




THE *E*CONOMIC IMPACT



OF THE UNIVERSITY OF FLORIDA



ON THE STATE OF FLORIDA



2002-2003



UNIVERSITY OF
FLORIDA



The
**Economic
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on the
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Produced in March 2005

The University of Florida: An Overview

The University of Florida can trace its beginnings to 1853, when the state-funded East Florida Seminary acquired the Kingsbury Academy in Ocala. The school moved to Gainesville in the 1860s and later consolidated with the Florida Agricultural College. The college became a university in 1905 by legislative action, and the name was changed to the University of Florida. From an initial enrollment of 102 students in 1906, the university has grown to an enrollment of over 48,000 in the Fall of 2003. Students come from more than 100 countries, all 50 states, and the 67 counties in Florida.

The University of Florida is a major, public, land-grant research university, with one of the most comprehensive programs in the nation. Sixteen colleges offer almost 100 undergraduate degree programs. The Graduate School coordinates more than 200 graduate programs throughout the university's colleges and schools.

UF is the largest of the state's 11 public universities, and the fifth largest university in the nation, and has, to date, awarded more than 330,000 degrees. Nationally, UF ranks second among public universities and fourth among all universities in the number of National Merit Scholars attending, and first among publics and second among all universities in National Achievement Scholars in attendance. UF is a member of the Association of American Universities, along with 61 other outstanding universities judged to be preeminent in graduate and professional education and research.

In addition to campus programs, the UF Division of Continuing Education offers educational opportunities statewide to more than 7,500 students enrolled in Independent Study by Correspondence courses and to more than 25,000 participants in non-credit conferences, workshops, institutes and seminars. Additionally, through the Institute of Food and Agricultural Sciences, UF administers a statewide system of agricultural, human and natural resource research, and education programs



The faculty and staff are dedicated to the university's mission of education, research, and public service. Educating, through the undergraduate and graduate programs, is the fundamental purpose of the university. Research is fundamental to the education process, to the creation of new knowledge, and to the expansion our understanding of the world. Through service the university shares the benefits of knowledge for the public good. This threefold mission extends across all departments of the University of Florida.

Scientific research at America's leading universities has led to advancements in all aspects of society since World War II and in a myriad of ways. University research has revolutionized agriculture by developing methods to combat plant and livestock diseases as well as developing high-yield, disease resistant crops. Universities also developed the first digital computer and have played major roles in all subsequent phases of computer processing and microprocessing developments. More recently, university research has helped pioneer our understanding of the brain and the general improvement in the health and well-being of Americans.

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Introduction

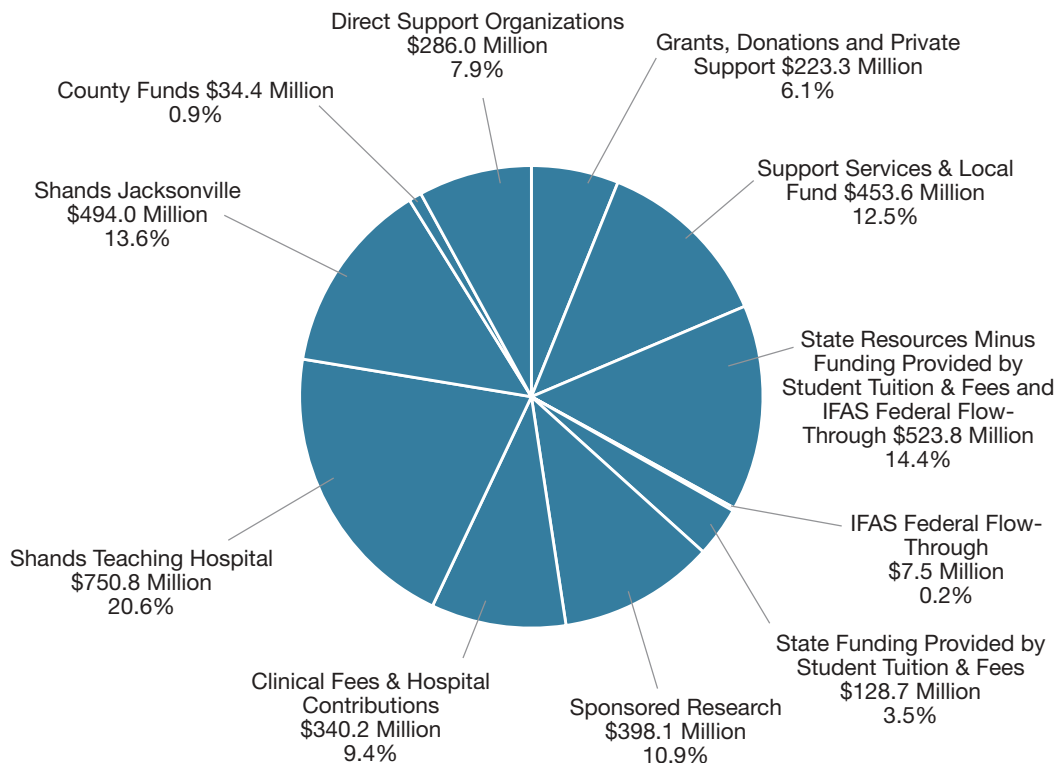
This report updates a 2001-02 report, “The Economic Impact of the University of Florida on the State of Florida,” and is part of an ongoing effort to quantify the economic influence of the University of Florida and its students and alumni on the State of Florida. It is also an attempt by the University to document the return on the investment of the citizens and the state of Florida in the University of Florida. The information, we believe, suggests that the university remains an outstanding investment for the state and its citizens. It is not only a major educational institution, but it also serves as a major economic stimulus for the state economy.

Revenues

There are several major sources of operating revenue for the University of Florida, ranging from state appropriations to private donations. Total resources available to the university and its various support organizations exceeded \$3.6 billion¹ in fiscal year 2002-03. Fourteen percent, or slightly more than \$523 million, was in the form of direct appropriations from the state of Florida². In fact, for each \$1 million in state funding, the University of Florida generated an additional \$5.95 million in funding from other sources. Total payments by students (tuition and other fees) of \$146.1 million³ represents about 13 percent of total university revenues used directly for teaching⁴ but only 4.0 percent of total revenues. To provide some perspective on size, UF would rank 14th when total revenues are compared to the sales/revenues of the top public companies in Florida. This ranking places UF ahead of companies such as Hughes Supply, Inc.⁵ but below companies such as Office Depot, Inc.



**University of Florida Revenue Sources
Fiscal Year 2002-03**





The Economic Impact

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University of Florida Total Revenues Compared to Top Public Companies in the State of Florida, 2002-03

Rank	Company	Total Revenues (Thousands \$)
1	AutoNation Inc.	19,381,100
2	Tech Data Corp.	17,400,000
3	Office Depot Inc.	12,358,566
4	Winn-Dixie Stores Inc.	12,168,000
5	FPL Group Inc.	9,630,000
6	Lennar Corp.	8,907,619
7	CSX Corp.	7,793,000
8	Fidelity National Financial Inc.	7,715,215
9	Carnival Corp.	6,718,000
10	Ryder System Inc.	4,802,294
11	Jabil Circuit Inc.	4,729,482
12	Darden Restaurants Inc.	4,654,971
13	Royal Caribbean Cruises Ltd.	3,784,249
14	University of Florida	3,640,511
15	Hughes Supply Inc.	3,253,400
16	Outback Steakhouse Inc	2,744,369
17	TECO Energy Inc.	2,740,000
18	World Fuel Services Corp.	2,661,790
19	Health Management Associates Inc.	2,560,576
20	Republic Services Inc.	2,517,800
21	Fresh Del Monte Produce Inc.	2,486,800
22	Harris Corp.	2,092,700
23	Spherion Corp.	2,069,518
24	Technical Olympic USA Inc.	1,642,574
25	Landstar System Inc.	1,596,571

Source: Florida Trend, TopRank Florida, May 2004.

UF Expenditures for Current Operations

In fiscal year 2002-03 expenditures by the University of Florida and its various support organizations for salaries, operating expenditures, and capital outlays exceeded \$3.5 billion⁶.

University Spending for Current Operations

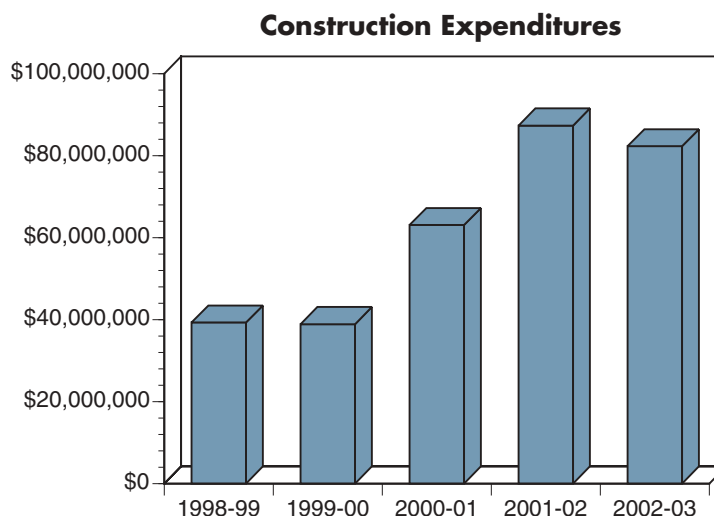
Salaries & Fringe Benefits	\$1,586,810,311
University of Florida	\$1,111,019,311
Shands Teaching Hospital	\$326,293,000
Shands Jacksonville	\$149,498,000
Expense	\$1,442,146,754
University of Florida	\$720,615,754
Shands Teaching Hospital	\$399,586,000
Shands Jacksonville	\$321,945,000
Operating Capital Outlay	\$57,950,238
Electronic Data Processing	\$10,505,413
Special Categories, Debt Service & Other	\$55,334,860
Expenditures from Private Sources	\$50,081,990
Expenditures from Direct Support Organizations	\$289,779,000
Construction	\$82,290,471
Total Expenditures	\$3,574,899,037

As is common with universities, the largest category of spending is salaries for university personnel. In fiscal year 2002-03, employee compensation (including salaries and fringe benefits and other personnel services) totaled over \$1.5 billion⁷ - an amount more than 3 times state appropriations. Of this amount, an estimated \$988 million represents spendable income used by employees for housing, food, entertainment, transportation and other living expenses. Resulting expenditures and home purchases generate sales and property tax revenues for state and local governments. As a portion of the benefits included in employee compensation, the University of Florida contributed \$50 million to various retirement plans and employees contributed an additional \$14 million. The total amount paid into retirement funds for fiscal year 2002-03 was over \$64 million⁸.



Capital Improvements

In 2002-03, the University spent \$82.3 million on construction projects⁹, about 2.3 percent of current operations. The amount of construction spending demonstrates the commitment of the University of Florida to meeting the needs of its students. It has a significant impact on the state's construction industry.



Source: University of Florida Financial Statements 2002-03

Direct Purchases

Direct purchases include all expenditures other than salaries, benefits, and capital improvements. The University spent \$1.61 billion on direct purchases, about 45 percent of total university expenditures. In 2002-03, an estimated 80 percent of university purchases were made within the state, totaling approximately \$1.2 billion¹⁰.

Tuition & Other University Fees

Students pay a variety of fees to the university other than matriculation and out-of-state fees. Other payments include lab, building, activity and service, health, and athletic fees. The total amount paid by students during 2002-03 was \$146.1 million. An estimated \$116.8 million was paid by in-state students and \$29.3 million by out-of-state students¹¹.

Student Spending on Tuition & Other University Fees

	In-State Students	Out-of-State Students	Total
Matriculation Fee	\$82,277,833	\$5,006,953	\$87,284,786
Out-of-State Student Fee	\$0	\$20,136,524	\$20,136,524
Other Fees	\$34,556,844	\$4,168,535	\$38,725,379
Total Tuition & Other Fees	\$116,834,677	\$29,312,012	\$146,146,689

Source: University Financial Services.

Student Spending¹²

Average non-tuition expenditures by students vary depending on their status (undergraduate or graduate) and whether or not they choose to live on campus. In 2002-03, an undergraduate student living on campus is estimated to have spent \$9,135. Expenditure estimates range upward to more than \$10,000 for a graduate student living off campus¹³.



Non-Tuition Spending

During the 2002-03 school year, UF students spent an estimated \$442.5 million off-campus on goods such as, housing, food, transportation, clothing, health services, books, and supplies¹⁴. In-state students accounted for \$384.5 million and out-of-state students \$58 million. Students also provided revenues to the university in the form of payments for tuition and fees, campus housing, and purchases at campus bookstores. These on-campus expenditures amounted to an estimated \$199.5 million, \$163.2 million by in-state students and \$36.3 million by out-of-state students.



Non-Tuition Spending by All Students 2002-03

	Total Spending	On-Campus Spending	Off-Campus Spending
Books and Supplies *	\$40,320,540	\$20,160,270	\$20,160,270
Housing **	\$201,397,806	\$33,158,736	\$168,239,070
Meals	\$113,724,600		\$113,724,600
Transportation	\$16,024,830		\$16,024,830
Clothing Maintenance	\$27,914,220		\$27,914,220
Personal/Health Insurance	\$52,209,930		\$52,209,930
Computer (low-end)	\$44,197,515		\$44,197,515
Total	\$495,789,441	\$53,319,006	\$442,470,435

* 50 percent of books and supplies are purchased on campus, and are not included in Off-Campus Spending.

**Housing expenses for those living on-campus or in village housing are not included in Off-Campus Spending.

These amounts are included in On-Campus spending.

Visitor Spending

During the year 2002-03, an estimated 1.8 million people visited the University of Florida campus¹⁵. They came for a variety of reasons, such as cultural and athletic events, campus tours, commencements, and other special events. Their expenditures totaled approximately \$74 million¹⁶. This money works its way into the state economy through purchases of food, lodging, and transportation. This figure does not include attendance at university-sponsored events at other locations in the state, nor does it include attendance at events that use university facilities but are not directly related to the university. Also excluded are more than 464,000 annual patient visits to university health care physicians and over 1,150,000 outpatient visits.

Visitor Spending 2002-03

Events on Campus:	Visitors
Ben Hill Griffin Stadium	633,000
Stephen C. O'Connell Center	659,039
Florida Museum of Natural History	119,000
Curtis M. Phillips Center for Performing Arts	150,000
Harn Museum	75,000
Other Sports Events	176,000
Total Attendance	1,812,039
Total Estimate Expenditures	\$74,296,000

Source: University of Florida, Office of Public Relations.



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Out-of-State Revenues

In 2002-03, UF accounted for more than \$439.7 million in out-of-state revenues. Federal funds for research, extension, and financial aid totaled \$345.4 million. Out-of-state student spending brought \$94.3 million in revenue to Florida. These estimates are conservative, since some remaining funds in grants, donations, and research support could not be identified as out-of-state.

Summary of Out-of-State Revenues

Federal Research & Extension	\$7,454,359
Federal Research Support	\$186,775,450
Out-of-State Student Spending on Tuition & Fees	\$29,312,012
Out-of-State Student Non-Tuition Spending	64,948,417
Federal Financial Aid *	<u>\$151,212,044</u>
Total	\$439,702,282

** Does not include federal financial aid received by out-of-state students, since all of their funds are assumed to come from outside the state.*

Research Support

In 2002-03, total expenditures for sponsored research were over \$371 million¹⁷. Of this amount, the state provided more than \$38 million, and federal contracts and grants exceeded \$193 million¹⁸. An additional \$7.4 million in other federal support for research and extension was provided through the Institute of Food and Agricultural Sciences¹⁹. Federal research awards have averaged \$224 million per year over the last five years, increasing from \$160.1 million in 1998-99 to \$289.3 million²⁰ in 2002-03. Awards represent funds available for use, whereas expenditures represent the actual spending of the funds awarded. Because of the time lag between the commitment of dollars and the actual expenditure of those dollars, award figures give an indication of the amount of expenditures to expect over the next one to two years.

Out-of-State Student Expenditures²¹

In Fall of 2002, the University of Florida's student population included 6,361 students from outside Florida, representing all of the remaining 49 states and more than 100 countries. Of these students, 2,302 were undergraduates and 4,059 were graduate students²².

Students who are not Florida residents must pay additional out-of-state student fees as well as the matriculation fee and other university fees paid by all students. The total amount paid by out-of-state students during 2002-03 was an estimated \$29.3 million.

Out-of-state students spent an additional \$64.9 million on housing, meals, transportation, clothing, personal expenses, and books or supplies. Of this total amount, \$7 million was spent on campus and \$57.9 million off campus. Tuition and non-tuition expenditures by out-of-state students totaled more than \$94.2 million in school year 2002-03.

Federal Student Financial Aid

During the 2002-03 school year, \$338.2 million in financial aid was dispersed to students at the University of Florida. Federal financial aid, which is considered an out-of-state source, totaled \$163.2 million. In-state students received \$151.2 million in federal aid and out-of-state students received \$12 million in federal aid.

Financial Aid by Source of Funds

	Received by In-State Students		Received by Out-of-State Students		Total Received by Students	
	<u>Amount</u>	<u># Awards</u>	<u>Amount</u>	<u># Awards</u>	<u>Amount</u>	<u># Awards</u>
Federal	\$151,212,044	42,162	\$11,988,994	2,453	\$163,201,038	44,615
Private & Institutional	\$54,858,970	28,508	\$10,648,714	2,785	\$65,507,683	31,293
State	\$68,487,598	33,334	\$40,976,339	7,594	\$109,463,938	40,928
Total	\$274,558,612	104,004	\$63,614,047	12,832	\$338,172,659	116,836

Source: University of Florida, Office of Student Financial Aid.

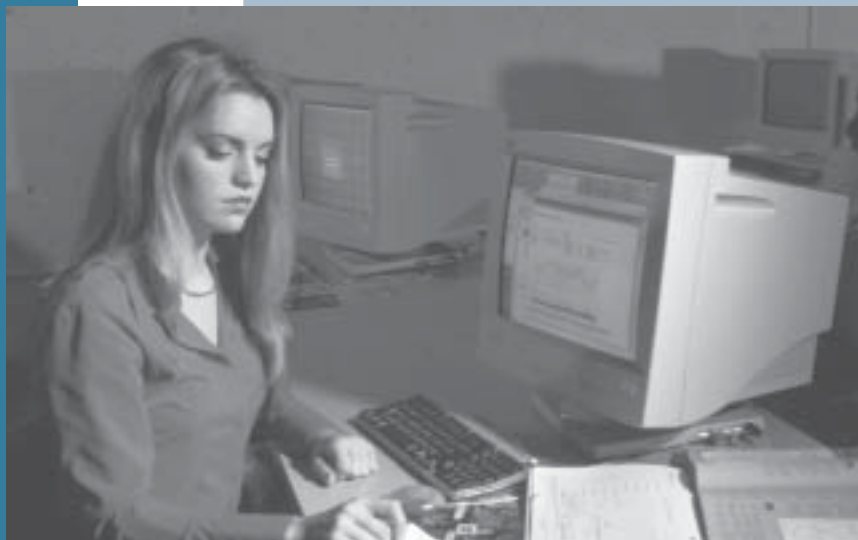


Expenditures

The university, its related organizations, employees, students, and visitors spent an estimated \$4.09 billion in 2002-03²³. Of the total amount, approximately \$3.76 billion, or 92 percent, was spent within the state of Florida.

Total Expenditures

	Total Expenditures	Total In-State Spending
University Salaries & Benefits	\$1,586,810,311	\$1,586,810,311
Operating Expenditures	\$1,616,019,255	\$1,292,815,404
Construction	\$82,290,471	\$82,290,471
Direct Support Organizations	\$289,779,000	\$289,779,000
Off-Campus Student Expenditures	\$442,470,435	\$442,470,435
Visitor Spending	\$74,296,000	\$74,296,000
Total	\$4,091,665,472	\$3,768,461,621



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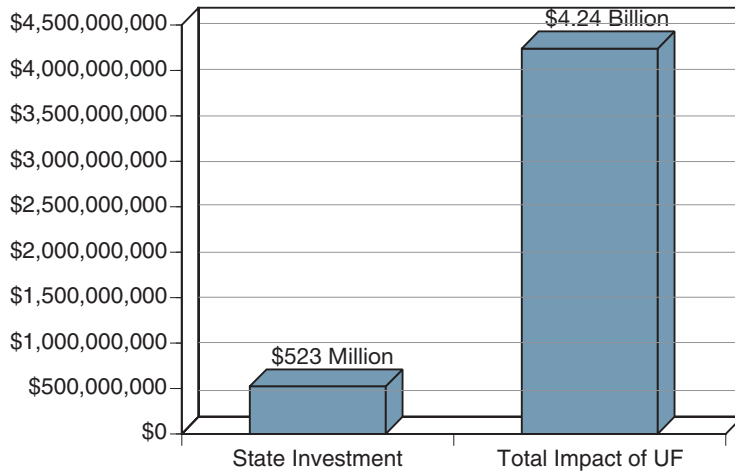
2002-03

Impact on the State Economy

A spending multiplier of 2.0 is used to conservatively estimate the impact of expenditures from out-of-state revenues²⁴. In other words, each \$1 of university spending from an out-of-state source is assumed to generate an additional \$1 of spending within the state of Florida. This multiplier is consistent with other university economic impact studies and the state of Florida multiplier produced by the U.S. Department of Commerce. Multiplier values are not assigned to university expenditures made from in-state revenue sources, based on the assumption that these dollars would remain in the state whether or not they came to the University of Florida. Undoubtedly, many of these resources would, in fact, be lost to the state if UF did not exist as residents and students went elsewhere for the unique programs and services offered by the University of Florida.

An estimated \$3.76 billion was spent in Florida by the university and its related organizations, employees, students, and visitors during 2002-03. When the indirect and induced impact of new dollars, totaling \$478.5 million, is added to the direct spending of the university, the total annual impact is \$4.24 billion. **This total impact is more than eight times the state investment of \$523 million for 2002-03.**

Return on State Investment



Impacts on the State Economy

In-State Spending	Amount
University Salaries & Benefits	\$1,586,810,311
In-State Operating Expenditures *	\$1,292,815,404
Construction	\$82,290,471
Direct Support Organizations	\$289,779,000
Off-Campus Student Expenditures	\$442,470,435
Visitor Spending	\$74,296,000
Total In-State Spending	\$3,768,461,621
Multiplier Effects²⁵	\$478,587,561
Total Impacts	\$4,247,049,183

* Direct Expenditures made within the state, 80 percent of total expenditures.



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Employment

During fiscal year 2002-03, total employment by the University of Florida and its related support organizations was 48,021 people. Most employees are located on the main campus in Gainesville, but county offices of the Cooperative Extension Service, Regional Research and Education Centers, and other off-campus programs extend UF employment and expenditure impacts into every county of the state.

University of Florida Employment, 2002-03

Employment Category	Number of Employees
Faculty	4,766
Staff	9,821
Student Part-time	19,612
Shands Hospital	8,564
Shands Jacksonville	3,326
Direct Support Organizations	823
Faculty Practice Plans	1,109
Total	48,021

Indirect Employment

Economic activity generated by the University of Florida is also indirectly responsible for a large number of jobs in businesses around the state, which provide goods and services to the university, faculty and students. It is estimated that an expenditure of \$1 million in research and development (R&D) generates approximately 48.5 jobs²⁵. Using only expenditures from R&D, the University of Florida generates an additional 18,736 jobs. In 2002-03, the total number of jobs in the state of Florida attributable to the University of Florida was 66,757. This includes the 19,612 part-time student employees, 14,587 faculty and staff positions, 11,890 employees of the hospitals, 823 employees from direct support organizations, 1,109 employees from faculty practice plans and the 18,756 jobs created by multiplier effects.



Other Economic Impacts

In addition to the short-term economic impacts identified thus far, the University of Florida provides several other less tangible, but more important, long-term benefits to the economy of Florida. Among these benefits are educated citizens and skilled workers, new technology, and research and extension support for the state's agricultural industries. The university is able to provide these benefits in part because it attracts both substantial external support for sponsored research and significant private support for a wide variety of university programs. The net result is that UF offers a superior education at an affordable price and an array of public service programs for citizens throughout the state.

Education and Work Force Development

The University of Florida contributes most significantly to the long-term development of Florida by providing graduates equipped to participate in today's knowledge-intensive economy. The emergence of the global economy, rapid changes in communications and electronic data processing technology, and technological advancement in a variety of businesses and industries have increased the demand for high levels of educational attainment.

According to the most current data from the Florida Education and Training Placement Information Program (FETPIP), of those who received bachelor's degrees from UF during the period 2000-01 through 2002-03, almost half are currently employed in Florida, and the average annual salary for this group is approximately \$35,124. Forty-six percent of UF's master's degree recipients are employed in Florida, averaging \$53,386 in earnings annually, while 18 percent of Ph.D. recipients work in Florida with average annual earnings of approximately \$59,535 per year. The average annual earnings for 2001-02 high school graduates found employed in Florida is \$16,068²⁶.



Degree Recipient Total, 2002-03

Degree Type	Year Total	Degrees Awarded Through May 2003
Bachelor's	7,975	232,642
Master's*	2,889	62,667
Doctorate**	591	14,543
Doctor of Medicine	111	4,040
Doctor of Veterinary Medicine	82	1,790
Doctor of Dental Medicine	80	1,811
Juris Doctor	414	13,933
Doctor of Pharmacy	254	1,786
Commencement Total	12,396	333,212

*Includes Specialist and Engineer degrees

**Includes Doctor of Philosophy and Education degrees

Source: University of Florida, Student Data Course File



Some outstanding alumni include:

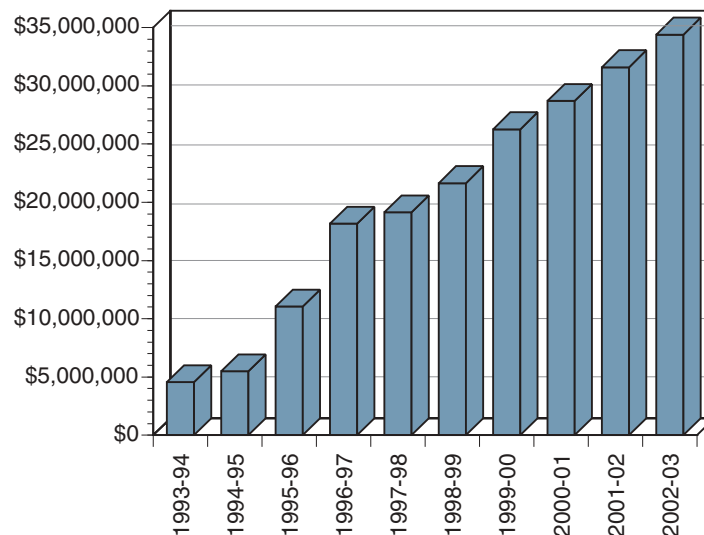
- John Atanasoff - inventor of electronic digital computer
- Carol Browner – former administrator of the U.S. Environmental Protection Agency
- Tracy Caulkins - Olympic Gold Medal swimmer
- Lawton Chiles - former Governor of Florida and former U.S. Senator
- Faye Dunaway - actress
- John Dasburg - CEO of Northwest Airlines
- Bob Graham - U.S. Senator
- Connie Mack – former U.S. Senator
- Buddy MacKay - former Governor and former Lt. Governor of Florida
- Jim McGee - Pulitzer Prize-winning reporter
- Marshall Nirenberg - Nobel Prize winner in medicine and physiology
- Forrest Sawyer - ABC News
- Eleanor Smeal - former NOW president
- Emmitt Smith - football player
- Steve Spurrier - Heisman trophy winner
- Hugh Wilson - creator of “WKRP in Cincinnati”
- Bob Vila - home repair personality
- Jack Youngblood - 2001 Pro Football Hall of Fame inductee

New Technology

An important consequence of the University of Florida’s research mission is the development of new technology. The number of invention disclosures, patent applications and patents issued indicates the degree of UF’s success. In 2002, UF ranked sixth nationally among public and private universities in the number of patents awarded²⁷. Since 1986, the Office of Technology Licensing at the University of Florida has received 2,000 invention disclosures. Over the same period, 1,396 patent applications have been filed and 705 patents have been granted.

The university also collects royalties from patents issued—money that is directed back into research and development. Since 1986, UF has received more than \$222 million in royalty and licensing income and in 2002 ranked seventh among public and private universities in the amount of royalty income received²⁷.

Royalties Received



Source: University of Florida, Office of Technology Licensing.

Spin-Off Companies

In addition, the Sid Martin Biotechnology Development Incubator at the University of Florida is the state's only bio-business incubator and serves as a statewide resource for transferring technology into the private sector. The facility provides biotechnology start-up companies with extensive business development support services, assistance with access to seed stage venture capital, and state-of-the-art infrastructure including wet labs, fermentation facility, self-contained greenhouse, and common use scientific equipment and laboratories. BDI provides the necessary support that start-up companies need to move from proof of concept to creating corporate structures and platforms from which products and concepts can be launched in the market. Since its inception in 1995, 26 of 33 biotech companies (80 percent) that were admitted to BDI are thriving in various locations of the state. Further, BDI companies and graduates have raised approximately \$55 million in equity and have been awarded more than \$19 million in government and private grants.

Many of these companies start and stay in the local area such as the one started by the late faculty/inventors Jim Cerda and Charles Burgin. Their company, Cer-Berg Enterprises, manufactures and sells a protein-enriched citrus pectin product called ProFibe™, which has been shown to lower cholesterol. They originally made their discovery while serving as faculty members in the UF College of Medicine. In the past decade, there have been approximately 100 spin-off companies, the majority of which are affiliated with the University of Florida and have remained in the state.

Hundreds of technologies have also been licensed to already established companies such as the license held by Quaker Oats for the sports drink Gatorade®. The licensing income generated from these arrangements during fiscal year 2004 exceeded \$37 million. In addition to creating jobs in the university spin-off companies, the royalties, which are paid by the companies to the university, are used to sponsor additional research which oftentimes generates discoveries with future commercial potential.



Sponsored Research

According to the National Science Foundation, the University of Florida is one of the top research universities in the country. The key indicator for competitive research achievement is the total number of research and development dollars spent at each university. The 2001-02 NSF survey ranks UF 15th among AAU public universities in science and engineering R&D expenditures²⁹ and these are the very best research universities in the United States and the world.

In 2002-03, UF was awarded \$458 million in funding for sponsored research³⁰. Most of these research dollars came from outside the state, with the federal government providing the largest share of UF's research funding³¹. Total sponsored research awards have averaged \$382 million per year over the past five years.

University of Florida External Research Funding Awards*

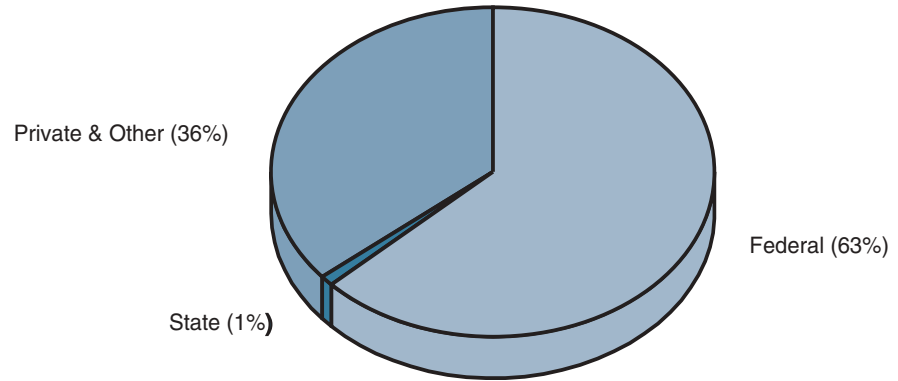
Source	1998-99	1999-00	2000-01	2001-02	2002-03
Federal	\$160,131,743	\$175,084,363	\$227,066,971	\$268,120,493	\$289,329,160
State	\$36,655,386	\$41,469,984	\$37,531,805	\$44,758,341	\$4,381,065
Other**	\$99,121,301	\$122,878,578	\$114,910,859	\$124,314,786	\$164,395,078
Total	\$295,908,430	\$339,432,925	\$379,509,635	\$437,193,620	\$458,105,303

Source: University of Florida, Division of Sponsored Research.

* Awards are not the same as expenditures.

**Includes local/regional governments, corporations & companies, foundations & societies, University of Florida Research Foundation, and University of Florida Foundation.

UF Sponsored Research Awards, 2002-03



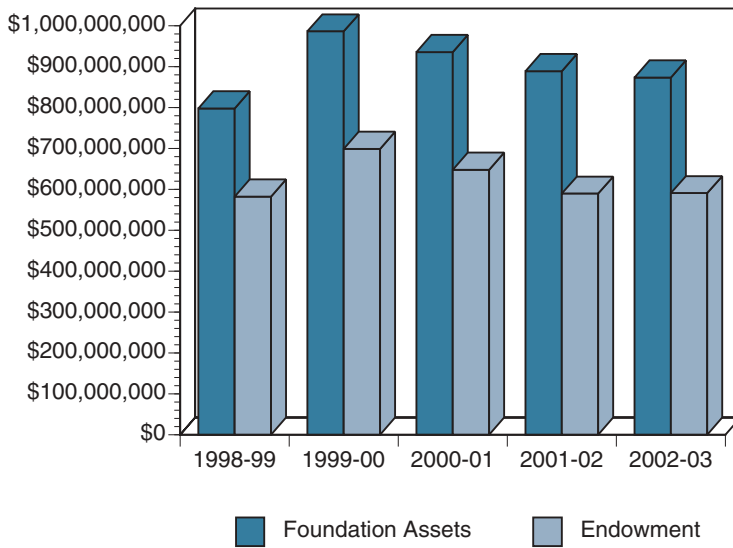
Source: University of Florida, Office of Research and Graduate Programs.



Private Support

Along with its ability to attract external research dollars, the University of Florida also receives significant funding from private sources. Gifts from corporations, alumni, faculty, staff, and other friends have made the University of Florida endowment one of the largest in the nation. In 2002-03, the UF endowment was the 21st largest among public universities³². Over the past five years, as endowment assets and Foundation assets have continued to grow, University program support provided by the UF Foundation has increased by more than 100 percent. This money is invested and the proceeds are used to improve performance, build quality, and enhance productivity in every aspect of the university's mission. Since 1979, the Foundation has provided in excess of \$891 million in support of UF programs³³.

Total Endowment and Foundation Assets



Source: University of Florida Foundation, Inc.

University of Florida Foundation

Fiscal Year	Endowment Assets	Foundation Assets	University Program Support Provided by Foundation	Total Gifts to University
2002-03	590,490,077	873,409,901	114,488,113	176,688,606
2001-02	589,377,212	888,726,563	111,873,453	179,330,018
2000-01	647,716,490	935,659,352	78,978,204	142,944,802
1999-00	698,651,955	986,346,978	63,982,986	163,600,416
1998-99	582,069,784	797,860,815	56,292,264	135,389,175

Source: University of Florida Foundation, Inc.

Conclusion

The University of Florida feels a special responsibility to the citizens and the state of Florida for the investment they have made in this institution, the faculty, staff and students. We believe we have handled this investment wisely and also believe this report demonstrates that fact. Moreover, with the support of state leaders, the University has taken that investment and added to it in order to enrich the educational opportunities for our undergraduate and graduate students and to create opportunities for our faculty. The University's ultimate goal is to facilitate the advancement of the state of Florida and its citizens.



The Economic Impact

of the
UNIVERSITY OF
FLORIDA

on the
STATE OF FLORIDA

2002-03

Methodology

Revenues and expenditures for the university and its support organizations are quantified from financial records, and expenditures by students and visitors are estimated using information available from a variety of sources. Particular attention is devoted to identifying revenues that come from out-of-state sources (e.g., research grants, federal funds, tuition payments by non-resident students, federal student financial assistance, etc.). From an economic perspective, these represent new dollars in the state's economy. Where appropriate, indirect and induced impacts are estimated using multipliers calculated for the state economy.

Economic impacts identified are short run in nature and represent annual, recurring events. Indicators are provided for the longer run, more intangible impacts of the university on the state economy (e.g., workforce development, knowledge enhancement, and the value of education), but we do not attempt to assign dollar values. The estimates presented in this report are conservative in nature. For example, we do not assign multiplier values to university expenditures that result from state revenue sources because these dollars would remain in the state whether or not they came to the University of Florida.

The most obvious direct impacts of the University of Florida on the state's economy come in the form of faculty and staff employment, the attraction of revenues from out-of-state sources, spending by faculty, staff, students, and visitors for a wide range of goods and services, and the 167,000 alumni who live and work in Florida. Direct expenditures are associated with additional spending as dollars spent by the university and its students and visitors are recirculated throughout the state economy by suppliers of goods and services.

An estimated 80 percent of UF expenditures for direct purchases and 100 percent of those for construction are made within the state. Estimates are not available on the location of expenditures by faculty, but the vast majority of these expenditures occur within the state. For purposes of estimates here, the assumption is made that all student and visitor expenditures take place in the state. Since spending for construction represents new activity in the state's construction industry, all capital improvement spending is treated as new revenue to the state for purposes of estimating multiplier effects.

NOTES

1. From UF Bank files, Operating Budget Exhibit B report, and financial statements from Shands Teaching Hospital and Clinics, Inc. and Subsidiaries, and Shands Jacksonville.
2. UF 2002-03 Operating Budget, History Year Exhibit B report.
3. Estimates from University of Florida, University Financial Services.
4. Total revenues used directly for teaching, \$1,124,889,042, is the total for the Academic portion of revenues from the 2002-03 UF Bank files.
5. Ranking based on sales/revenues of public companies in Florida listed in Florida Trend, May 2004.
6. UF Operating Budget, History Year Exhibit B report, 2002-03 UF Bank files (Private Sources only), estimates of visitor spending from Office of Public Relations, and financial statements from Shands Teaching Hospital and Clinics, Inc. and Subsidiaries, and Shands Jacksonville, Direct Support Organizations, and 2002-03 UF Annual Financial Report.
7. UF Operating Budget, History Year Exhibit B report and financial statements from Shands Teaching Hospital and Clinics, Inc. and Subsidiaries, and Shands Jacksonville.
8. 2002-03 UF Annual Financial Report.
9. Does not include the hospitals. Source: 2002-03 UF Annual Financial Report.
10. UF Operating Budget, History Year Exhibit B report, 2002-03 UF Bank files (Private Sources





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- only), financial statements from Shands Teaching Hospital and Clinics, Inc. and Subsidiaries, and Shands Jacksonville, and 2002-03 UF Annual Financial Report.
11. Estimates from University of Florida, University Financial Services.
 12. Estimates for student spending are based on average costs of attendance (determined by the UF Financial Aid Office), total number of students per semester classified by in-state or out-of-state residence, graduate or undergraduate, and housing arrangements. Details on estimation procedures are available from the authors.
 13. University of Florida, Office of Student Financial Affairs.
 14. Estimates for On-Campus and Off-Campus Spending based upon figures from UF Division of Housing, Student Financial Affairs and Registrar's Student Data Course File.
 15. University of Florida, Office of Public Relations.
 16. University of Florida, Office of Public Relations.
 17. UF 2002-03 Operating Budget History Year file.
 18. UF 2002-03 Operating Budget History Year file and SAMAS Expansion Option File.
 19. UF 2002-03 Operating Budget History Year revenues. SAMAS fund numbers 207001 & 216001.
 20. University of Florida, Office of Research and Graduate Programs.
 21. Estimates for out-of-state student spending are based on average costs of attendance (determined by the UF Financial Aid Office), total number of out-of-state students per semester classified by graduate or undergraduate, and housing arrangements. Details on estimation procedures are available from the authors.
 22. Out-of-state student status is for tuition purposes only and is based on reports from the Division of Colleges and Universities data files. These estimates are conservative since out-of-state students may gain in-state status after meeting a set of criteria dictated by the UF Office of the Registrar.
 23. UF Operating Budget, History Year Exhibit B report, 2002-03 UF Bank files, and financial statements from Shands Teaching Hospital and Clinics, Inc. and Subsidiaries, and Shands Jacksonville, Direct Support Organizations, and 2002-03 UF Annual Financial Report.
 24. The indirect and induced impacts are calculated by using a multiplier on new revenues to the state, including construction expenditures. Each dollar of new revenues is assumed to generate one additional dollar of spending within the state. This number is consistent with other studies of university impacts and with multipliers for the state of Florida estimated by the U.S. Department of Commerce [U.S. Department of Commerce. Bureau of Economic Analysis. *Regional Multipliers: A User Handbook for the Regional Input-Output Modeling System (RIMS II)*. Second edition. Washington, DC: U.S. Government Printing Office, May 1992.].
 25. This multiplier, which is specific to this state, is derived from a set of state multipliers developed by the U.S. Commerce Department's Bureau of Economic Analysis (BEA) for the "Colleges, Universities, and Professional Schools" sector. The multipliers are explained in the March 1997 edition of the BEA publication *Regional Multipliers: A User Handbook for the Regional Input-Output Modeling System (RIMS II)*.
 26. Fall 2003 Findings, Florida Education and Training Placement Information Program (FETPIP), Tallahassee, FL.
 27. Association of University Technology Managers Inc, AUTM Licensing Survey, published by *The Chronicle of Higher Education* (December 2003).
 28. National Science Foundation/SRS, Survey of Scientific and Engineering Expenditures at Universities and Colleges, FY 2002.
 29. University of Florida, Office of Research and Graduate Programs Annual Report 2003.
 30. University of Florida, Office of Research and Graduate Programs.
 31. University of Florida, Office of Research and Graduate Programs.
 32. NACUBO Endowment Study (NES), published in *The Chronicle of Higher Education* (January 2004).
 33. University of Florida Foundation, Inc. web site <http://www.uff.ufl.edu/AboutUFF/>



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