THE UNIVERSITY OF HAWAI‘I IS A 1.66 BILLION DOLLAR PLAYER IN HAWAI‘I’S ECONOMY

The contribution of the University of Hawai‘i to Hawai‘i’s economy is significant and growing. The contribution is generated by the University’s ability to leverage state appropriations and the related spending by students, visitors, and others.

UH SYSTEM CONTRIBUTION:
In FY 2006, UH was able to use a base of $575 million in general fund expenditures to generate $574 million in additional outlays for a total of approximately $1.15 billion of UH System expenditures. The difference was generated through government research and training grants, revolving funds (e.g., bookstore revenues), special funds (e.g., tuition and fees), and federal matching grants.

RELATED SPENDING:
In addition to the contribution above in FY 2006, other spending on UH-related activities totaling $506 million brought the expenditure total to $1.66 billion. This included spending by students (on items other than tuition, fees, dorm fees, and books), money spent by the privately funded UH Foundation and the Research Corporation of the University of Hawai‘i, out-of-state visitor spending while attending UH sporting events and UH-sponsored conferences and professional meetings, and University employee retiree benefits.

UH is over a billion and a half dollar enterprise!

UH leverages taxpayer dollars

- For every dollar of general funds appropriated by the state, the UH System generates another $1.88 of education-related expenditures in the economy.
- Every dollar of general fund spending by UH generates $4.25 of total business sales and $2.59 of labor earnings.
- For every $1 million of state general funds invested in UH, 65 jobs are generated.
- Every dollar of general fund spending by the University of Hawai‘i generates $.26 in state taxes.

UH generates a good return on the state’s investment

- Total UH expenditures generated $148 million in state tax revenue during the 2006 fiscal year. These tax receipts represented 3.33 percent of total state taxes.
- Adjusted for inflation, a Hawai‘i resident who obtains a bachelor’s degree pays $168,450 more in state taxes over his or her lifetime than does a resident with a high school diploma.

UH expands the state economy

In 2006, the University of Hawai‘i represented about 2.84 percent of Hawai‘i’s economy (gross state product) of $58.3 billion.
UH stimulates the business community

- Total UH-related expenditures in fiscal 2006 directly and indirectly generated $2.44 billion of business sales, 37,316 jobs, and $1.49 billion of earnings to households.

- University activities foster new businesses, assist existing industry, and create long-term job growth. They enhance the work force through development of human capital and knowledge infrastructure, and integration of Hawai‘i into the global community.

- UH promotes innovation and capitalization on Hawai‘i’s unique natural and cultural endowments. It serves as a laboratory for the creation of new knowledge and a warehouse for additions to the pool of knowledge.

- The University of Hawai‘i produces the future leaders of Hawai‘i.

The Contribution of the University of Hawai‘i to Hawai‘i’s Economy in 2006

Information in this brochure is excerpted from “The Contribution of the University of Hawai‘i to Hawai‘i’s Economy in 2006” prepared by the University of Hawai‘i at Hilo, Department of Economics, September 2007. Principal investigator was David Hammes. This is a second update to the Economic Impact Study originally completed in 2000 and last updated in 2004. This study was funded by the University of Hawai‘i Office of the Vice President for Academic Planning and Policy and the UH Foundation.

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