Texas A&M University’s Galveston Campus (Texas A&M at Galveston) 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) 2019-20 (September 1, 2019 to August 31, 2020). Texas A&M at Galveston remained open and operational throughout 2020 and addressed the pandemic, by transferring learning, advising, support operations, and many other activities to hybrid, occupancy limited and/or virtual platforms. However, the pandemic led to the movement of many summer academic programs online and cancellation of many on-campus events from March to August 2020. In addition, Texas A&M at Galveston enrollment declined in spring and summer 2020. Each of these substantially impacted areas such as the observed decrease in student spending impact during the fiscal year. An electronic version of the executive summary and fact sheet are available at: economicimpact.tamu.edu.

**IMPACT ON THE BUSINESS COMMUNITY**

Texas A&M at Galveston serves Galveston County. During the analysis year, Texas A&M at Galveston’s spending on operations and research, as well as the spending of its students and visitors added $49.0 million to the county economy. When also accounting for former students, the impact sums to a value approximately equal to $69.2 million in total income to the county economy, approximately 0.4% of the county’s total gross regional product (GRP). Expressed in terms of jobs, Texas A&M at Galveston’s impact supported 1,389 jobs. The economic impacts of Texas A&M at Galveston break down as follows:

**OPERATIONS SPENDING IMPACT**

- Texas A&M at Galveston employed 733 full-time and part-time faculty and staff in FY 2019-20 (less research). Payroll amounted to $29.4 million, much of which was spent in the county for groceries, clothing, and other household goods and services. The university spent another $32.7 million to support its day-to-day operations (less research).
- The net impact of Texas A&M at Galveston payroll and expenses (less research) in Galveston County during the analysis year was approximately $33.4 million in total income. This is equivalent to supporting 765 jobs.
RESEARCH SPENDING IMPACT
• Research activities at Texas A&M at Galveston impact the county economy by employing people and making purchases for equipment, supplies, and services. They also facilitate new knowledge creation in Galveston County through inventions, patent applications, and licenses. In FY 2019-20, Texas A&M at Galveston spent $3.3 million on payroll and $4.8 million on other expenses to support research activities.

• Texas A&M at Galveston’s research spending generated $6.2 million in total income for the Galveston County economy, which is equivalent to supporting 132 jobs.

STUDENT SPENDING IMPACT
• Around 96% of credit-bearing students attending Texas A&M at Galveston originated from outside the county. Some of these students, called relocator students, moved to Galveston County. In addition, a number of students would have left the county if not for Texas A&M at Galveston. These relocator and retained students spent money on groceries, transportation, rent, and so on at county businesses.

• The expenditures of relocator and retained students during the analysis year added approximately $7.9 million in total income to the Galveston County economy. This is equivalent to supporting 205 jobs.

VISITOR SPENDING IMPACT
• Out-of-county visitors attracted to Galveston County for activities at Texas A&M at Galveston brought new dollars to the economy through their spending at hotels, restaurants, gas stations, and other county businesses.

• Visitor spending added approximately $1.5 million in total income for the Galveston County economy, which is equivalent to supporting 41 jobs.

TOTAL TEXAS A&M AT GALVESTON IMPACT
• The total Texas A&M at Galveston impact on the Galveston County economy amounted to $49.0 million in total income, equivalent to supporting 1,143 jobs.

FORMER STUDENT IMPACT
• Over the years, students have studied at Texas A&M at Galveston and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in Galveston County.

• The accumulated contribution of former students currently employed in the Galveston County workforce amounted to $20.1 million in added income during the analysis year. This is equivalent to supporting 247 jobs.

<table>
<thead>
<tr>
<th>Impact Type</th>
<th>Total Income</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATIONS SPENDING IMPACT</td>
<td>$33.4 million</td>
<td>765</td>
</tr>
<tr>
<td>RESEARCH SPENDING IMPACT</td>
<td>$6.2 million</td>
<td>132</td>
</tr>
<tr>
<td>STUDENT SPENDING IMPACT</td>
<td>$7.9 million</td>
<td>205</td>
</tr>
<tr>
<td>VISITOR SPENDING IMPACT</td>
<td>$1.5 million</td>
<td>41</td>
</tr>
<tr>
<td>TOTAL TEXAS A&amp;M AT GALVESTON IMPACT</td>
<td>$49.0 million</td>
<td>1,143</td>
</tr>
<tr>
<td>FORMER STUDENT IMPACT</td>
<td>$20.1 million</td>
<td>247</td>
</tr>
<tr>
<td>GRAND TOTAL IMPACT</td>
<td>$69.2 million</td>
<td>1,389</td>
</tr>
</tbody>
</table>
GRAND TOTAL IMPACT

- The overall impact of Texas A&M at Galveston on the Galveston County business community during the analysis year amounted to $69.2 million in total income, equal to the sum of the total Texas A&M at Galveston impact and the former student impact. This is equivalent to supporting 1,389 jobs and is equal to approximately 0.4% of the GRP of the Galveston County.

RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS, AND SOCIETY

STUDENT PERSPECTIVE

- Texas A&M at Galveston’s FY 2019-20 students paid a present value of $20.2 million to cover the cost of tuition, fees, books, supplies, and interest on student loans. They also forwent $19.6 million in money that they would have earned had they been working instead of attending.

- In return for the monies invested in the university, students will receive a present value of $149.9 million in increased earnings over their working lives. This translates to a return of $3.77 in higher future earnings for every dollar students invest in their education. The students’ average annual rate of return is 14.6%.

TAXPAYER PERSPECTIVE

- In FY 2019-20, state and local taxpayers in Texas paid $28 million to support the operations of Texas A&M at Galveston. In return, they will benefit from added tax revenue, stemming from students’ higher lifetime earnings and increased business output, amounting to $27.9 million. A reduced demand for government-funded services in Texas will add another $5.1 million in benefits to taxpayers.

- Dividing benefits to taxpayers by the associated costs yields a 1.2 benefit-cost ratio, i.e., every dollar in costs returns $1.18 in benefits. The average annual return on investment for taxpayers is 2.3%.

SOCIAL PERSPECTIVE

- Society as a whole in Texas will receive a present value of $441.4 million in added state revenue over the course of the students’ working lives. Society will also benefit from $13.7 million in present value social savings related to reduced crime, lower unemployment, and increased health and well-being across the state.

- For every dollar invested in Texas A&M at Galveston in FY 2019-20, people in Texas will receive $4.90 in return, for as long as Texas A&M at Galveston’s FY 2019-20 students remain active in the state workforce.

STUDENT RATE OF RETURN

<table>
<thead>
<tr>
<th>Average Annual Return for Texas A&amp;M at Galveston Students</th>
<th>Stock Market 30-year Average Annual Return*</th>
<th>Interest Earned on Savings Account (National Rate Cap)**</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.6%</td>
<td>9.9%</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

**FDIC.gov, 6-2019.