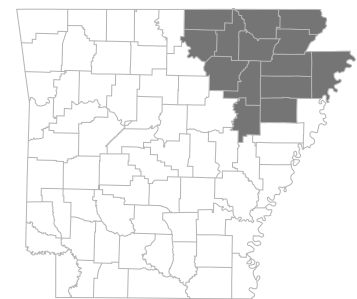


# The Economic Value of Arkansas State University - Newport



NORTHEAST ARKANSAS

Arkansas State University - Newport (ASUN) creates a significant positive impact on the business community and generates a return on investment to its major stakeholder groups—students, taxpayers, and society. Using a two-pronged approach that involves an economic impact analysis and an investment analysis, this study calculates the benefits received by each of these groups. Results of the analysis reflect fiscal year (FY) 2021-22.

## Economic impact analysis

In FY 2021-22, ASUN added **\$48.3 million** in income to the Northeast Arkansas<sup>1</sup> economy, a value approximately equal to **0.3%** of the region's gross regional product (GRP). Expressed in terms of jobs, ASUN's impact supported **833 jobs**.

### Operations spending impact

- ASUN employed 273 full-time and part-time faculty and staff. Payroll amounted to \$12.1 million, much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$9.6 million on day-to-day expenses related to facilities, supplies, professional services, and construction expenditures.

<sup>1</sup> For the purposes of this analysis, Northeast Arkansas is comprised of Clay, Craighead, Cross, Fulton, Greene, Independence, Izard, Jackson, Lawrence, Mississippi, Poinsett, Randolph, Sharp, and Woodruff Counties.

- The net impact of the college's operations spending added **\$15.3 million** in income to the regional economy in FY 2021-22.

### Student spending impact

- Around 31% of credit students attending ASUN originated from outside the region. Some of these students relocated to Northeast Arkansas. In addition, some in-region students, referred to as retained students, would have left Northeast Arkansas for other educational opportunities if not for ASUN. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.
- The expenditures of relocated and retained students in FY 2021-22 added **\$3 million** in income to the Northeast Arkansas economy.

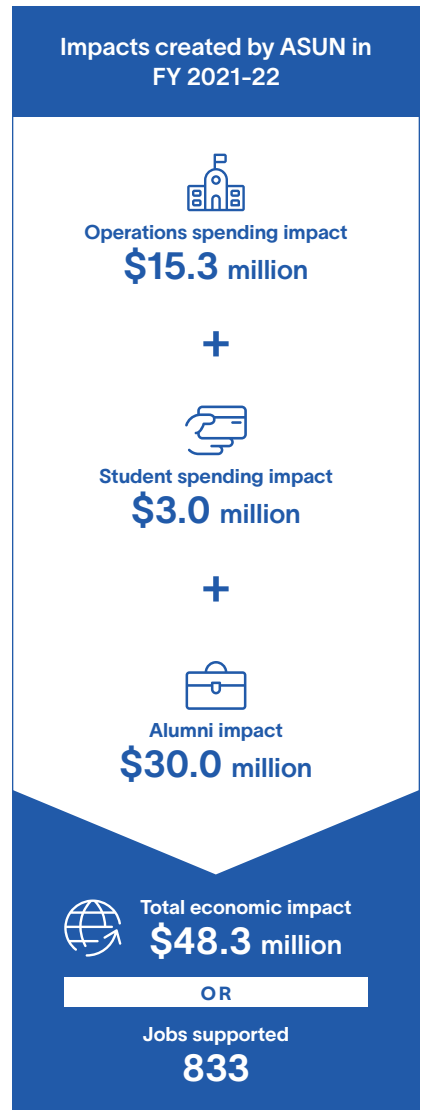
### Alumni impact

- Over the years, students have studied at ASUN and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in Northeast Arkansas.
- The net impact of ASUN's former students currently employed in the regional workforce amounted to **\$30 million** in added income in FY 2021-22.

## Investment analysis

### Student perspective

- ASUN's FY 2021-22 students paid a present value of **\$5 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$5 million** in money that they would have earned had they been working instead of attending college.





- In return for their investment, students will receive a cumulative present value of **\$91.9 million** in increased earnings over their working lives. This translates to a return of **\$9.20** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **29.8%**.

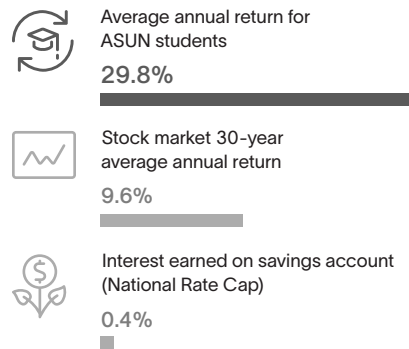
### Taxpayer perspective

- Taxpayers provided ASUN with **\$11.4 million** of funding in FY 2021-22. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$27.2 million**. A reduced demand for government-funded services in Arkansas will add another **\$2.8 million** in benefits to taxpayers.
- For every dollar of public money invested in ASUN, taxpayers will receive **\$2.60** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **6.2%**.

### Social perspective

- In FY 2021-22, Arkansas invested **\$28.1 million** to support ASUN. In turn, the Arkansas economy will grow by **\$296.3 million**, over the course of students' working lives. Society will also benefit from **\$9.9 million** of public and private sector savings.
- For every dollar invested in ASUN in FY 2021-22, people in Arkansas will receive **\$10.90** in return, for as long as ASUN's FY 2021-22 students remain active in the state workforce.

### Students see a high rate of return for their investment in ASUN



Source: Forbes' S&P 500, 1992-2021. FDIC.gov, 2-2022.

