



The Economic Impact of Research at UND: Fiscal Year 2012

Jobs, Tax Revenues, and Economic Activity

The University of North Dakota had approximately \$119.3 million in total sponsored research program expenditures in fiscal year 2012. Input-output analysis indicates that the economic impact of these awards on Grand Forks County, the State of North Dakota, and the North Central Census Region was a staggering \$244.3 million in economic output, 2,061 jobs, and nearly \$24.2 million in local, state, and federal tax revenue.

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This report provides estimates of the economic impact of the approximately \$119.3 million in sponsored program expenditures occurring at the University of North Dakota (UND) during fiscal year 2012 (FY12). Estimates are given for Grand Forks County, the State of North Dakota, and the North Central Census Region (North Dakota, South Dakota, Minnesota, Montana, and Wyoming), measured by the value of economic output, employment, and tax revenues.

With the exception of tax revenues, measures of economic impact are frequently categorized as direct, indirect and induced impacts.

The direct impact of the sponsored program expenditures on a region is the result of spending the available dollars on the purchase of goods and services such as laboratory supplies or the hiring of students or technicians. The purchase of goods and services from the sponsored program creates economic activity in supporting industries that is referred to as the indirect impact. The induced impact results from purchases made by those individuals whose income has been generated by employment related to either the direct or the indirect impact of the sponsored program.

The North Central Region



Output and Employment

Figure 1 shows the relative effects of the direct, indirect and induced impacts of UND-sponsored programs on the economic output of Grand Forks County, North Dakota, and the North Central Region, respectively. For each dollar spent for sponsored programs at UND, there was \$1.50 in economic activity in Grand Forks County, \$1.65 in North Dakota, and \$2.05 in the North Central Region. Not surprisingly, the economic impact was greater as the size of the study area increased. These results clearly indicate the importance of the sponsored programs conducted at UND on the local, state, and regional economies.

**Figure 1:
Output per UND Research Dollar**

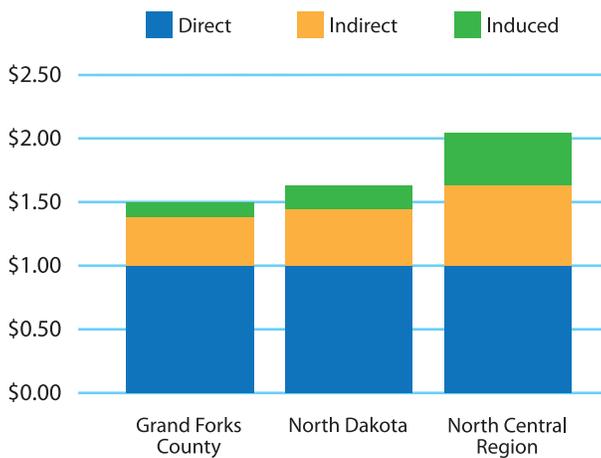
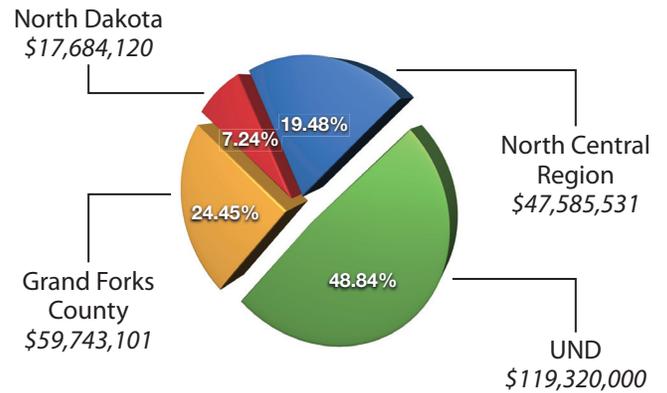


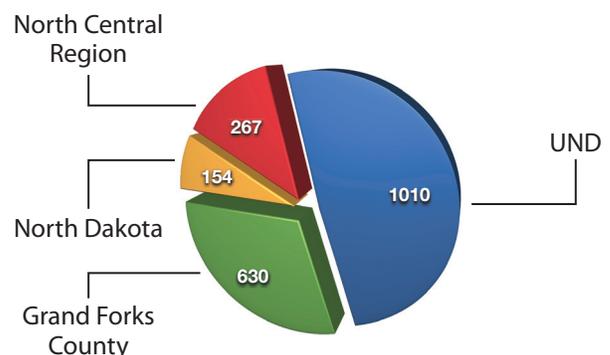
Figure 2 shows \$244.3 million of cumulative economic output impact of FY12 UND-sponsored programs across the region, beginning with the direct impact on UND. The impacts added by indirect and induced impacts on Grand Forks County, the remainder of North Dakota, and the North Central Region are shown in the accompanying pie chart. The cumulative impact of UND sponsored programs within the State of North Dakota is \$196.7 million. See Table 1 for additional details.

**Figure 2:
Cumulative Output**



The estimated FY12 employment impact of UND sponsored programs was approximately 2,061 jobs, 1,010 of which were at UND, 630 additional jobs in Grand Forks County, 154 jobs elsewhere in North Dakota, and 267 additional jobs outside of North Dakota within the North Central Region. These cumulative employment impacts are shown in Figure 3. The cumulative number of jobs within the state of North Dakota created by UND sponsored programs is 1,794. See Table 1 for additional details.

**Figure 3:
Cumulative Employment**

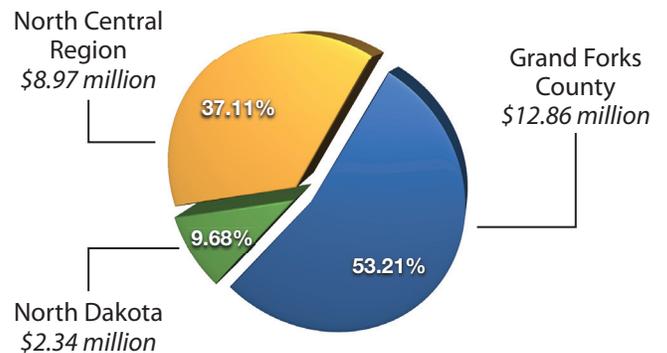


Local, State and Federal Taxes

Table 1 on the next page shows that the indirect and induced impacts of FY12 UND sponsored program expenditures generated \$7.7 million in state and local taxes and \$16.5 million in federal taxes. Of these, \$3.3 million in state and local tax revenues and \$9.5 million in federal tax revenues were from Grand Forks County. An additional \$696,668 in state and local taxes and \$1.6 million in federal taxes were generated outside of Grand Forks County within North Dakota. Interestingly, \$3.6 million in state and local taxes and \$5.3 million in federal taxes were estimated to have been generated outside of North Dakota within the North Central Region. The total state and federal taxes generated by UND's sponsored program expenditures was \$24.2 million. Figure 4 shows

cumulative total tax revenues for Grand Forks County, North Dakota, and the North Central Region.

**Figure 4:
Cumulative Tax Revenues**



Summary

The \$119.3 million in sponsored program expenditures by UND in FY12 is estimated to have had an additional impact of \$59.7 million in Grand Forks County, \$17.7 million in other counties within North Dakota and \$47.6 million in the North Central Region, for a total economic impact of \$244,332,752. This sponsored research is also estimated to have led to the creation of 1,010 jobs within UND, 630 additional jobs in Grand Forks County, 154 additional jobs in other counties of North Dakota and 267 jobs outside of North Dakota but within the North Central Region, for a total of 2,061 jobs. The state, local and federal tax impact of UND-sponsored research program spending was estimated at \$12.9 million from Grand Forks County, plus another \$2.3 million from North Dakota and another \$9 million from the North Central Region, for a total of \$24.2 million in state, local, and federal tax revenue attributable to FY12 UND-sponsored programs.



Table 1: Economic Impact Summary for Fiscal Year 2012

Impact Area	Output	Number of Jobs
UND	\$119,320,000	1,010
Grand Forks County	\$59,743,101	630
North Dakota	\$17,684,120	154
North Central Region	\$47,585,531	267
Total	\$244,332,752	2,061
	State & Local Taxes	Federal Taxes
Grand Forks County	\$3,328,782	\$9,531,703
North Dakota	\$696,668	\$1,644,109
North Central Region	\$3,633,259	\$5,334,451
Total	\$7,658,709	\$16,510,263

Administration

Phyllis E. Johnson, Ph.D., has been serving as Vice President for Research and Economic Development (ED) at the University of North Dakota since August of 2009. The mission of the Office of the Vice President for Research and Economic Development is to serve the broad research community of the University of North Dakota, a community that is instrumental in meeting the strategic aims of the University. Research administration is centered in five offices: namely the Office of the Vice President for Research and ED, Grants and Contracts Administration, Research Development and Compliance, IP Commercialization and Economic Development, and ND EPSCoR. In fiscal year 2012, a total of \$102.04 million in awards was received for sponsored research activities, and research expenditures totaled \$119.3 million.



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