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**The Economic Impact of the University of Nevada, Las Vegas
on Southern Nevada: 2012***

Executive Summary

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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 2,814 individuals in December of 2011. 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 \$82 million in Southern Nevada during fiscal year 2011. UNLV also provides economic activity in Southern Nevada via the expenditures of its students and visitors on local goods and services.

The primary impacts of UNLV to the Southern Nevada economy are summarized in the table below. In total, UNLV’s primary quantitative economic impact is estimated at nearly \$913 million.

| Total Estimated Primary Impact of UNLV* | |
|--|----------------------|
| University Employment | 2,814 jobs |
| University Employee Wages | \$238 million |
| University Demand for Goods and Services | \$82 million |
| Student Demand for Goods and Services | \$228 million |
| Visitor Economic Activity | \$365 million |
| Total Primary Economic Activity | \$913 million |
| *Fiscal Year 2011 | |

In addition, the university’s direct impacts provide spinoff impacts that ripple through the local economy. Spinoff impacts are the result of additional rounds of spending which 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 spinoff impacts. The table below summarizes the total quantitative impacts of UNLV on the Southern Nevada economy. We estimate

* The full report is available at: http://cber.unlv.edu/publications/UNLV_Economic_Impact.pdf

that UNLV generated a total of \$1,461 million¹ to the Southern Nevada economy during 2011. UNLV's state appropriations amounted to \$170 million in 2011. Hence, UNLV's Economic Impact Ratio (EIR) for 2011 is 8.6.² In other words, for every dollar of state appropriation funds the university generated an additional \$8.6 in economic activity to the Southern Nevada community. UNLV's EIR was 3.8 in 1993 and 4.5 in 2006.³ This increase over time is also a reflection of the maturity of UNLV as a research university. In addition, we find that each dollar of student spending generates approximately 1.6 dollars of economic activity for Southern Nevada.

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 \$254 million in direct impact and \$330 million in total impact to the Southern Nevada economy in 2011.

| Total Estimated Economic Impact of UNLV | | | | | |
|---|-----------------|---|----------------------|---|---------------------|
| | Primary 2011 | + | Spinoff 2011-2050 | = | Total 2011-2050* |
| Employment | 2,814 | + | 14,438 | = | 17,252 jobs |
| Gross Regional Product | \$913 | + | \$9,112 | = | \$10,025 million |

* Cumulative impact for entire period.

We also find that, by the year 2050, UNLV will supply the valley with at least 17,252 jobs and roughly \$10 billion in economic activity. 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.

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. As the only major university in a rapidly diversifying economy, moreover, the university will no doubt contribute to the region's future well-being and provide resources in helping the community reach its full potential.

The full report is available online: http://cber.unlv.edu/publications/UNLV_Economic_Impact.pdf.

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¹ This figure is obtained by summing the primary impact (\$913 million) and the spinoff impacts (\$548 million).

² 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.

³ Tra, Constant, R. Keith Schwer, and Lynn Bretthorst. 2008. *The Economic Impact of the University of Nevada, Las Vegas on Southern Nevada*.