

# The Impact Of The University Of North Florida On The Jacksonville Economy



## INTRODUCTION

The establishment of the University of North Florida was authorized by the Legislature of the State of Florida in 1965. It began offering instruction to its Charter Class on October 2, 1972. Therefore, for approximately six years the University has been an active and important element in the cultural, economic, political, scientific, and social life of the City of Jacksonville and the State of Florida. Conversely, location in the rapidly growing and dynamic City of Jacksonville has contributed to the University's accelerated development.

An institution affects, and is affected by, its community. Without doubt the presence of the University of North Florida affects the residents of Jacksonville in numerous ways other than through the performance of its primary functions of teaching, research and public service. Since it is a dynamic force in the daily life of the community, this report is designed to provide a reasonable estimate of the portion of the Jacksonville — Duval County total economic activity created by the University of North Florida.

The primary aims of the University are (1) to offer the benefits of higher education on the junior, senior, and graduate levels to the residents of Northeast Florida and the State, (2) to render other socially useful public services, and (3) to engage in viable research activities. Moreover, numerous additional benefits accrue to the residents of Florida, especially those living in Jacksonville and the Northeast region, as a result of the existence and operation of the University of North Florida. For example, the University presents and/or sponsors various cultural and educational programs which the people may attend. Furthermore, the expertise and skills of the faculty and staff are available to government, industry, and community groups, and they often provide valuable inputs to both public and private decision-making.

## ECONOMIC IMPACT OF THE UNIVERSITY OF NORTH FLORIDA

Although it is not one of the explicit aims of the University of North Florida, the monetary stimulus provided to the local economic base cannot be overlooked. Whereas the economic influence of a university on a city or region may be recognized, usually few people understand the magnitude of that influence and the sectors which it affects. The results of a study centered around the 1975-76 school-year indicate that the economic impact of the University of North Florida upon Jacksonville is significant.

The basic postulate of the study was that the *economic impact of the University of North Florida* on the Jacksonville economy results from the money expenditures by the institution for goods and services purchased in the local community and money spent locally by all of the people associated with the University—faculty, staff, students, and visitors. To arrive at the University's total economic impact, the study estimated the magnitude of University-related primary and secondary spending and the effects of this spending on local employment, the local credit base, and the local government. To determine the volume of University-related spending, the standard conceptual model generally used in estimating the impact of a college or university on the local community was adapted to prevailing conditions at the University of North Florida.\*

#### THE PRINCIPAL FINDINGS INCLUDE THE FOLLOWING:

- Approximately 61% of the University's students indicate that they would not have pursued a degree if the University of North Florida were not available. This finding holds true for 55.2% of the undergraduates and 67.8% of the graduate students.
- Slightly more than 82% of the University's students report that they plan to remain in Jacksonville area after receiving their degrees. This finding is true for 81% of the University's undergraduates and 82.6% of its graduate students.
- During the 1975-76 school-year:
  - Total University of North Florida-related spending in the Jacksonville area was found to be in excess of \$31 million dollars.
  - The faculty and staff spent \$5.1 million in the local community. The findings suggest average annual per household expenditures for the University faculty and staff of \$15,269.
  - Students at the University spent approximately \$12 million in Jacksonville.
  - Visitors to the University of North Florida spent \$2.2 million with Jacksonville businesses.
  - Total University-related expenditures of \$31 million plus provided the Jacksonville area with 5,032 additional jobs.

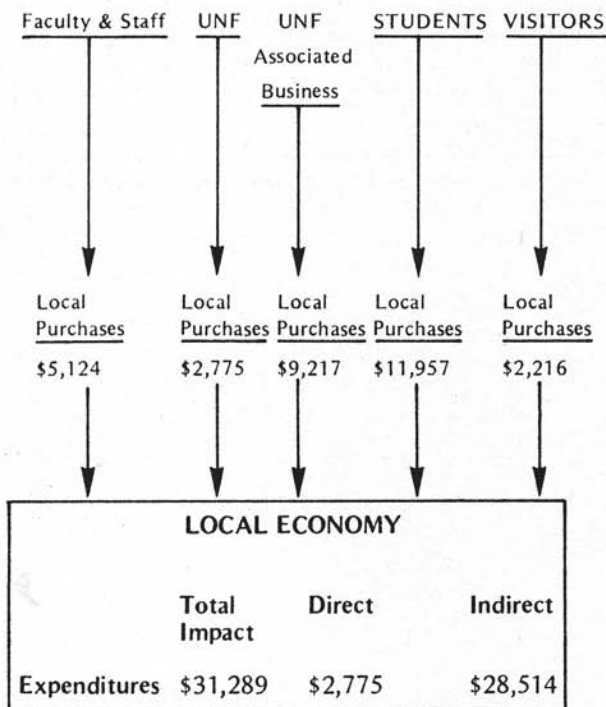
- The credit base of the Jacksonville financial community was increased by \$17.2 million due to the deposits of the University, its students, faculty, and staff.
- During the period June 1973 - March 1977, the University awarded a total of 3,419 degrees to its graduates, including 2,496 Bachelor's degrees and 923 Masters degrees.
- The average graduate of the University is 30 years old. When the estimated increase in the earnings potential resulting from a university education is projected over a 40-year working life span, the University of North Florida has, in the aggregate, added \$495.3 million to the potential lifetime earnings of its 3,419 degree-holding alumni.
- At an interest rate of 6 percent, an aggregate fund of \$495.3 million has a present day value of \$186.3 million. This is equal to an annuity of \$12.3 million per year for 40 years, if invested at 6 percent interest. It represents an average of about \$3,600 per graduate per year and suggests that a terminal education at the University of North Florida is synonymous with each of them having \$60,000 in the bank for a lifetime.
- During 1975-76 general appropriations from the State of Florida plus student fees amounted to an investment of \$8,678,379 in human capital development at the University of North Florida. Assuming that this level of investment is held constant and treated as an annuity over a 40-year period at a 6 percent rate of interest, it is shown to yield \$12.3 million in extra income to its beneficiaries, or a 40 percent return on the investment.

\* R. Grann Lloyd, Diahann W. Thomas and John E. McEldowney, Division of Studies in Economics and Business, *The Impact of the University of North Florida on the Local Economy*, 1978, 64 pp.

# IMPACT OF THE UNIVERSITY ON JACKSONVILLE ECONOMY

(in thousands)

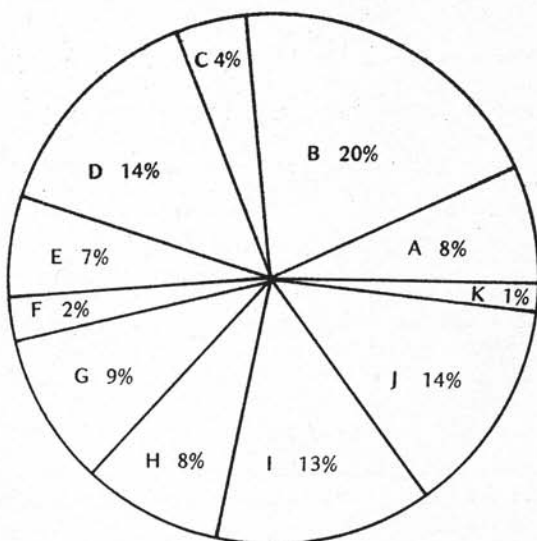
## UNIVERSITY OF NORTH FLORIDA



The figures in this chart represent raw numbers drawn from the model with no account taken of local volume of spending stimulated by University-related spending volume.

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## FACULTY/STAFF EXPENDITURES



A Utilities  
 B Housing  
 C Property Taxes  
 D Grocery Stores  
 E Restaurants  
 F Entertainment

G Transportation  
 H Clothes  
 I Household Furnishings & Maintenance  
 J Loan Repayments  
 K Medical & Dental

## RELATIVE FREQUENCY HISTOGRAM FACULTY/STAFF TOTAL EXPENDITURES PER MONTH

