



Frequently Asked Questions Regarding Economic Impact Assessments

What is an Economic Impact?

An economic impact can be best defined as an effect on income and employment due to the presence of an entity or the enacting of a policy. The impact is measured by taking into account the direct spending of the entity (in this case, the University of Arkansas) and the spending by affiliates of the University of Arkansas.

What was the methodology used in the study?

Researchers from the Center for Business and Economic Research collected data for the study from different departments in the University and other groups that were affiliated to the University. In particular, researchers collected data that involved spending decisions of the University, its students, and its visitors. Conservative estimates were provided where collected data alone was not sufficient to estimate the impact of a certain University function.

How is the tourism impact of the University measured?

The University of Arkansas attracts many visitors to Northwest Arkansas through five major categories identified by researchers at the Center. The categories of visitors are: visitors to various athletic events, visitors of students, visitors to the Office of Admissions, and visitors to the various camps and conferences at the University of Arkansas. For visitors to camps and conferences, spending was unavailable and therefore not included in the study. Information about visitors to students and athletic events were obtained through surveys conducted by researchers at the Center. Visitors included in the estimation come from outside the Fayetteville-Springdale-Rogers MSA, as spending from local residents do not add to the total expenditures in the area. Spending by local visitors typically replaces other spending in the local area.

What is the difference between direct and indirect taxes?

Direct taxes paid by the University of Arkansas are payroll taxes, sales and use taxes on University purchases, and taxes on some non-exempt real estate. Indirect taxes include the property taxes and sales

taxes paid by faculty, staff and students of the University of Arkansas and sales taxes paid by visitors to the University.

Is this is one time impact or does the impact repeat each year?

The operational impact of the University presented in the report is generated on an annual basis. Future economic impacts will vary however, based on the growth of the University of Arkansas.