Value Added: The Economic Impact of The University of Maryland on The State of Maryland
Prepared by
The Jacob France Center, The Maryland Business Research Partnership
February 2001

Executive Summary

The University of Maryland is the flagship public university in Maryland and makes many important contributions to the state's economy, business climate and quality of life. The university is a major source of economic activity in the state and has the following impacts:

- Total university, affiliated institution, associated student and visitor expenditures of $813.3 million are leveraged with an additional $1 billion in indirect "multiplier-effect" spending for a total economic impact of just under $1.8 billion on the Maryland economy.

- In addition to the university's 16,759 employees, the university's construction spending of $99.1 million creates an additional 1,121 construction-related jobs. Furthermore, there are an additional 21,126 jobs created by the university's indirect "multiplier-effect" economic impacts for a total of 39,006 jobs directly or indirectly supported by the university. These jobs represent more than 1% of all jobs in Maryland.

- The university leverages its state appropriation with other types of revenues, such as: tuition, research grants, and private gifts. This leveraging of state appropriations, combined with the economic impacts of university-related spending, leads to a high economic return on state expenditures. Dividing the total $1.8 billion economic output impact of the university by the state’s appropriation yields an estimate of the economic return on the state's investment in the University of Maryland. Using this figure, the university generates $5.93 in economic activity for every $1.00 appropriated.

The University of Maryland is the largest institution of higher education in Maryland and the major provider of university-educated graduates to the state's labor market. Some measures of the important workforce development role played by the university include:

- The University of Maryland awarded over 24% of total bachelor degrees awarded by all Maryland universities and 31% of bachelor's degrees awarded by public institutions in 1999. The University of Maryland played a vital role in many key workforce areas graduating 29% of all undergraduate education majors, 31% of business majors, and 50% of engineering majors.

- The University of Maryland awarded over 15% of all master's degrees awarded by Maryland universities and 29% of all master's degrees awarded by public universities in 1999. The University of Maryland graduated 14% of graduate business students, 16% of graduate biological science students, 24% of graduate physical science students, and 44% of graduate engineering students.

The University of Maryland also makes important contributions to the business climate in Maryland. The university is the largest public research university in Maryland. The university's sponsored research revenues have more than doubled over the past decade and the university accounts for 52% of public university research and development in Maryland. This research is a important source of new ideas and technologies to Maryland businesses and the university accounts for 84% of technology licensing activity by major Maryland public universities and 67% of all public university income from technology commercialization. Sixteen companies are currently in
operation to develop university technology and 13 of these companies are located in Maryland. In addition to technology commercialization, units of the university also assist businesses in the areas of entrepreneurial development, small business development, and general technical assistance. The university also makes important contributions to the quality of life in Maryland through the public service activities of its faculty, staff, and students. A recent survey identified over 400 efforts in which the university works with communities or government agencies in Maryland.