

ASU boosts the economic vitality of Arizona

Report shows ASU is a major economic engine driving the state through investments, spinoffs, research, taxes paid by alumni and more

By Marshall Terrill , ASU News

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Arizona State University is a comprehensive teaching, learning and discovery enterprise — more than 1 in 4 working Arizonans with at least a bachelor's degree earned it from ASU — but its benefits extend well beyond broadening the horizons of students and learners.

The university is a major economic engine for the state. To put it into context, impacts from ASU's annual operating and construction expenditures alone are equivalent to the value of about eight Super Bowls each year, according to Dennis Hoffman, director of ASU's Office of the University Economist.

ASU's spending on operations and construction contribute, directly and indirectly, \$6.1 billion to the state's gross domestic product, according to a report from Hoffman's team. In addition, taking into account the various measures of economic activity that can be traced to the university — such as alumni wages and the impact of ASU-linked businesses — the university's economic impact in the state is likely about \$32 billion.

The impact of the university on the state is economic and transformational, improving quality of life for all of Arizona's residents. ASU wants everyone in the state — enrolled student or not — to thrive and succeed.

- The university boosts economies across the state, from region-wide transformations — ASU is indisputably a major driver in metro Phoenix, becoming what [some have described as the new U.S. semiconductor capital](#) — to empowering individual companies through entrepreneurial

incubators, resources and opportunities to connect with venture capitalists.

- • ASU's sports and cultural offerings are a magnet to visitors around the country and the world, boosting everything from hotel and restaurant revenues to rental cars and other area attractions.
- • As technological change creates rapidly evolving workplaces, ASU's [lifelong learning enterprise](#) helps people gain professional and technical skills to succeed in a range of industries and maximize career changes that characterize today's economy.
- • ASU collaborates with communities to revitalize areas through neighborhood-driven solutions. The [Maryvale One Square Mile Initiative](#) has been a prime example of this type of commitment.
- • Research into such challenges as heat mitigation and Colorado River water cuts can help Arizona remain a thriving locale that attracts residents and competitive employers, while retaining the state's homegrown best and brightest.

"Arizona State University recognizes its responsibility to serve as an economic driver for Arizona," ASU President Michael M. Crow said. "Our state has a vast capacity to grow in success and resilience, fueled by ASU's ongoing investments as a leader in educational access, workforce development, research, entrepreneurship and innovation, partnerships, technology and more.

"This empowers our students, faculty, employees and visitors to bolster Arizona's economy to new levels."

ASU boosts the state's bottom line, both now and into the future, by attracting investments and high-caliber companies.

"One can see ASU's impact all around Phoenix and the state — driving innovation and producing a top-notch workforce that can take on the challenges of today and the future," Phoenix Mayor Kate Gallego said. "I've said it before, and I'll say it again: When we're working to secure investment in our economy and locate the top companies in Phoenix, ASU is our secret weapon in closing the deal."

ASU benefits all Arizonans. Here's a deeper look at how.

Jobs and incomes from ASU's operations

A university is filled with students gaining knowledge and skills, but it's also a dynamic ecosystem where people provide services to students; where buildings are constructed for classrooms, labs and residence halls; and where visitors buy tickets to sports and theatrical events.

In ASU's case, its annual expenditures contribute \$6.1 billion, directly and indirectly, to the state's gross domestic product¹, according to "The Economic Impact of Arizona State University on the Arizona Economy, Fiscal Year 2024²," a report issued by the Office of the University Economist using the most recent numbers available.

That amount is roughly equivalent to a small country's national income or the cost of sending a couple of rockets to the moon — or the impact of hosting eight Super Bowls.

"The Super Bowl has had a big impact on the Arizona economy," Hoffman said. "ASU delivers about eight times as much impact every year using additional GDP as the basis for comparison."

That \$6.1 billion from FY 2024 is based on the impact of a variety of spending: operations; visitors and students; business-to-business transactions; and employees using their income on services and products from other businesses around the state.

ASU can claim nearly 56,000 jobs counting both its 21,800 payroll employees and the additional jobs generated as a result of spending by employees, students and visitors.

Kent Hill, a research professor at the L. William Seidman Research Institute at ASU's W. P. Carey School of Business, explained how student spending alone has impacted Arizona.

"Through their spending on housing, food, entertainment and items other than tuition, students attending ASU make an especially large impact on the Arizona economy," Hill said. "There were nearly 80,000 undergraduates and graduates in campus immersion in fall 2024. Throughout the academic year, the nontuition spending of ASU students is estimated to have been around \$1.7 billion. This spending supported 11,700 Arizona jobs, second in size of economic impact only to the university's direct employment of faculty and staff."

The university's investments also include construction spending. These projects accommodate growing numbers of students and make space for research.

New buildings that opened in 2024 include the University Gateway Building on the Tempe campus, which houses various programs from the [Herberger Institute for Design and the Arts](#), including music, music therapy, art, animation and photography; and Casa del Valle, a four-story, 507-bed residence hall on the West Valley campus with academic and support spaces for students. The Novus Innovation Corridor, a 355-acre, mixed-use, public-private partnership on the Tempe campus, continues to expand with retail and residential spaces. The second phase of the [Garden Commons](#), which connects students on the Polytechnic campus with sustainable food production and urban agriculture, was completed this fall, as well as Wilson Hall, a five-story, 178,000-square-foot academic building in the heart of the Tempe campus.

ASU completed [more than 150 capital projects](#) this past year, representing a nearly \$400 million investment.

Even more construction is in the works. Some of the highlights for 2025 include: the [ISTB12 building on ASU's Polytechnic campus](#), future home of the new School of Manufacturing Systems and Networks; a 55,000-square-foot academic and office building at the West Valley campus; and a seven-story student housing building near Mill Avenue in Tempe with capacity for 828 residential hall beds.

Construction projects scheduled to finish in 2025 total an estimated budget of \$600 million, according to Morgan Olsen, executive vice president, treasurer and chief financial officer for ASU.

“ASU’s charter calls for the university to assume fundamental responsibility for the economic, social, cultural and overall health of the communities it serves,” Olsen said. “One facet of this responsibility is the contributions initiatives like our [Innovation Zones](#), most recently the Novus Innovation Corridor, and our ongoing billion-dollar-plus annual capital investment program make to the Arizona economy. These economic and quality-of-life impacts advance society and help make Arizona such a great place to live and work.”

Read more: [New facilities focus on enhancing university experience](#)

The operational expenses within a university can also spur economic activity in the surrounding communities throughout the state.

“We’re fortunate to have a world-class university like ASU partnering in Arizona’s economic success,” said Sandra Watson, president and CEO of the Arizona Commerce Authority. “From programs that provide in-demand training to cutting-edge research and facilities that foster innovation, ASU is central to growing economic opportunity statewide.”

Perhaps even more impressive is the fact that, when adjusted for student enrollment, ASU spends less than other institutions on faculty, staff, operations, construction and auxiliary activities, according to Hoffman.

“ASU is incredibly efficient, producing much more with less resources spent,” said Hoffman, who is also director of the L. William Seidman Research Institute.

Graduates contributing services and taxes

The estimated 306,000As of fiscal year 2023–24. ASU graduates working in Arizona deliver outstanding services from health care to engineering and from teaching to the arts — all while

increasingly bolstering the state tax base.

The report from the Office of the University Economist states that ASU graduates working in Arizona in 2023 had aggregate earnings of around \$24.1 billion.

That translates to about \$1.8 billion in state and local taxes generated by ASU alumni.

“These are remarkable amounts considering that Arizona has among the lowest per capita tax burdens in the country,” Hoffman said.

The report underscores that colleges and universities often play a critical role in local and state economies, and that diplomas matter.

“Educational attainment is strongly correlated to an individual’s earnings, with a bachelor’s degree in particular causing a boost to earnings,” Hoffman said. “The higher earnings realized over a lifetime of work greatly exceeds the cost of attending college. Society also benefits from an educated workforce in various ways, such as the lower crime rates of educated individuals.”

Savannah Wix, who received her Juris Doctor from ASU’s Sandra Day O’Connor College of Law in 2023, is one such success story. Wix works for Snell & Wilmer, one of Arizona’s top law firms.

“I feel really fortunate to be here because it was a very competitive process,” said Wix, who is a second-year associate in the firm’s special litigation and compliance department. “I can give a lot of credit to ASU for preparing me for this job, especially because it is highly regarded by a lot of employers in the Valley, and especially by Snell & Wilmer.”

Wix loves the idea that she is economically contributing to the Grand Canyon State.

“I’m excited to be working in Arizona because Phoenix is a thriving business community,” said Wix, who was born and raised in Phoenix. “I believe ASU is really responsible for Phoenix’s growth, especially the downtown area. It’s a hub for the legal community and the growth that has occurred in Arizona.”

Job creators and spinoffs

Beyond earning degrees, ASU helps graduates forge successful career paths. Some also become job creators themselves, a ripple effect that carries far beyond ASU campuses. Companies launched by alumni, as well as those that result from ASU research, boost the state through taxes and productivity. They also contribute to an overall thriving economy that gives residents career options, attracts entrepreneurs and companies from outside the state and inspires the next generation of innovative thinkers.

Consider the output generated by spinouts aided by [Skysong Innovations](#), the exclusive technology transfer and intellectual property management company for ASU; and other businesses advancing ASU-owned intellectual property.

From 2014 to 2023, that amounted to a cumulative \$2.5 billion in economic impact for Arizona, including 13,270 in Arizona jobs (equivalent to 1,327 people each employed full time in the state for a decade) and \$846.3 million in labor income statewide. An estimated \$80.6 million in state and local taxes were collected because of these companies operating in Arizona. Almost every category is expected to double by 2033, according to Kyle Siegal, executive director and chief patent counsel at Skysong Innovations.

Skysong Innovations works with ASU-linked startups that are based on intellectual property developed at the university. Industries range from artificial intelligence to biotechnology, therapeutics, life sciences, microelectronics, advanced materials and telecommunications, and those startups can receive connections to venture financing opportunities and other support from ASU.

“The entrepreneurial spirit is alive and well at ASU. To date, entrepreneurs have launched more than 250 new startup companies based on ASU innovations,” Siegal said. “These startups, the majority of which launched right here in Arizona, have gone on to cumulatively raise more than \$1.4 billion in external funding over the years. Along the way, they’ve generated valuable economic impact in Arizona.”

And then there are alumni businesses. The [Sun Devil 100](#) is an annual awards program that recognizes the fastest-growing alumni-owned or -led organizations. These state and national companies cover a diverse range of industries such as marketing, real estate, health care, technology, education and nonprofit. According to the report from Hoffman’s team, in fiscal year 2024, the impact of Sun Devil 100 businesses accounted for \$1.8 billion in gross domestic product for the state, 18,746 Arizona jobs and \$119 million in state and local taxes — and that’s just a fraction of alumni-associated businesses.

“We are excited to celebrate exceptional alumni who demonstrate entrepreneurial spirit, innovation and success in their businesses, and also in the contributions to society that reflect the principles of the ASU Charter,” said Christine Wilkinson, president and CEO of the ASU Alumni Association. “The Sun Devil 100 honorees consistently demonstrate that ASU’s alumni excel in their fields.”

Tempe resident Lisa VanBockern is a proud nine-time honoree who graduated from ASU’s W. P. Carey School of Business in 1998 with a dual degree in accounting and computer information systems. She said the university set her up for future success, and she shows her gratitude in many ways, including serving as vice chair of the ASU Trustees, co-chair of ASU’s Women and

Philanthropy from 2023–25 and a member of its grant review committee. She also sits on the Watts College Dean's Council.

“The accounting degree I earned from ASU was so fundamental in helping me understand how to run a business and knowing how to manage my finances with profit-and-loss statements and balance sheets,” said VanBockern, who in 2007 developed Skin Script, a line of skin care products sold to spas, salons and dermatologists throughout the United States. “My professors were awesome. They were always there for me. They always had an open-door policy in meetings with them. They had connections in the industry, and I got my first internship through a professor, which eventually led to my first job at Ernst & Young Consulting.”

These two groups — spinouts and alumni-led businesses — contribute to the Arizona economy through direct employment and sales, as well as by attracting high-wage talent. Often, these opportunities keep people in the state, and they end up making Arizona their home — people like Peter Firth, the CEO of a promising Arizona business and ASU spinout called Swift Coat.

The company produces thin films used in glass, plastic, solar and semiconductor applications, and its flagship products are a self-cleaning coating for solar panels. It uses a manufacturing method called aerosol impact-driven assembly, or AIDA, invented by Firth and ASU Professor Zachary Holman during Firth's graduate studies at the Ira A. Fulton Schools of Engineering.

Firth and Holman co-founded the company in June 2016, and Firth said Skysong Innovations was there from the start. He said Skysong Innovations provided the resources to file a patent protecting the core technology, provided a license agreement to Swift Coat to use the patent and introduced Swift Coat to investors for startup capital. With Skysong Innovations' assistance, Swift Coat raised \$800,000 in investor capital and was awarded more than \$4 million in research grants from the Department of Energy, the National Science Foundation and NASA.

“Skysong puts in a ton of time, effort and money to help transition technologies out of ASU labs and into the commercial market,” said Firth, who expects Swift Coat to produce \$15 million to \$20 million in revenue by 2030. “I was a grad student who thought my work could be used to make some cool products, but I didn't have the knowledge, experience or capital to make that happen. Without Skysong, the technology might be collecting dust somewhere. Because of their help, today that technology supports a thriving business.”

Research that makes a difference economically

ASU's enormous success as a top national research institution also contributes directly and indirectly to the economic health of Arizona.

Research expenditures are funds spent to conduct research, most often from grant-providing sources outside the university.

ASU is [on the cusp of \\$1 billion in annual research funding](#), placing the university into a rare category reached by just 33 universities across the nation. And ASU is one of only a handful of schools to accomplish the feat without a medical school. ([The university is in the process of launching one](#), which will provide a significant boost to research expenditures.)

According to the National Science Foundation's Higher Education Research and Development annual survey, ASU's total research expenditures for fiscal year 2023 were nearly [\\$904 million](#). ASU ranked No. 21 among all U.S. public institutions, ahead of the University of California, Irvine; Rutgers University; and Virginia Tech. The university's 34% growth rate in the past two fiscal years [was among the largest of the top 50 research universities in the country](#), and all signs point to it continuing to rise.

Research dollars are spent inside and outside Arizona. The economic benefits of research, however, aren't just in those initial expenditures.

There's a "multiplier effect" taking place: Research catalyzes additional development for the metropolitan area, county and state a university is located in, which would not happen otherwise.

Simply put, investment often attracts more investment, according to Sally Morton.

"ASU's Knowledge Enterprise is at the forefront of groundbreaking research and innovation," said Morton, executive vice president of [Knowledge Enterprise](#), the research arm of the university. "We are bridging the gap between research and entrepreneurship, for example by advancing the local semiconductor industry, and further enhancing economic development, public service and social progress.

"We are poised to reach \$1 billion in research expenditures, and this translates into job creation and growth for Arizona."

ASU's efforts in the semiconductor industry have gained momentum over the past several years, with the latest news coming in early January when the U.S. Commerce Department and Natcast selected Arizona as the site of the third of three CHIPS for America research and development flagship facilities, and the one with the largest financial investment. [ASU will be the home of the new facility](#).

People want to invest where they feel their funds will be impactful, meaningful and help boost the economy.

For example, San Francisco-based Applied Materials, the world's largest provider of semiconductor manufacturing equipment, [formed an alliance](#) with ASU and the Arizona Commerce Authority in 2023 to create a world-class research, development and prototyping facility at the ASU Research Park in Tempe.

The Materials-to-Fab, or MTF, Center can work with industry partners, startups, government entities and academic institutions. It is also designed to provide students and faculty with hands-on learning and research used in leading-edge production fabs.

The MTF Center project was supported by investments of \$30 million from the Arizona Commerce Authority and \$17 million from ASU. Applied Materials' contribution is expected to exceed \$200 million, including capital investments, equipment operation and maintenance, and research and scholarship funding. They also intend to launch an endowment fund that will provide scholarships to first-generation and/or underrepresented minority students in the Ira A. Fulton Schools of Engineering at ASU.

"We innovate, and we solve real-world problems," Morton said. "Our solutions have a tremendous impact on society and the economy, from sustainability to space exploration to health, with ASU at the helm of research and discovery with the soon-to-be-launched prototype medical center that will benefit Arizonans for many future generations."

ASU science communications writer Joe Caspermeyer contributed to this article.

This story originally appeared on [ASU News](#).

¹ A measure of the total income generated by production in the state.

² The report covers fiscal year 2024, the most recent data available.

³ As of fiscal year 2023–24.

Main image



Graphic by Alex Cabrera/Arizona State University

Text image(s)

Fiscal year 2023-2024

Economic impact of ASU



\$32 billion

ASU's economic
impact in the state



8x

ASU's operating and construction
expenditures deliver eight times as
much impact on the state's GDP as
hosting a Super Bowl.

Sun Devils contributing to economy

\$24.1 billion

in wages for ASU graduates working in Arizona

306,000

estimated ASU graduates working in Arizona

\$6.1 billion

ASU's annual operational expenditures contribution
to Arizona's gross domestic product

56,000

jobs created for Arizona

\$1.7 billion

estimated nontuition spending of ASU students

more than 1 in 4

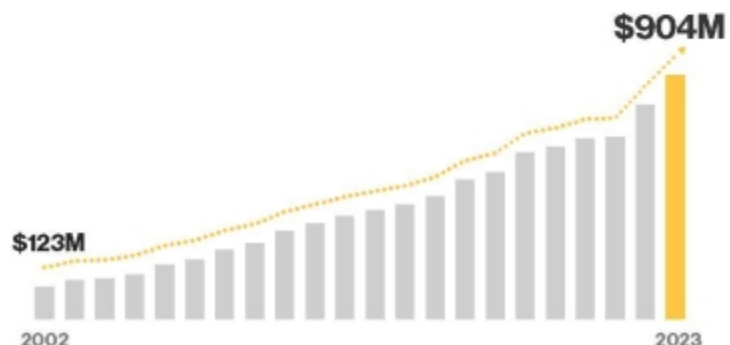
working Arizonans with at least a bachelor's
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Research expenditures

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enterprises in the United States, increasing
its research expenditures more than
sevenfold since 2002.

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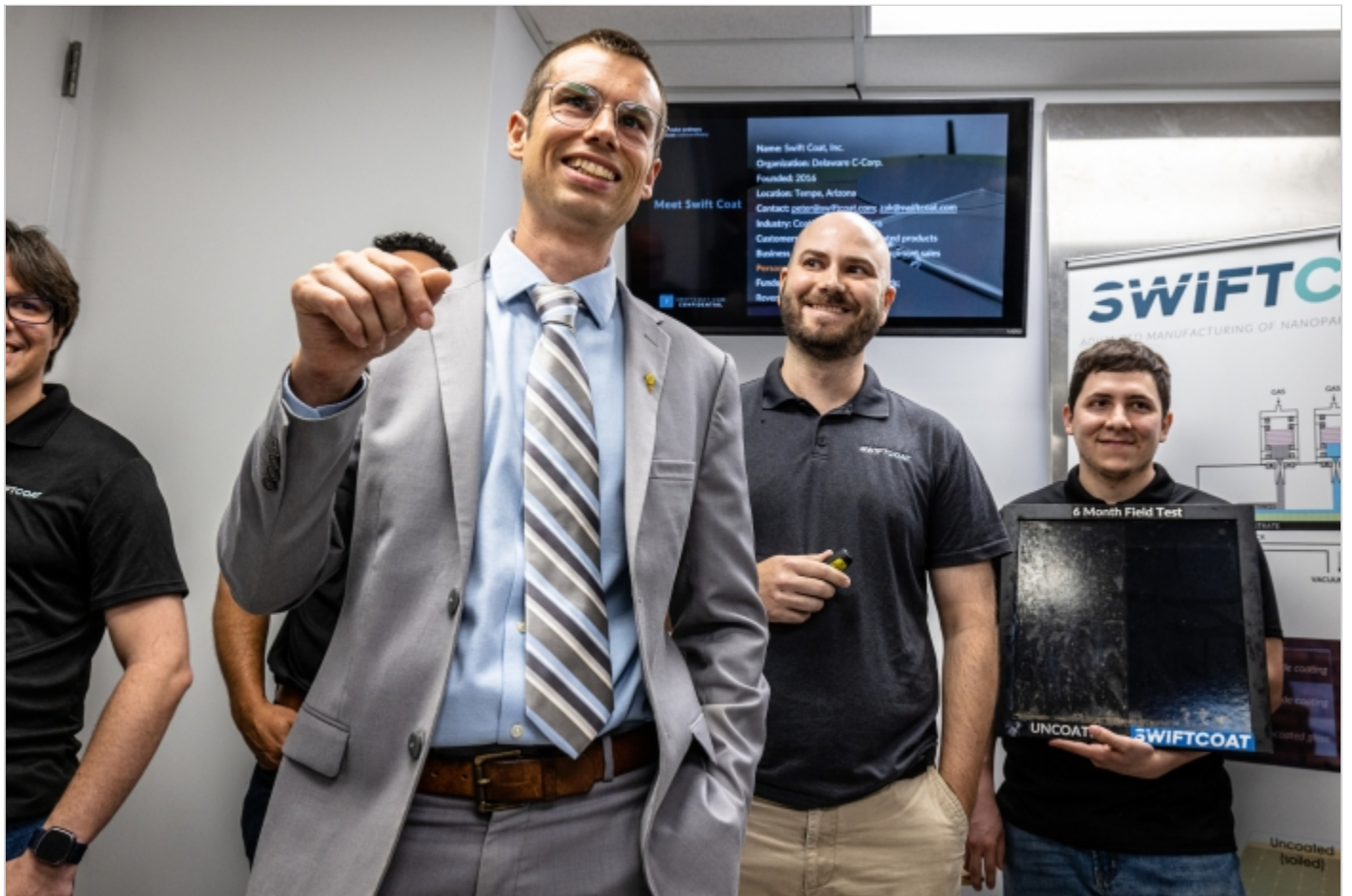


Sources: ASU Office of the University Economist, The Seidman Research Institute, National Science Foundation and Knowledge Enterprise
Figures are for fiscal year 2023-2024.

ASU Arizona State
University



An aerial view of the Novus Innovation Corridor on the Tempe campus, looking north. The corridor can be seen near the center of the photo, just east of Desert Financial Arena. The 355-acre, mixed-use, public-private partnership continues to expand with retail and residential spaces — one of more than 150 capital projects ASU completed this past year, representing a nearly \$400 million investment. Photo courtesy of Catellus Development Corporation



ASU Professor Zachary Holman talks about Swift Coat, the company that he and ASU alumnus Peter Firth created, during a tour of the MacroTechnology Works at the ASU Research Park in Tempe. Photo by Charlie Leight/ASU News