) Award.

UL Lafayette is among 103 recipients of the HEED award, which is given by *INSIGHT Into Diversity* magazine—the largest diversity magazine and website in higher education. The publication examines colleges and universities in the United States and Canada for programs, initiatives, and efforts that advance diversity, equity, inclusion, and belonging. Recruitment and campus leadership is also considered.

Several programs and initiatives contributed to the university earning the HEED award in 2022. Its Educating for Equity program that was completed during the past academic year is among them. The university’s Office for Campus Diversity led the campus-wide initiative.

The Louisiana Board of Regents funded the program to explore strategies for inclusiveness in virtual and traditional learning. The program brought together faculty and staff members to think intentionally and plan for ways to incorporate strategies for inclusiveness in their classes and curriculums.

The annual, weeklong “First to Geaux” initiative, was also cited. This initiative assists first-generation students—those whose parents either didn’t pursue or earn a college degree. It included awareness campaigns to promote campus departments, resources, and programs for first-generation students, who are likely to come from lower-income backgrounds.

The university’s Women’s Leadership Conference was also singled out. The annual event, held since 2008, provides opportunities for

leadership development that is focused on the needs and experiences of women from various cultural backgrounds. Hundreds of people attend the conference, including leaders from education, business, and public service. The 2022 conference focused on women’s health.

The foundation for the university’s ongoing work to advance diversity, equity, inclusion, and belonging is its Strategic Plan for Inclusive Excellence. The comprehensive plan sets forth strategies for developing policies and expanding resources that advance equity and inclusion. Objectives include bolstering engagement across campus and in the community, recruiting and hiring a diverse faculty, and increasing enrollment and retention among underrepresented students.

Conclusion

The results of this study demonstrate that UL Lafayette creates value from multiple perspectives. The university benefits state businesses by increasing consumer spending in the state and supplying a steady flow of qualified, trained workers to the workforce. UL Lafayette enriches the lives of students by raising their lifetime earnings and helping them achieve their individual potential. The university benefits state taxpayers through increased tax receipts and a reduced demand for government-supported social services. Finally, UL Lafayette benefits society as a whole in Louisiana by creating a more prosperous economy and generating a variety of savings through the improved lifestyles of students.



About the study

Data and assumptions used in the study are based on several sources, including the FY 2021-22 academic and financial reports from UL Lafayette, industry and employment data from the U.S. Bureau of Labor Statistics and U.S. Census Bureau, outputs of Lightcast's Multi-Regional Social Accounting Matrix model, and a variety of studies and surveys relating education to social behavior. The study applies a conservative methodology and follows standard practice using only the most recognized indicators of economic impact and investment effectiveness. For a full description of the data and approach used in the study, please contact the university for a copy of the main report.

The results of this study demonstrate that UL Lafayette creates value from **multiple perspectives.**



Lightcast provides colleges and universities with labor market data that help create better outcomes for students, businesses, and communities. Our data, which cover more than 99% of the U.S. workforce, are compiled from a wide variety of government sources, job postings, and online profiles and résumés. Hundreds of institutions use Lightcast to align programs with regional needs, drive enrollment, connect students with in-demand careers, track their alumni's employment outcomes, and demonstrate their institution's economic impact on their region. Visit lightcast.io/solutions/education to learn more or connect with us.