

November 9, 2016

**The Economic Impact of the University of Nevada, Las Vegas  
on Southern Nevada: 2016<sup>1</sup>**

**Executive Summary**

Founded in 1957, the University of Nevada, Las Vegas (UNLV) is the only graduate and research institution in Southern Nevada. This report quantifies the university’s economic impact within the local economy. As one of the ten largest employers in Clark County, the university employed 3,069 individuals in February 2015. UNLV also contributes to the local economy via its expenditures on local businesses in support of its operations. We estimate that the university spent approximately \$105 million in Southern Nevada during fiscal year 2015. UNLV also provides economic activity in Southern Nevada via the expenditures of its students and visitors on local goods and services.

The primary impact of UNLV on the Southern Nevada economy is summarized in the table below. In total, UNLV’s primary quantitative economic impact is estimated at \$1,205 million.

Total Estimated Primary Impact of UNLV\*

University Employment	<b>3,069</b>	jobs
University Employee Wages	\$254	million
University Demand for Goods and Services	\$105	million
Student Demand for Goods and Services	\$265	million
Visitor Economic Activity	\$581	million
<b>Total Primary Economic Activity</b>	<b>\$1,205</b>	<b>million</b>

\*Fiscal Year 2015

In addition, the university’s direct impact provides spinoff impacts that ripple through the local economy. Spinoff impacts result from additional rounds of spending that take place after the direct spending has occurred. We employ a structural model of Clark County’s economy developed by Regional Economic Models, Inc. (REMI) to calculate these

<sup>1</sup> The full report is available at: [http://cber.unlv.edu/publications/UNLV\\_Econ\\_Impact\\_FY2015.pdf](http://cber.unlv.edu/publications/UNLV_Econ_Impact_FY2015.pdf)

spinoff impacts. The table below summarizes the total quantitative impact of UNLV on the Southern Nevada economy. We estimate that UNLV generated a total of \$2,238 million<sup>2</sup> to the Southern Nevada economy during 2015. UNLV's state appropriations amounted to \$155 million in 2015. Hence, UNLV's Economic Impact Ratio (EIR) for 2015 is 14.4.<sup>3</sup> That is, for every dollar of state appropriation funds the university generated an additional \$14.4 in economic activity to the Southern Nevada community. UNLV's EIR was 3.8 in 1993 and 11.9 in 2013.<sup>4</sup> This increase reflects the maturity of UNLV as a research university. In addition, we find that each dollar of student spending generates approximately 1.9 dollars of economic activity for Southern Nevada. In terms of UNLV's impact on the gross regional product in Southern Nevada, we estimate that UNLV contributed to 1.3 percent of Clark County's gross domestic product (GDP) in 2015.

#### Total Estimated Economic Impact of UNLV

	2015			2015-2015*		
	Primary	Spinoff	Total	Primary	Spinoff	Total
Employment (jobs)	3,069	10,879	<b>13,948</b>	3,069	6,371	<b>9,440</b>
Gross Domestic Product	\$ 1,205	\$ 179	<b>\$ 1,384</b>	\$ 13,251	\$ 6,235	<b>\$ 19,486</b>
Output	\$ 1,205	\$ 1,033	<b>\$ 2,238</b>	\$ 13,251	\$ 18,243	<b>\$ 31,494</b>

\*Cumulative impact for entire period.

Note: GDP and output are presented in millions of fixed 2015 dollars. Rounding errors may make some entries appear inconsistent with each other. For example, \$13,251 does not equal \$1,205\*11.

The Thomas & Mack Center makes a unique contribution to our estimates because it is a university facility used by the community. We estimate that the Thomas & Mack Center contributed \$423 million in direct impact and \$936 million in total impact to the Southern Nevada economy in 2015.

We also find that, by the year 2025, UNLV will supply the valley with nearly 9,440 jobs and roughly \$31.49 billion in economic activity, which is cumulated from 2015 to 2025. These estimates reflect a full accounting of magnifying effects. These estimates are, nonetheless, conservative as they do not include the numerous qualitative benefits the university imparts to the Las Vegas economy.

<sup>2</sup> This figure is obtained by summing the primary impact (\$1,205 million) and the short-run spinoff impacts (\$1,033 million).

<sup>3</sup> The Economic Impact Ratio (EIR) is defined as the Total Economic Impact divided by State Appropriations. This should not be interpreted as an annual return rate.

<sup>4</sup> Tra, Constant and Jinju Lee. 2014. *The Economic Impact of the University of Nevada, Las Vegas on Southern Nevada*.

Given that these estimates represent a lower bound of the total economic impact, we conclude that UNLV plays a fundamental part of the Southern Nevada economy. Moreover, as the only major university in a rapidly diversifying economy, the university will no doubt continue to contribute to the region's future well-being and provide valuable resources in aiding the local community to reach its full potential. The new medical school, which we do not evaluate in our analysis, will add significantly to the economic impact of UNLV on Clark County's economy.

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