



TEXAS SOUTHERN UNIVERSITY

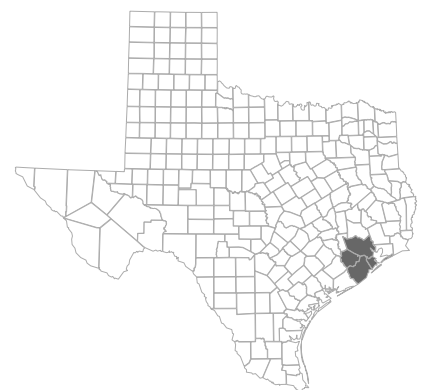
Fact Sheet

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The Economic Value of Texas Southern University



Texas Southern University (Texas Southern) creates a significant positive impact on the business community and generates a return on investment to its major stakeholder groups—students and graduates, 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) 2023-24.¹



Texas Southern's Service Area, Texas

Economic impact analysis

In FY 2023-24, the university added **\$1.6 billion** in income to the Texas Southern's Service Area² economy. Expressed in terms of jobs, Texas Southern's impact supported **15,676 jobs**.

- 1 Institutional data provided from Texas Southern includes IPEDS Finance, Institutional Characteristics, Financial Aid, and Enrollment surveys, Higher Educational Research and Development survey as well as institutional data files.
- 2 For the purposes of this analysis, Texas Southern's Service Area is comprised of Brazoria, Fort Bend, Galveston, and Harris Counties.

Operations spending impact

Contributions to the economy based off the university expenses for operations

- Texas Southern employed 1,165 full-time and part-time faculty and staff. Payroll amounted to \$111.9 million, much of which was spent in the region on groceries, mortgage and rent payments, dining out, and other household expenses. The university spent another \$96.1 million on its expenses related to facilities, supplies, and professional services.³
- The net impact of the university's operations spending added **\$174.0 million** in income to the regional economy in FY 2023-24.

Construction spending impact

Contributions to the economy based off the university expenses for capital construction

- Texas Southern invests in capital projects each year to maintain its facilities, create additional capacities, and meet its growing educational demands, generating a short-term infusion of spending and jobs in the regional economy.
- The net impact of Texas Southern's construction spending on a new on-campus athletics weight facility in FY 2023-24 was **\$2.0 million** in added income for Texas Southern's Service Area (equivalent of **\$7.0 million** in net sales transactions).

Research spending impact

Contributions to the economy based off the university expenses for research employees and activities

- Research activities at Texas Southern impact the regional economy by employing people and making purchases for equipment, supplies, and services. In FY 2023-24, Texas Southern spent \$7.7 million on payroll and \$8.5 million on other expenses⁴ to support research activities.
- Texas Southern's research spending generated **\$20.7 million** in added income for the University's Service Area economy in FY 2023-24.

Visitor spending impact

Contributions to the economy based off the out-of-region visitors' expenses

- Tens of thousands of out-of-region visitors were attracted to Texas Southern's Service Area for activities and events sponsored by the university. As a result, they brought new dollars to the economy through their spending at hotels, restaurants, gas stations, and other businesses in the region.
- Spending of visitors coming from outside Texas Southern's Service Area added approximately **\$18.7 million** in income to the regional economy in FY 2023-24.

3 Research employees and their payroll as well as non-pay expenses for research and construction are excluded from this impact as they are measured in the following impacts.

4 Excludes indirect costs because indirect costs are not necessarily spent during the analysis year.

Impacts created by Texas Southern in FY 2023-24



Operations spending impact
\$174.0 million

+



Construction spending impact
\$2.0 million

+



Research spending impact
\$20.7 million

+



Visitor spending impact
\$18.7 million

+



Student spending impact
\$61.6 million

+



Alumni impact
\$1.3 billion



Total economic impact
\$1.6 billion

OR



Jobs supported
15,676



Student spending impact

Contributions to the economy based off the relocated and retained students' expenses

- Around 48% of students attending Texas Southern originated from outside the region. Most of these students relocated to Texas Southern's Service Area. In addition, some in-region students, referred to as retained students, would have left the University's Service Area for other educational opportunities if not for Texas Southern. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at businesses in the region.
- The expenditures of relocated and retained students in FY 2023-24 added **\$61.6 million** in income to the Texas Southern's Service Area economy.

Alumni impact

Contributions to the economy based off the higher earnings of the university's former students and increased profits of their employers

- Over the years, students have studied at Texas Southern and entered or re-entered the workforce with newly acquired knowledge and skills. Today, thousands of these former students are employed in Texas Southern's Service Area.
- The net impact of Texas Southern's former students currently employed in the regional workforce amounted to **\$1.3 billion** in added income in FY 2023-24.



Investment analysis

Student perspective

Student return on investment for enrolling at Texas Southern

- Texas Southern's FY 2023-24 students paid a present value of **\$76.0 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent a value of **\$53.5 million** in time and money had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of **\$888.3 million** in increased earnings over their working lives. This translates to a return of **\$6.90** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **20.4%**.

Taxpayer perspective

State and local government return on investment in Texas Southern

- Taxpayers provided Texas Southern with **\$75.1 million** of funding in FY 2023-24. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$242.0 million**. In other words, these are the taxes to be added to the state economy because of the increase in earnings of Texas Southern's former students and additional profits of the businesses employing them. A reduced demand for government-funded services in Texas will add another **\$12.6 million** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$254.6 million**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in Texas Southern, taxpayers will receive **\$3.40** in return over the course of students' working lives. The average annual rate of return for taxpayers is **8.2%**.

Social perspective

Society's return on investment in Texas Southern for the overall student and university costs

- In FY 2023-24, Texas invested **\$310.2 million** to support Texas Southern. In turn, the Texas economy will grow by **\$4.0 billion** over the course of students' working lives. Society will also benefit from **\$48.8 million** of public and private sector savings. Put another way, this is the sum of reduced social costs related to healthcare, crime, and income assistance due to the improved quality of life of Texas Southern's students.
- For every dollar invested in Texas Southern in FY 2023-24, people in Texas will receive **\$13.00** in return, for as long as Texas Southern's FY 2023-24 students remain active in the state workforce.

Students see a high rate of return for their investment in Texas Southern



Average annual return for Texas Southern students
20.4%



Stock market 30-year average annual return
10.9%



Interest earned on savings account (national deposit rate)
0.5%

Source: Forbes' S&P 500, 1994-2025; FDIC.gov, January 2024

