

# Economic Impact of the University of Connecticut 2022-2023



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The University of Connecticut (UConn) serves as a major economic engine for the state of Connecticut. As one of the top public research universities in the country with over 32,000 students across multiple campuses statewide, the university prepares graduates to fill workforce needs that drive Connecticut's economy. Indicative of this talent pipeline, 75% of Connecticut natives who graduated from UConn stayed in the state for jobs.<sup>1</sup>

More broadly, UConn strengthens Connecticut's workforce through academics and research initiatives, spurs innovation and technology commercialization, provides world-class healthcare options to residents, enhances the state's reputation and profile, and enriches communities through service programs.

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**UConn drives significant  
economic impact for  
Connecticut's economy**

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While UConn impacts Connecticut's economic development in countless ways, this study aims to conservatively quantify a subset of its economic footprint using the Regional Economic Models Inc. (REMI) model. Specifically, we focus our analysis on three key areas: 1) Operational expenditures for employee salaries, general supplies/equipment, and services to run the university system; 2) Capital spending on construction and infrastructure upgrades; and 3) Supplemental consumer spending from students and visitors.

<sup>1</sup> Center for Career Development. Graduate Outcomes Data Collection. Retrieved from <https://today.uconn.edu/2024/01/recent-grads-overwhelmingly-staying-in-connecticut-for-jobs-graduate-school/>

UConn promotes economic growth across Connecticut through direct expenditures and additional spending sparked by students, visitors, and research activities. As a major employer and procurer within the state, the university's day-to-day operations and groundbreaking research inject funds that circulate throughout local economies. Beyond just operational spending, UConn fosters innovation and entrepreneurship. For example, in fiscal year 2023, the 59 companies in UConn's technology incubator raised \$106 million, while UConn-supported startups have raised over \$1.3 billion since 2003. Additionally, UConn continually advances intellectual property, with 86 new invention disclosures and 25 issued patents in 2023 alone. The university also attracts bright minds from around the state and country. To model the magnitude of these interconnected ripple effects, this economic impact analysis applies the REMI model. Transitioning from the IMPLAN model used in previous UConn impact analyses, REMI enables dynamic multi-year modeling through **direct**, **indirect** and **induced** multipliers by tracing spending pathways as they circulate through the state's economy.



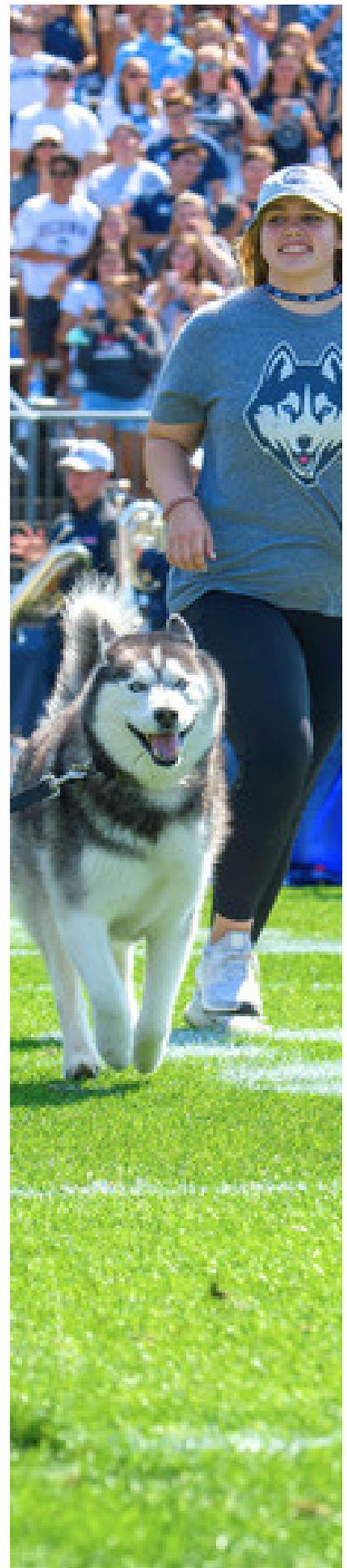
**Direct impact:** This encompasses the initial outlays of operational expenditures at UConn on items including personnel salaries, supplies, equipment, and contracted services. As a major institutional employer and buyer within Connecticut, these initial expenditures flow into the incomes of in-state suppliers and workers.



**Indirect impact:** On top of direct spending, UConn generates additional indirect economic impact by purchasing from Connecticut-based suppliers. This supplier spending supports expanded output and jobs down the supply chain. For example, the university's construction projects involve contracting with Connecticut construction firms, who in turn purchase from subcontractors and source local materials, spurring waves of business-to-business transactions rippling through the state's economy.



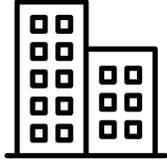
**Induced impact:** Beyond the initial direct and indirect outlays, further induced impact stems from the wider consumer spending of UConn faculty, staff and other members of the UConn community. This includes their expenditures at restaurants, grocery stores, healthcare providers, retailers, and other merchants that service household consumption.





# Economic impact analysis

## Operations Spending Impact



UConn's ongoing operations and administration of academic programs, research initiatives, community services, medical care, facilities maintenance, and other university functions comprise the largest segment of its total economic impact. For fiscal year 2023, UConn spent approximately \$1.7 billion on payroll and benefits for 13,659 full-time employees<sup>2</sup>, and approximately \$1.3 billion on goods and services to carry out its day-to-day operations. Table 1 shows employment levels (headcount) at each university campus, labor income (comprised of salaries and fringe benefits) and total operational spending. Faculty and staff payroll is part of the state's total earnings, and the spending of these employees on groceries, apparel, and other household items helps to support jobs and stimulate economic activity within the state. To estimate the total economic impact from operational spending, we adjusted for outflows to out-of-state vendors and other leakages using data from university procurement records.

Table 1: Financial Data of UConn Operations

Campus	Employment	Labor Income	Operational Spending
Storrs	6,573	\$ 931,800,212	\$ 1,503,016,525
UConn Health	6,315	696,710,414	1,365,508,292
Hartford	422	65,860,880	79,943,721
Avery Point	159	21,711,923	29,338,971
Stamford	133	23,016,949	26,478,484
Waterbury	57	8,368,664	9,859,897
<b>Total</b>	<b>13,659</b>	<b>\$ 1,747,469,042</b>	<b>\$ 3,014,145,891</b>

The total economic impact of UConn's day-to-day operations spending on Connecticut's economy was approximately \$7.8 billion in state output, \$4.8 billion in valued added, added \$4.6 billion in labor income and supported 46,647 jobs. This economic impact stems from UConn's payroll, and the multiplier effects generated by in-state spending of the university and its employees.

## Construction Spending Impact



In addition to ongoing operations, UConn's continuous investment in new facilities, infrastructure upgrades, and campus expansions comprise a major driver of economic development for Connecticut. For fiscal year 2023, the university allocated over \$243 million towards capital projects focused on

<sup>2</sup> Total employees include Faculty, Staff and Graduate Assistants

building renovations, residence hall improvements, utilities repairs and other construction initiatives maintained under UConn’s rolling long-term master plan. To model the direct in-state impact, the total capital expenditures were itemized by detailed construction industry category based on actual contractor amounts. This enabled precise modelling of how spending on categories like architectural services, maintenance/repair construction, plumbing, and other niche building trades specifically impact those Connecticut-based sectors.

After itemization, out-of-state contractor spending was excluded through an 85% adjustment factor based on historical averages. The resulting \$206 million in itemized in-state capital spending sustained 2,707 jobs with \$222 million in labor income. Further, UConn’s capital expenditure generated \$250 million toward the state’s Gross Domestic Product (GDP) and \$456 million in statewide economic output through purchases from Connecticut vendors and industry multipliers.

### **Student and Visitor Spending Impact**



For the 2022-2023 academic year, on campus enrollment exceeded 32,000 students. Of these, approximately 28% represented non-residents who relocated to Connecticut. Further, nearly 20% of in-state students were conservatively considered as retained, meaning they would have pursued education outside of Connecticut if not for UConn’s presence in the state. This retention rate demonstrates UConn’s role in developing and retaining local talent.

Beyond students, UConn’s special events, conferences, sports, speakers and other programming draws hundreds of thousands of visitors annually to its campuses statewide. Between students and visitors, this infusion of outside human capital spent an estimated \$215 million during fiscal year 2023 at grocery stores, restaurants, hotels, transportation, and recreation outlets within the state. This direct supplemental expenditure contributed \$284 million in statewide output, supporting 1,746 jobs with \$116 million in labor income for Connecticut businesses and workers in sectors like retail, hospitality, entertainment, and services.

### **Research Expenditure Impact**



As Connecticut’s flagship research institution, UConn’s expertise and innovation drives progress across science, technology, medicine, business, agriculture, and many other fields through annual research programs. For fiscal year 2023, UConn spent over \$316 million on research and development initiatives, with roughly 65% occurring at the main Storrs and Regional campuses locations and 35% through UConn Health. This research and development (R&D) spending covers facilities, equipment, salaries for researchers and support staff, and other costs to enable leading discovery and commercialization.

Further, UConn’s research prowess helps attract hundreds of millions in additional federal and private grants annually, amplifying the university’s innovation.

In total, UConn’s R&D contributed \$728 million in statewide economic output. Of that total, Storrs and Regional campuses accounted for \$476 million, while UConn Health accounted for \$252 million. Beyond direct costs, this reflects how UConn R&D spurs new Connecticut startups and intellectual property, trains specialized workers, and partners with companies - ultimately catalyzing emerging industries that will shape Connecticut’s economic future.

Additionally, UConn’s research directly and indirectly supports 3,754 jobs with \$337 million in labor income and generates \$58.2 million in state and local tax revenues.



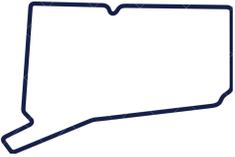
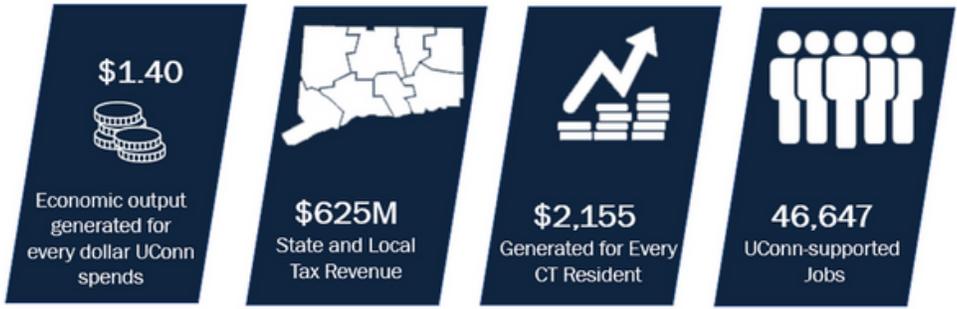
## State and Local Tax Revenue



In addition to economic output, labor incomes, and jobs, UConn contributes substantial tax revenue to the state. UConn's operations, employment, construction projects, students’ spending, and visitor spending contributed over \$625 million in state and local tax revenue in fiscal year 2023.

At the state level, UConn stimulates income, sales, and business taxes—sources Connecticut relies on to fund healthcare, infrastructure, schools, and more. While UConn’s nonprofit status means its properties are property-tax-exempt, its presence across Connecticut draws students, external development, and consumer activities that grows local property and occupancy tax bases.

This estimate includes taxes accrued through employees, contractors, vendors, and other supply chain entities affected by UConn’s adjusted \$3 billion operational spending. Though UConn’s nonprofit status renders university activities non-taxable, quantifying its tax impact spotlights how UConn affects economic activities across the state.



**\$7.8 Billion**

Total Economic Impact



**\$7.0 Billion**

Total Impact from University Operations



**\$284 Million**

Total Impact from Visitor and Student Spending



**\$456 Million**

Total Impact from Capital Spending



**\$747 Million**

Total Impact from UConn Research Spending



**4,306**

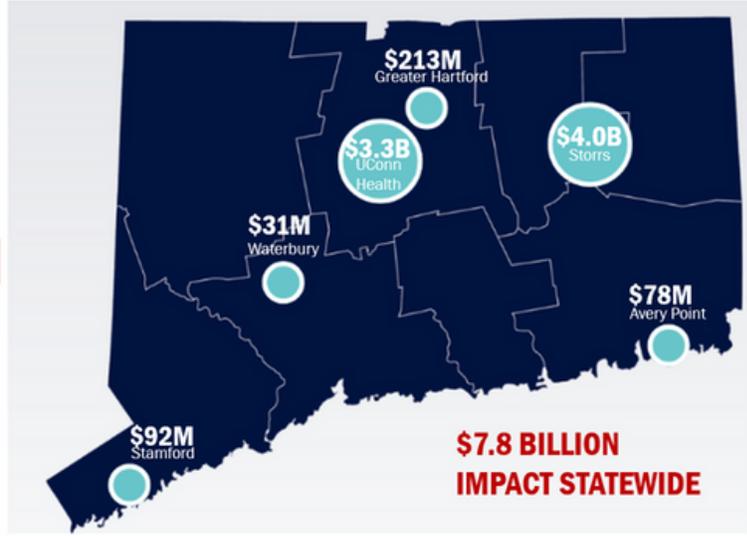
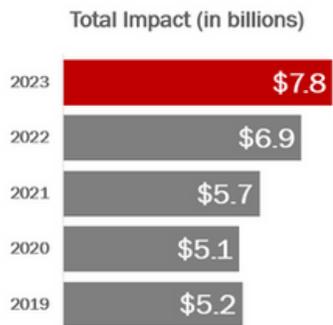
Jobs Supported by UConn Research



**\$60 Million**

State and local tax revenue from UConn Research

**Connecticut Community Impact**



## Conclusion

As Connecticut's flagship public research university and the 9th ranked top public university by the Wall Street Journal, UConn generates a substantial economic impact across the state through its operations. The university's excellence in academics, research, student enrichment and public service drives billions in impact tied to jobs, labor incomes, tax revenue, and statewide GDP.

As Connecticut navigates a complex period of economic rebuilding post covid, UConn stands ready to deepen collaboration, accelerate innovation, expand opportunity and empower resilience for students, partners and communities statewide.

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**UConn generates billions in economic activity and opportunities for both students and the state economy.**

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The university's operations will continue supporting citizens from all backgrounds while driving economic prosperity that strengthens Connecticut for generations to come.

