

# ECONOMIC IMPACT ANALYSIS



TEXAS A&M  
INTERNATIONAL  
UNIVERSITY

**FY 2021**



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# EXECUTIVE SUMMARY

This report seeks to evaluate the economic impact of Texas A&M International University (TAMIU) on the Webb County economy. This analysis will demonstrate the significance of TAMIU on the Webb County economy.

In fiscal year 2021 (FY21), TAMIU spent **\$62.1 million** on payroll and benefits for **1,494** full and part-time employees, including faculty, and another **\$31 million** on day-to-day expenses related to facilities, supplies, and professional services for carrying out its daily operations. This spending by the University generates diverse multiplier effects among a variety of businesses in Webb County.

According to this study, TAMIU's payroll, benefits, and operating expenses, along with those of its students, produced **\$162.1 million** in additional income, or Gross Regional Product (GRP) for the economy of Webb County in FY21. TAMIU's alumni-generated human capital, and capital expenditures, created ancillary impacts of **\$193.5 million** for the economy of Webb County. The additional regional income from TAMIU's operating and student expenses (or additional GRP) is equivalent to creating close to **2,100** new jobs and over **4,100 jobs** from its alumni and capital expenditures. This represents approximately **4.1 percent** of the total GRP of Webb County.



***TAMIU produced \$355 Million in GRP & over 6,200 jobs for the Webb County economy in 2021***



### Operations spending impact

TAMIU disbursed **\$93 million** in payroll, benefits, and operating expenses to fund its day-to-day activities. The net impact of this spending by the University in FY21 resulted in an estimated **\$155 million** in additional income for Webb County, equivalent to the creation of **1,969 jobs**.



### Student spending impact

Seventy percent of students enrolled in TAMIU are full-time students, the majority of whom are residents of Webb County who would have likely left the region if not for the existence of the University. Many other students relocated to the region because of TAMIU. Thus, we can also credit the University with the money these students spend on their living expenses.

Webb County experienced added income of over **\$7 million** from the expenses of retained and relocated students during FY21. This is equal to supporting **128 jobs**.



### Alumni impact

Students who attended TAMIU over time developed new skills that made them more productive workers. Thousands of these former students are still working in Webb County today.

TAMIU alumni still active in Webb County contributed **\$188.2 million** in additional income to the region's economy, which is the equivalent of sustaining **4,083 jobs**.



### Capital expenditures (construction) impact

Throughout its existence, TAMIU has continuously hired contractors to construct or remodel its facilities. Due to the one-time nature of such projects, the sudden influx of revenue and jobs in the local economy is regarded as short-term. Because of this, we use a ten-year capital expenditure average.

The University's average yearly construction spending has an impact on the Webb County economy accounting for **\$5.3 million** in added income and sustaining **45 jobs** in FY21.



# INTRODUCTION

The Texas Center for Border Economic and Enterprise Development produced this report to assess the impact and benefits generated by Texas A&M International University (TAMIU) on the Webb County economy. The following pages will present our analysis and highlight the broader impacts TAMIU has on the region it serves.

Universities are a vital part of their communities, impacting both the local, regional, and state economies. TAMIU produces value in many ways: it plays a crucial role in helping students increase their employability and achieve their potential, facilitates new research and innovation development generating new opportunities for the region, and equips students with the education, training, and skills they need to have fulfilling and prosperous careers.

TAMIU is an international university poised at the Gateway to México, serving South Texas as the cultural and intellectual hub of a vibrant multilingual and multicultural community.

A Member of The Texas A&M University System, TAMIU provides over 8,400 students with a learning environment anchored by the highest quality programs built on a solid academic foundation in the arts and sciences. Its programs focus on developing undergraduate and graduate offerings with a progressive international agenda for global study and understanding across all disciplines.

TAMIU is committed to providing its students with high-quality, affordable education and academic support services. The University aggressively recruits local Hispanic and economically disadvantaged students. Researchers with Georgetown University's Center on Education and the Workforce (CEW) McCourt School of Public Policy have ranked TAMIU's return on investment (ROI) at 16th in the nation, with graduates projected to earn \$1,006,000 more than their non-college-educated peers 40 years after graduation<sup>1</sup>. TAMIU's ability to move graduates from low-income backgrounds to well-paying jobs recently earned it 3rd place in the national Economic Mobility Index (EMI) created by Third Way<sup>2</sup>.

This economic impact study calculates the contribution of TAMIU to the Webb County economy. The primary tool used for this study is the IMPLAN Input/Output (I-O) model and dataset. IMPLAN is an economic (I-O) impact assessment software system (<https://www.implan.com>). It combines a set of extensive databases concerning economic factors, multipliers, and demographic statistics with a highly refined and detailed modeling software system.

IMPLAN allows the user to develop local-level input-output models that can estimate the economic impact of universities on the region they serve. The model accomplishes this by identifying direct effects by sector, then developing a set of indirect and induced effects through industry-specific multipliers, local purchase coefficients, income-to-output ratios, and other factors and relationships.

<sup>1</sup> A First Try at ROI: Ranking 4,500 Colleges. The Georgetown University Center on Education and the Workforce (CEW). [https://cew.georgetown.edu/wp-content/uploads/College\\_ROI.pdf](https://cew.georgetown.edu/wp-content/uploads/College_ROI.pdf)

<sup>2</sup> Third Way Economic Mobility Index (EMI) <https://www.thirdway.org/report/out-with-the-old-in-with-the-new-rating-higher-ed-by-economic-mobility>

# TAMIU AND THE WEBB COUNTY ECONOMY

This economic impact study measures the contribution of Texas A&M International University (TAMIU) to the Webb County economy. This analysis aims to provide a complete and credible assessment of the economic impact of Webb County’s largest higher education provider. The study calculates how spending by TAMIU, its employees, students, and alums contributes to the dynamism of Webb County. It analyzes how these expenditures produce an additional impact on the economy of Webb County.

The analysis makes use of the information provided by the TAMIU Vice President for Finance and Administration (VPFA), Vice President of Institutional Advancement (VPIA), Vice President for Student Success (VPSS), and Vice President for Academic Affairs (VPAA), as well as data gathered from the Texas Higher Education Coordination Board (THECB), U.S. Census, and IMPLAN for Fiscal Year 2021.

This section gives an overview of TAMIU and Webb County through the institutional data that was the basis for this analysis.

## TAMIU EMPLOYEES

The data provided by TAMIU includes employee information for faculty and full and part-time staff. The data is shown in Table 1.1. The University employed 570 full-time employees, 630 part-time employees, and 294 faculty members in FY21. All of these employees worked and lived in Webb County.

**TABLE 1.1:** Employee Data, FY 2021

|                        |              |
|------------------------|--------------|
| Full Time Staff        | 570          |
| Part-Time Staff        | 630          |
| Faculty                | 294          |
| <b>Total Employees</b> | <b>1,494</b> |

Source: TAMIU

## TAMIU REVENUES

The University’s annual revenues for FY21 totaled \$183.5 million and are depicted in Table 2.1. Tuition and fees comprised 19.5% of total revenue, while 59.1% came from local, state, and federal government sources. The remaining 21.4% came from all other sources, including donations, interest, services, and auxiliary revenue.

**TABLE 2.1:** TAMIU Annual Revenues, FY 2021

|  |                    |
|--|--------------------|
| State Appropriations                           | 44,100,500         |
| Federal Appropriations                         | 13,973,454         |
| Tuition & Fees                                 | 35,768,010         |
| Contracts and Grants                           | 8,003,316          |
| Student Financial Assistance (Federal & State) | 42,407,631         |
| Gifts  | 4,080,382          |
| Sales and Services                             | 2,855,691          |
| Investment Income                              | 28,888,025         |
| Other Operating Income                         | 3,392,868          |
| <b>Total Revenue</b>                           | <b>183,469,876</b> |

Source: TAMIU

## TAMIU EXPENSES

TAMIU’s total payroll, which includes salaries, wages, and benefits, amounted to \$62.1 million in FY21. This represents 42.6% of the University’s overall FY21 expenses as listed in Table 3.1. \$83.5 million was spent on other expenses, including capital costs, operations & maintenance, and student scholarships.

**TABLE 3.1:** Expenses, FY 2021

|                             |                    |
|-----------------------------|--------------------|
| Salary & Wages              | 48,726,335         |
| Benefits                    | 13,361,728         |
| Utilities                   | 1,838,115          |
| Scholarships                | 30,353,517         |
| Operations & Maintenance    | 20,436,502         |
| Equipment (Capitalized)     | 1,058,675          |
| Other Expenses              | 7,523,942          |
| Debt Service                | 11,102,551         |
| Depreciation & Amortization | 11,214,167         |
| <b>Total Expenses</b>       | <b>145,615,533</b> |

Source: TAMIU

# TAMIU STUDENTS

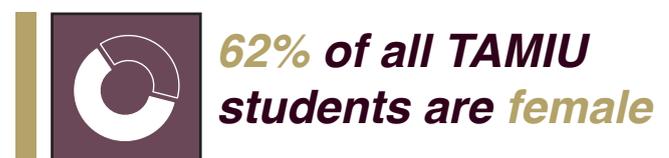
According to TAMIU’s Office of Institutional Research, Assessment, and Planning, the University served 9,747 unduplicated students who were enrolled during the spring, summer, and fall semesters of FY21. Student enrollment distribution for Fall 2021 is depicted in Table 4.1. The gender distribution of the student body was 62% female and 38% male (Figure 1). The ethnic background of the student population was 5% white and 95% minority (including Black, Hispanic, Asian/Pacific, American Indian, and

Hawaiian). The average age of students was 23 years old.

**TABLE 4.1:** Student Enrollment, Fall 2021

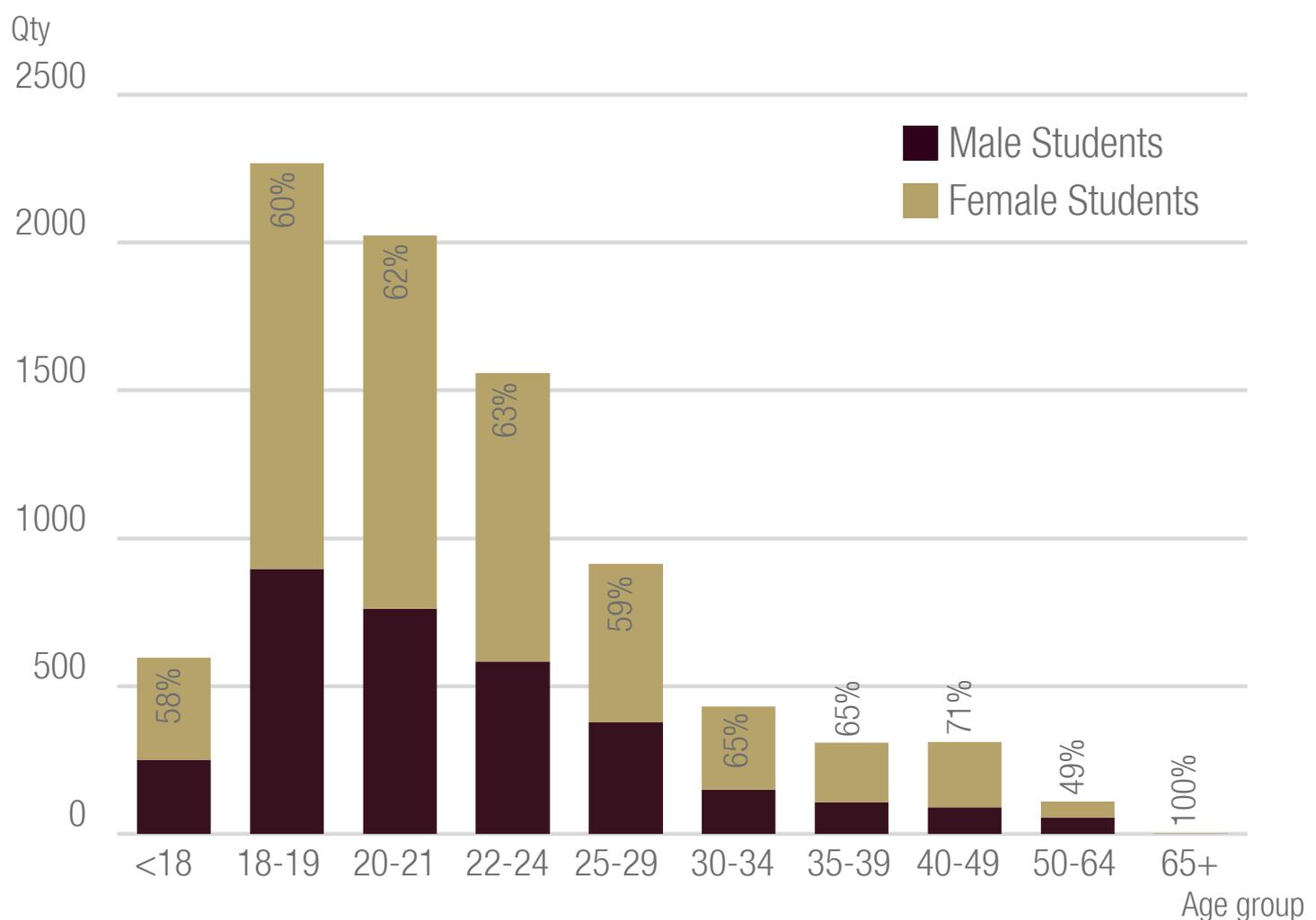
|                       |              |
|-----------------------|--------------|
| Undergraduate         | 7085         |
| Graduate              | 1423         |
| Doctoral              | 17           |
| <b>Total Students</b> | <b>8,525</b> |

Source: TAMIU



**62% of all TAMIU students are female**

**FIGURE 1:** TAMIU Student Distribution by Age and Gender FY 2021



Source: TAMIU



## THE WEBB COUNTY ECONOMY

For this study, we determined Webb County to be TAMIU’s service region. As of the 2020 census, Webb County’s population was 267,114. By area, Webb County is the largest county in South Texas and the sixth largest in the State of Texas. Laredo serves as its county seat. Webb County is predominantly Hispanic, with 95.2% of the county’s population identifying as such. This makes Webb County the county with the second-highest proportion of Hispanic people in the continental United States and the county with the highest proportion of Hispanic people among counties with a population over 100,000.

The Gross Regional Product (GRP) of Webb County is \$8.7 billion, as illustrated in Table 5.1 This is equal to total output (\$16 billion) less total intermediary inputs (\$7 billion). In this report, we use GRP to measure the impact of TAMIU on the economy of Webb County.

 **\$8.7 Billion GRP**  
**2020 Webb County**

**TABLE 5.1:** Webb County GRP, FY 2020

|                           |                         |
|---------------------------|-------------------------|
| Total Output              | \$15,953,758,375        |
| Total Intermediate Inputs | \$ 7,263,963,131        |
| <b>Total GRP</b>          | <b>\$ 8,689,795,244</b> |

Source: IMPLAN (2020)

# THE WEBB COUNTY ECONOMY (CONT..)

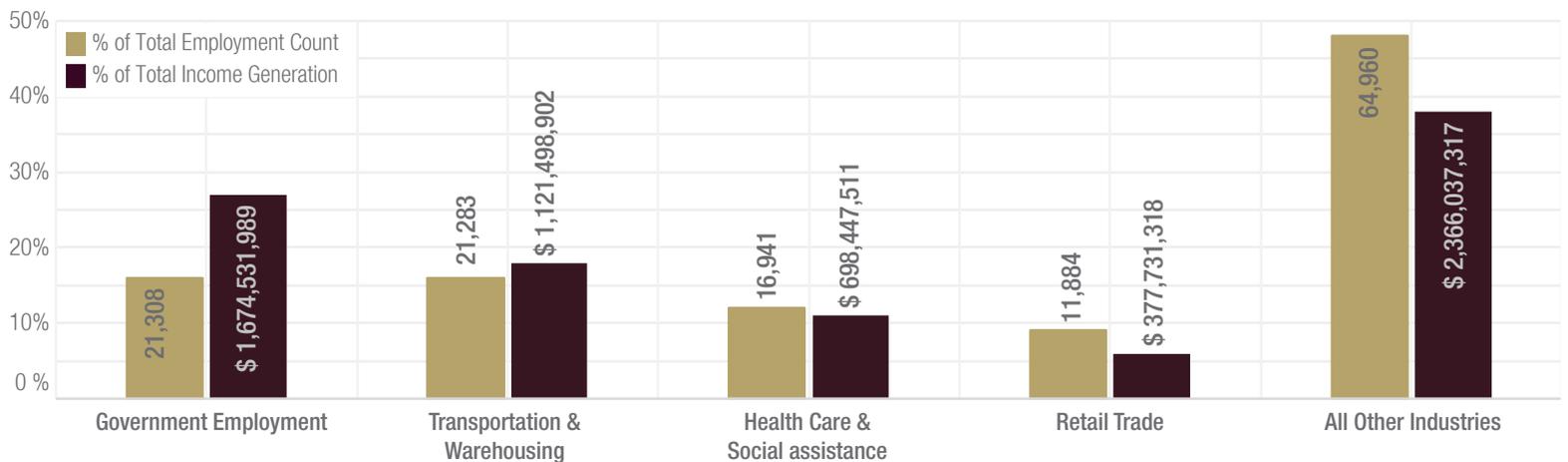
**TABLE 5.2:** Employment Distribution

|                           |                |
|---------------------------|----------------|
| Government                | 21,308         |
| Transportation/Warehouse  | 21,283         |
| Health Carre/Social Asst. | 16,941         |
| Retail Trade              | 11,884         |
| Other Industries          | 64,960         |
| <b>Total</b>              | <b>136,376</b> |

Source: IMPLAN

136,376 people are employed in Webb County. The distribution of jobs in Webb County by industry is shown in Table 5.2. The Transportation sector, accounting for over 21,000 jobs, or 16% of all employment in the area, is the largest employer in the region’s non-government industry sectors. Figure 2 depicts the share of generated Labor Income vs generated Employment by Industry in Webb County.

**FIGURE 2:** Webb County Employment Count & Income Generation by Major Industries 2021



Source: IMPLAN

## WEBB COUNTY EDUCATION

Webb County’s mean income by education level is shown in Table 5.3. As evidenced, students who pursue greater levels of Education have the potential to make more money than those who hold only a high school diploma. A bachelor’s degree recipient can anticipate earning \$49,946 a year, or about \$22,740 more than someone with only a high school diploma.

**TABLE 5.3:** Earnings by Education Level

|                                  |                 |
|----------------------------------|-----------------|
| Less than High School            | \$20,065        |
| High School graudate/EQ          | \$27,206        |
| Some College/Associates          | \$33,081        |
| Bachelor’s Degree                | \$49,946        |
| Graduate or Professional         | \$65,711        |
| <b>Avg. Population 25+ years</b> | <b>\$30,750</b> |

Source: U.S. Census

# TAMIU IMPACT ON WEBB COUNTY

TAMIU produces several economic impacts on Webb County. As an employer and consumer of products and services, through its regular operations and student spending, the University pulls in funds that would not have otherwise entered the Webb County economy. Additionally, it gives students the education, training, and tools they require to develop into productive citizens and invests in capital expenditures that strengthen the regional economy

The economic impact of TAMIU is divided into



TAMIU promotes economic growth in Webb County through its direct expenditures and regional businesses' indirect expenditures. The University is an employer and buyer of goods and services for its day-to-day operations. TAMIU is a primary source of higher education to Webb County residents and a supplier of trained workers to regional industries, enhancing overall productivity in the regional workforce.

The combination of indirect and induced impact is called the multiplier effect. TAMIU boosts the local economy through both direct and indirect outcomes. TAMIU faculty, staff, and administrative employees' income are utilized to buy local goods and services, creating a ripple effect throughout the region's economy.

## Direct Effect:

Impacts generated as a result of spending by TAMIU on capital projects, operations, and pay and benefits.

## Indirect Effect:

The increase in demand for goods and services in industry sectors that supply or support TAMIU, its students, and visitors.

## Induced Effect:

The estimated effect of increased household income, including housing, household goods, entertainment, food, clothing, transportation, and other categories of household spending resulting from TAMIU employee, student, and supplier spending.

TAMIU creates economic value for Webb County as an employer of its residents and a consumer of goods and services. As referenced in Table 1.1, in FY21, the University employed 1,494 full-time and part-time staff and faculty.



**TAMIU Employees: 570 Full-time, 630 Part-time, and 294 Faculty, FY2021**

The total payroll at TAMIU was \$62.1 million, primarily spent in

Webb County on mortgage and rent payments, groceries, dining out, and other household expenses. In addition, the University spent \$30.9 million on day-to-day expenses related to facilities, supplies, and professional services; \$30.4 million in scholarships, and \$22.3 million in other expenses.



**\$30.4 million for Scholarships, FY 2021**



## OPERATIONS SPENDING IMPACT

As indicated in Table 6.1, for FY21 payroll and benefits paid to employees and operation spending of TAMIU generated \$155 million in added income to Webb County’s economy: \$93 million in direct economic impact and \$62 million in indirect and induced economic effects. The \$155 million in added income is equivalent to supporting 1,969 jobs in the region and is approximately 2% of the total Gross Regional Product (GRP) of Webb County.

**TABLE 6.1:** TAMIU Operations Spending Impact

| IMPACT              | EMPLOYMENT   | LABOR INCOME        | VALUE ADDED         | OUTPUT               |
|---------------------|--------------|---------------------|---------------------|----------------------|
| Direct              | 1,494        | \$62,088,063        | \$62,088,063        | \$92,945,297         |
| Indirect            | 181          | \$5,709,830         | \$9,173,361         | \$26,144,600         |
| ,Induced            | 294          | \$10,629,080        | \$18,341,574        | \$35,906,378         |
| <b>Total IMPACT</b> | <b>1,969</b> | <b>\$78,426,973</b> | <b>\$89,602,998</b> | <b>\$154,996,275</b> |

Source: IMPLAN



## STUDENT SPENDING IMPACT

FY21 had 9,747 unduplicated students, 70% of whom are full-time students with 30% attending part-time. For our analysis, and in order to calculate the economic impact that TAMIU students produce on the Webb County economy, we considered only full-time students (6,823) in our calculations. We then made a moderate assumption that in the absence of TAMIU, 35% of these students would have left Webb County in search of better higher education opportunities. We also account for 242 students that relocated to Webb County from foreign countries and other states because of TAMIU. Therefore, the money these 2,388 retained students and 242 relocated students spent on living costs is attributable to the University. These students spent money at businesses in Webb County for groceries, transportation, and so on.

For our analysis, we exclude student spending for room and board since for students living on-campus these expenditures are already reflected in the impact of the University's operations, and off-campus students generally live with their parents.

The average student expenses, including transportation (\$777) and personal expenses (\$2,304), equals \$3,081 (calculated as the avg. of on-campus and at-home living with parents) and appear in Table 7.1. We multiply \$3,081 by 2,630 TAMIU retained and relocated full-time students, to estimate students' total spending. Off-campus spending of these students produces \$8.1 million in off-campus sales for Webb County.

**TABLE 7.1:** Student Spending per Semester

| <b>STUDENT EXPENSES</b> | <b>RESIDENT ON CAMPUS</b> | <b>RESIDENT AT HOME W/PARENT</b> |
|-------------------------|---------------------------|----------------------------------|
| Tuition & Fees          | \$9,254                   | \$9,254                          |
| Books & Supplies        | \$1,950                   | \$1,950                          |
| Room & Board            | \$8,809                   | \$3,046                          |
| Transportation          | \$356                     | \$421                            |
| Personal Expenses       | \$1,152                   | \$1,152                          |
| <b>Total Spending</b>   | <b>\$21,521</b>           | <b>\$15,823</b>                  |

Source: TAMIU

Table 7.2 shows us that during the analysis year, the expenses of these students in Webb County added over \$7 million in income for the Webb County economy, equivalent to supporting 128 jobs.

**TABLE 7.2:** Student Spending Impact

| <b>IMPACT</b>       | <b>EMPLOYMENT</b> | <b>LABOR INCOME</b> | <b>VALUE ADDED</b> | <b>OUTPUT</b>      |
|---------------------|-------------------|---------------------|--------------------|--------------------|
| Direct              | 104               | \$1,414,299         | \$1,732,189        | \$3,956,142        |
| Indirect            | 15                | \$549,829           | \$819,321          | \$2,086,568        |
| Induced             | 9                 | \$308,396           | \$532,260          | \$1,041,991        |
| <b>Total IMPACT</b> | <b>128</b>        | <b>\$2,272,524</b>  | <b>\$3,083,770</b> | <b>\$7,084,701</b> |

Source: IMPLAN



## TAMIU ALUMNI IMPACT

While TAMIU creates an economic impact through its operations, capital expenditures, and students, another significant economic impact originates from the added human capital – the knowledge, creativity, imagination, and entrepreneurship – found in the University’s alumni. TAMIU graduates gained experience, education, knowledge, skills, and abilities that increased their productivity and allowed them to command a higher salary once they entered the workforce.

TAMIU alumni generate economic impacts derived from their salaries and their employer-added non-labor income. This impact is based on the number of students who have attended TAMIU throughout its history and have graduated.

For this section, we will be working with an estimate of TAMIU alumni employed in the Webb County workforce provided by the University’s VPIA. We use this total number of alumni to calculate the impact for FY21. Former students that did not finish their degrees and former students with invalid addresses were not considered.

TAMIU’s VPIA has 27,135 identified alumni. According to data from the U.S. Census Bureau’s American Community Survey, average annual compensation for undergraduate degrees in Webb County is \$49,946 and \$65,711 for graduate degrees.

There are 17,790 TAMIU alumni that live in Webb County, of which 13,512 received undergraduate degrees, 2,988

received graduate degrees, and 1,290 received undergraduate and graduate degrees. The headcount of alumni currently employed in the Webb County workforce provided by the universities' VPIA totals 4,542.

The link between graduating from college and higher earnings is well established, and this link for TAMIU graduates is no different. According to information provided by the U.S. Census Bureau, an average worker with a high-school education earns approximately \$27,206 a year. As previously mentioned, average Webb County undergraduate alumni earn an estimated \$49,946 per year, and graduate alumni earn \$65,711. Based on this, the average salary contribution by TAMIU to its alumni is estimated at \$30,622 above the high school average.

TAMIU alumni that are active in the Webb County workforce and that

indicated their earned degree are as follows: 418 in Accounting and Finance, 1,628 in Business, 56 in Arts, 837 in Nursing, 1,092 in Education, and 417 in Engineering. This data, together with IMPLAN's region overview for Webb County, allows us to identify the most likely industry that recipients of a given degree will be employed in within Webb County and the North American Industry Classification System (NAICS) code associated with that industry to estimate alumni impacts for this study. After the most likely sector that a graduate from a particular degree would be employed in within Webb County is identified, IMPLAN is then used to calculate the impact of TAMIU alumni within those specific industries. The sum of these results represents the total impact.

TAMIU alumni are estimated to sustain 4,083 jobs and \$188.2 million in added income for Webb County. (Table 8.1).

**TABLE 8.1:** TAMIU Alumni Impact

| <b>IMPACT</b>       | <b>EMPLOYMENT</b> | <b>LABOR INCOME</b> | <b>VALUE ADDED</b>  | <b>TOTAL OUTPUT</b>  |
|---------------------|-------------------|---------------------|---------------------|----------------------|
| Direct              | 3,356             | \$45,593,483        | \$47,678,230        | \$102,767,432        |
| Indirect            | 456               | \$16,396,152        | \$23,548,698        | \$52,400,814         |
| Induced             | 271               | \$9,769,066         | \$16,863,064        | \$33,012,778         |
| <b>Total IMPACT</b> | <b>4,083</b>      | <b>\$71,758,701</b> | <b>\$88,089,992</b> | <b>\$188,181,024</b> |

Source: IMPLAN

In calculating TAMIU's total impact, alumni contributions are included and classified as ancillary impacts.



# CAPITAL EXPENDITURES

Since its inception, TAMIU has undertaken various capital expenditure projects to further enhance the University’s infrastructure and continue developing its reputation as the region’s leading higher education institution.

These impacts are considered short-term due to the one-time nature of such projects, but their economic impact is undeniable. For this study, we calculate capital expenditure impacts based on TAMIU’s ten-year capital spending average. Because we are working with a ten-year average, we include the amounts for capital expenditures and their effect as ancillary impacts on the total economic results. For illustrative

and knowledge-producing purposes, we reproduce them separately to better understand what effect TAMIU’s capital investments produce on Webb County.

TAMIU’s construction spending average for the past ten years is approximately \$3.5 million annually. The multiplier effect produced by these direct expenditures generates an output of \$5.3 million in added income in Webb County, equivalent to supporting 45 jobs (Table 9.1)

As with the alumni impact, the capital expenditures impact is also included in the University’s total impact as ancillary impacts.

**TABLE 9.1:** TAMIU Capital Expenses Impact

| IMPACT              | EMPLOYMENT | LABOR INCOME       | VALUE ADDED        | TOTAL OUTPUT       |
|---------------------|------------|--------------------|--------------------|--------------------|
| Direct              | 31         | \$1,492,172        | \$1,752,922        | \$3,400,000        |
| Indirect            | 6          | \$253,639          | \$401,462          | \$935,218          |
| Induced             | 8          | \$276,368          | \$477,186          | \$934,204          |
| <b>Total IMPACT</b> | <b>45</b>  | <b>\$2,022,179</b> | <b>\$2,631,570</b> | <b>\$5,269,422</b> |

Source: IMPLAN



# TAMIU TOTAL IMPACT

We classify the total economic impact of TAMIU on Webb County into two categories. The first impact includes the University’s annual spending on payroll, benefits, operations, and student spending, as well as its induced effects (Table 10.1). The second impact represents the ancillary effects of the University’s alumni and capital expenditures (Table 10.2).

The total impact of TAMIU on the Webb County economy in FY21 was **\$356 million**, as shown in Table 10.3. TAMIU’s total added value is equivalent to **4.1 percent** of Webb County’s Gross Regional Product. The University’s contribution ranks in the **top 2%** of Webb County’s industry sectors. TAMIU’s overall impact in FY21 supported **6,224 jobs**.

**TABLE 10.1:** TAMIU Total Operations & Student Impact

| IMPACT              | EMPLOYMENT   | LABOR INCOME        | VALUE ADDED         | OUTPUT               |
|---------------------|--------------|---------------------|---------------------|----------------------|
| Direct              | 1,598        | \$63,502,362        | \$63,820,252        | \$96,901,439         |
| Indirect            | 196          | \$6,259,659         | \$9,992,683         | \$28,231,168         |
| Induced             | 303          | \$10,937,476        | \$18,873,833        | \$36,948,369         |
| <b>Total IMPACT</b> | <b>2,097</b> | <b>\$80,699,497</b> | <b>\$92,686,768</b> | <b>\$162,080,976</b> |

**TABLE 10.2:** TAMIU Total Ancillary Impact

| IMPACT              | EMPLOYMENT   | LABOR INCOME        | VALUE ADDED         | OUTPUT               |
|---------------------|--------------|---------------------|---------------------|----------------------|
| Direct              | 3,388        | \$47,085,655        | \$49,431,151        | \$106,167,432        |
| Indirect            | 462          | \$16,649,790        | \$23,950,160        | \$53,336,032         |
| Induced             | 278          | \$10,045,434        | \$17,340,250        | \$33,946,982         |
| <b>Total IMPACT</b> | <b>4,128</b> | <b>\$73,780,879</b> | <b>\$90,721,561</b> | <b>\$193,450,446</b> |

**TABLE 10.3:** TAMIU Total Economic Impact

| IMPACT              | EMPLOYMENT   | LABOR INCOME         | VALUE ADDED          | OUTPUT               |
|---------------------|--------------|----------------------|----------------------|----------------------|
| Direct              | 4,986        | \$110,588,017        | \$113,251,404        | \$203,068,871        |
| Indirect            | 658          | \$22,909,449         | \$33,942,842         | \$81,567,200         |
| Induced             | 581          | \$20,982,911         | \$36,241,083         | \$70,895,351         |
| <b>Total IMPACT</b> | <b>6,224</b> | <b>\$154,480,377</b> | <b>\$183,408,329</b> | <b>\$355,531,422</b> |

Source: IMPLAN

# CONCLUSION

This study shows that TAMIU generates value from various angles. The University helps local businesses by boosting regional expenditures and creating human capital as a consistent stream of highly skilled and trained graduates. TAMIU improves its students' quality of life by increasing their lifetime earnings enabling them to realize their full potential; and finally, TAMIU benefits society in Webb County by creating a more prosperous economy and generating an improved lifestyle for its graduates.

The results of this study illustrate how TAMIU creates a positive net impact on the regional economy. This is represented in two ways: first, by the University's multiplier effect, and second, by the University's return on investment (ROI).

Multipliers are rates of change that describe how a given change in a particular industry impacts the overall economy. TAMIU's spending creates more spending across other businesses throughout the Webb County economy, resulting in this multiplier effect. TAMIU's total multiplier effect is **1.75**, meaning that for every dollar invested in and by TAMIU, **75** additional cents are generated and added to the Webb County economy.





Regarding job creation, TAMIU's employment multiplier is **1.25**, meaning that every TAMIU Direct Job supports **1.25** jobs in the total economy: the original job and 1/4 additional job. This indicates that one out of every **65** jobs in Webb County is supported by the activities of TAMIU and its students. If we include TAMIU's ancillary impacts, then the activities of the University and its students accounts for one of every **22** jobs in Webb County.

Return on investment (ROI) is a performance measure used to assess the efficiency or profitability of an investment. While corporations and businesses usually use it to develop business cases and evaluate investment decisions, this study applies ROI to measure the economic impact of the total State Appropriations granted to TAMIU in a given fiscal year (FY). For FY 2021, the State of Texas contributed \$44.1 million in state appropriations. Considering TAMIU produced **\$162.1 million** in total output from operations and student expenses, the ROI is **3.7**. That figure is further improved when considering the University's ancillary impacts (alumni and capital expenditures) which increase the ROI to **8.1**.







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