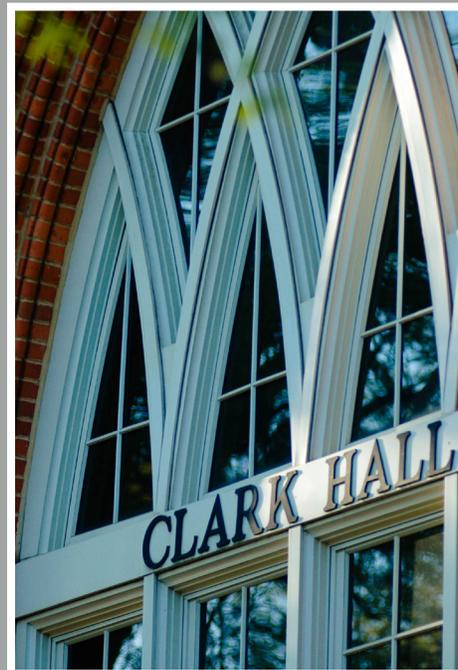
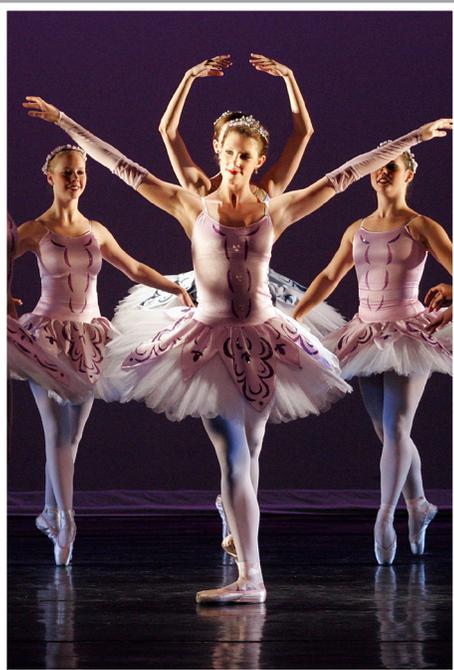


# ECONOMIC IMPACT OF THE COLLEGE OF ARTS AND SCIENCES

THE UNIVERSITY OF ALABAMA  
FISCAL YEAR 2014-2015



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## SUMMARY

This study estimates the economic impacts of the College of Arts and Sciences (A&S) at The University of Alabama (UA) for fiscal year 2014-2015 (FY2015). A&S had economic impacts of \$571.9 million and 2,849 jobs on the state that include impacts of \$432.9 million and 2,673 jobs on the Tuscaloosa metro area. These impacts are about one fifth of the entire UA FY2015 impacts of \$2.5 billion and almost 13,000 jobs on the state and almost \$1.9 billion and 12,122 jobs on the metro area. The \$571.9 million expenditure impact generated \$28.1 million in statewide fiscal impact, \$9.0 million state sales; \$7.8 million in state income tax; and \$11.2 million in local (city and county) sales tax. The city and county sales taxes generated include \$9.3 million for the Tuscaloosa metro area.

## INTRODUCTION

A&S was the University from 1831 to 1910, when it became known as the College of Arts and Sciences. From 1910 to 1920, the dean of the College was also the dean of the University. Currently, the College provides about half of the class hours of instruction on the UA campus. A&S had 9,573 students out of the University's 36,155 enrolled in Fall 2014, about 26 percent. The objective of the College is to provide both liberal and professional education and to prepare students for professional courses in other divisions of the University, such as the colleges of Commerce; Communication and Information Sciences; Community Health Sciences; Education; Engineering; Human Environmental Sciences; Nursing; Social Work; and the School of Law.

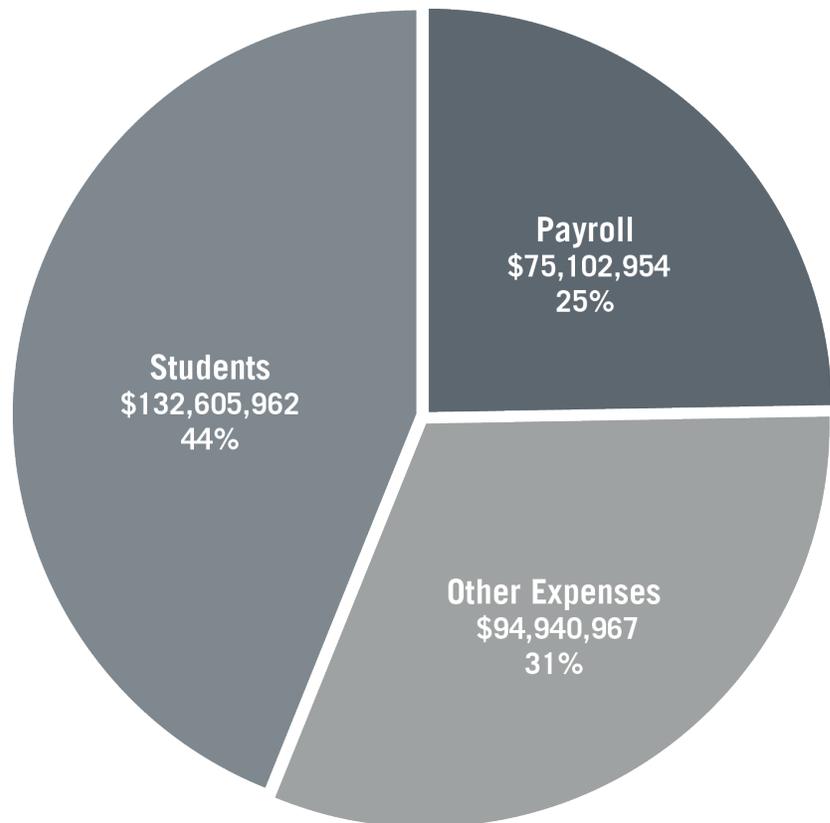
The College of Arts and Sciences has numerous facilities and departments. Major departments include American Studies; Anthropology; Art and Art History; Biological Sciences; Chemistry; Communicative Disorders; Criminology and Criminal Justice; English; Environmental Studies; Gender and Race Studies; Geography; Geological Sciences; History; International Studies; Mathematics; Modern Languages and Classics; Music; New College; Philosophy; Psychology; Physics and Astronomy; Political Science; Psychology; Religious Studies; and Theatre and Dance.

Through its teaching, research, and service activities, the College has a significant impact on its graduates and the general public. It generates jobs, yields tax revenues, attracts business and industry to the region and the state, provides assistance in business creation and economic growth, and promotes innovations. By enhancing its graduates' learning abilities and intellectual growth, the College enables them to earn high incomes and contribute significantly in various ways to society. Also, the relatively higher income of a college graduate results in more tax revenues for the state and other tax jurisdictions.

The A&S FY2015 payroll and other expenditures total about \$302.6 million which includes \$75.1 million in payroll for 630 faculty members (\$53.4 million), 519 staff members (\$8.9 million), 725 graduate students (\$12.2 million), and 119 undergraduate and work study students (\$0.6 million). We estimate that the 9,573 A&S students spent \$132.6 million on off-campus housing, food, books, clothing, etc. Total spending by the College and its students for the year was \$302.6 million.

### UA Direct 2014-2015 Expenditures

Total: \$302,649,883



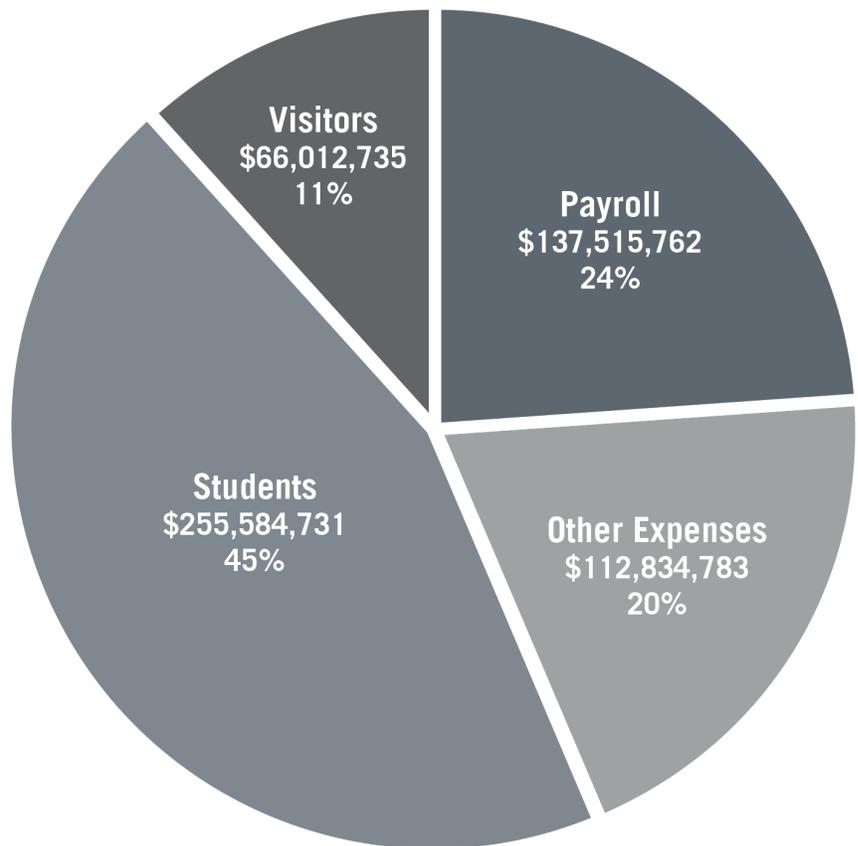
The direct spending and expenditures made by A&S and its students generate more rounds of spending in the area and the state that are captured by multipliers determined from the Regional Input-Output Modeling System (RIMS II). RIMS II is an input-output model developed and maintained by the U.S. Department of Commerce's Bureau of Economic Analysis. The model is available for every state and metro area in the nation and also for many counties. An economic model that uses RIMS II multipliers for the State of Alabama and the Tuscaloosa metro area was developed and used in this study. The economic impacts presented in this report are on output (the total value of goods and services produced, a similar concept to gross domestic product [GDP]) and employment.

## UA A&S Economic Impacts on Alabama

Not all of the \$302.6 million in A&S and student spending were made within the state; a portion went to vendors outside Alabama. About 80 percent of payroll, 90 percent of purchases, and all student expenditures are assumed to be spent in Alabama. The total FY2015 A&S-related expenditure in Alabama is thus \$262.5 million (Table 1). The economic impacts of A&S on the state in FY2015 are \$571.9 million and 2,849 jobs. Included in the expenditure impact is a \$66.0 million visitor impact for A&S that is based on the College's share of Fall 2015 UA enrollment and the total UA visitor impact of \$249.3 million. UA visitors include athletic event spectators, visiting parents and relatives, visiting academic personnel, business representatives, vendors, candidates for faculty and staff positions, and others. Visitors come to UA for games, honors day, commencement ceremonies, homecoming, alumni-related activities, conferences, seminars, lectures, and other events. The expenditure impact generated \$16.8 million state sales (\$9.0 million) and income (\$7.8 million) tax revenues and \$11.2 million in city and county sales taxes for a total of \$28.1 million.

### UA A&S 2014-2015 Economic Impact on Alabama

Employment Impact: 2,849 Jobs  
Expenditure Impact: \$571.9 million



**Table 1.**  
**The UA A&S 2014-2015 Expenditure**  
**Impacts on Alabama**

(Millions of dollars)

Source	Total	Spent in Alabama	Indirect Impact	Total Impact
<b>UA College of Arts and Sciences</b>				
Payrolls	\$75.1	\$71.3	\$66.2	\$137.5
Purchases	\$94.9	\$58.5	\$54.3	\$112.8
	\$170.0	\$129.9	\$120.5	\$250.4
Student Expenditures	\$132.6	\$132.6	\$123.0	\$255.6
Visitor Expenditures				\$66.0
<b>Total</b>	<b>\$302.6</b>	<b>\$262.5</b>	<b>\$243.4</b>	<b>\$571.9</b>
<hr/>				
Employment Impact (Jobs)				\$2,849
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Statewide Fiscal Impact				\$28.1
State Sales Tax				\$9.0
State Income Tax				\$7.8
Local (City and County) Sales Tax			\$11.2	

*Note: Rounding effects may be present.*

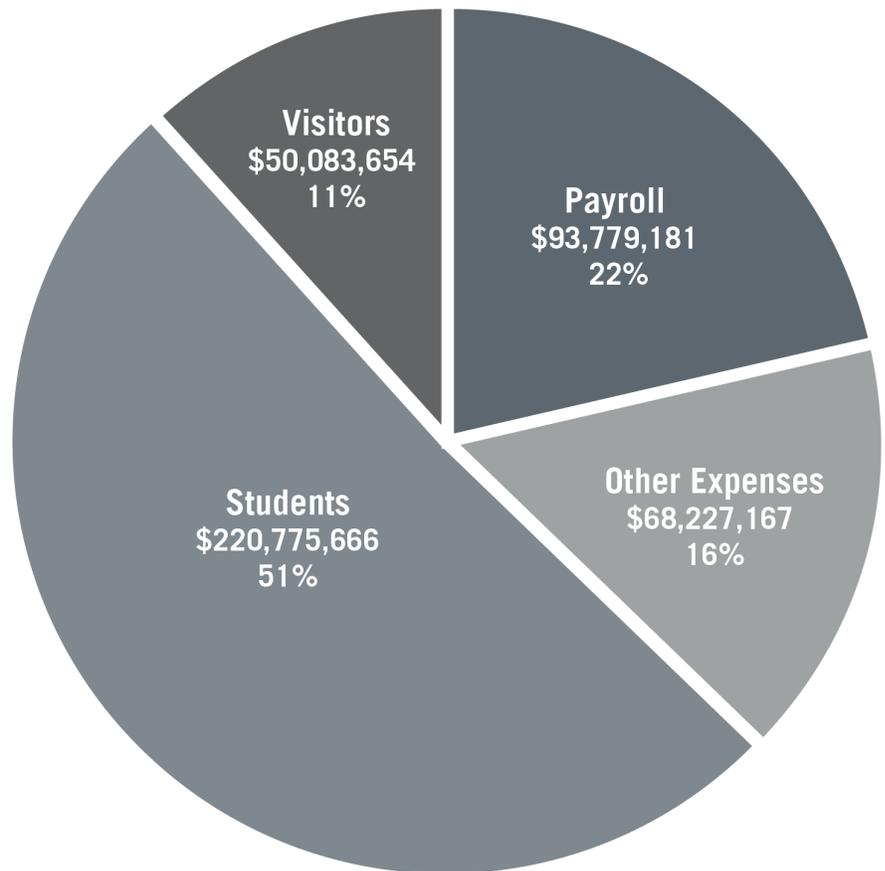
*Source: Center for Business and Economic Research, The University of Alabama.*

## **UA A&S Economic Impacts on the Tuscaloosa Metro Area**

Of the total A&S expenditure, we estimate that 70 percent of payroll, 60 percent of purchases, and all student expenditures were spent in the Tuscaloosa metro area. Thus, adjusting for leakages out of the area, A&S expenditures in the metro area totaled \$94.9 million (Table 2). This results in economic impacts of \$432.9 million and 2,673 jobs on the metro area, which includes a \$50.1 million visitor spending impact. This expenditure impact is estimated to have generated metro area county and city sales tax revenues of approximately \$9.3 million. State level multipliers are typically greater than those of a metro area because there are more rounds of spending in the larger geographical area of the state. This explains the smaller Tuscaloosa metro area UA A&S impacts when compared to the impacts on Alabama.

## UA 2014-2015 Economic Impact on Tuscaloosa Metro Area

Employment Impact: 2,673 Jobs  
Expenditure Impact: \$432.9 million



**Table 2.**  
**UA A&S 2014-2015 Expenditure**  
**Impacts on Tuscaloosa Metro Area**  
**(Millions of dollars)**

Source	Total	Spent in Tuscaloosa Metro Area	Indirect Impact	Total Impact
<b>University of Alabama</b>				
Payrolls	\$75.1	\$56.3	\$37.5	\$93.8
Purchases	\$94.9	\$41.0	\$27.2	\$68.2
	\$170.0	\$97.3	\$64.7	\$162.0
Student Expenditures	\$132.6	\$132.6	\$88.2	\$220.8
Visitor Expenditures				\$50.1
<b>Total</b>	<b>\$302.6</b>	<b>\$229.9</b>	<b>\$152.9</b>	<b>\$432.9</b>
<b>Employment Impact (Jobs)</b>				<b>2,673</b>
<b>Local (City and County) Sales Tax</b>				<b>\$9.3</b>

Note: Rounding effects may be present.

Source: Center for Business and Economic  
Research, The University of Alabama.

