University of Arizona Tech Launch Economic Impact Analysis

March 2026

Prepared For

THE UNIVERSITY OF ARIZONA
TECH LAUNCH ARIZONA

Prepared By

Rounds Consulting Group

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Executive Summary

This analysis, conducted and prepared by Rounds Consulting Group, Inc. (RCG), provides an update to the 2022 study that quantified the economic and fiscal contributions of Tech Launch Arizona (TLA) to the state economy.

TLA continues to serve as a significant driver of Arizona's economy by advancing the commercialization of innovations, technologies, and intellectual property developed at the University of Arizona (UA). As the University's technology transfer and commercialization office, TLA connects faculty, researchers, students, and alumni with private-sector partners, investors, and entrepreneurs with the business community.

Through this process, TLA creates and grows technology-based businesses that offer high wages, attract significant capital investment, and generate essential revenue for the state from exporting products and services. The following quantifies the organization's economic and fiscal impacts for FY 2025, historically from FY 2017, and projected through FY 2030.

Current Annual Economic Contributions of Tech Launch Arizona (Fiscal Year 2025)

The economic and fiscal impacts of TLA and its associated business activity are categorized as primary impacts (direct) and secondary impacts (indirect and induced).

Direct impacts measure the initial economic activity generated by TLA and TLA-linked businesses; indirect impacts measure the economic activity generated by increased demand in tangential supply chain industries; induced impacts measure the additional effects generated by increased spending in local economies.

- In FY 2025, direct impacts associated with TLA and TLA-linked business activity supported an estimated 1,533 jobs, generated $84.5 million in labor income, produced $230.0 million in economic output, and generated $8.9 million in tax revenues.

- In addition, secondary impacts resulting from indirect supply chain activity and induced household spending further contributed to economic activity across the region, creating 1,537 jobs and generating $75.4 million in labor income, $229.8 million in economic output, and $7.9 million in tax revenues statewide.

In total, TLA and TLA-linked business activity supported an estimated **3,070 jobs**, generated **$159.8 million in labor income**, produced **$459.7 million in economic output**, and generated **$16.8 million in combined state, county, and municipal tax revenues** in FY 2025.

Annual Economic Impacts of Tech Launch Arizona (FY 2025)

3,070	$159.8 million	$16.8 million	$459.7 million
Jobs	Labor Income	Tax Revenues	Economic Output

Source: Rounds Consulting Group, Inc.

For perspective, the estimated impacts of TLA and associated business activity in FY 2021 (the last time this analysis was conducted) consisted of 2,561 jobs, $132.9 million in labor income, $382.2 million in economic output, and $14.0 million in tax revenues. Relative to five years ago, jobs supported increased by 19.9%, labor income by 20.2%, economic output by 20.3%, and tax revenues by 20.9%.

Historical Economic Contributions of Tech Launch Arizona (Fiscal Years 2017 – 2025)

From FY 2017 to FY 2025, direct impacts associated with TLA and TLA-linked business activity supported 11,151 job-years (where a job-year represents one full-time job supported for one year and reflects cumulative employment effects over time), generated $612.8 million in labor income, produced $1.7 billion in economic output, and generated $64.6 million in tax revenues attributable to primary operations and on-site activity.

Over the same period, indirect and induced impacts driven by supply chain demand and household spending further supported 11,161 job-years, generated $547.2 million in labor income, produced another $1.7 billion in economic output, and generated $57.6 million in additional state, county, and municipal tax revenues.

In total, TLA and TLA-linked business activity supported **22,312 job-years** from FY 2017 to FY 2025, generated **$1.2 billion in labor income**, produced **$3.3 billion in economic output**, and generated **$122.2 million in combined tax revenues**.

Historical Impacts of Tech Launch Arizona (FY 2017 – FY 2025)

22,312	$1.2 billion	$122.2 million	$3.3 billion
Job-Years	Labor Income	Tax Revenues	Economic Output

Source: Rounds Consulting Group, Inc.

Projected Economic Contributions of Tech Launch Arizona (Fiscal Years 2026 – 2030)

From FY 2026 to FY 2030, direct impacts associated with TLA and TLA-linked business activity are projected to support 8,238 job-years, generate $452.4 million in labor income, produce $1.2 billion in economic output, and generate $47.6 million in tax revenues across the state.

Over the same forecast period, indirect and induced impacts resulting from supply chain activity and household spending are projected to support 8,220 job-years, generate $403.0 million in labor income, produce an additional $1.2 billion in economic output, and generate $42.4 million in additional state, county, and municipal tax revenues.

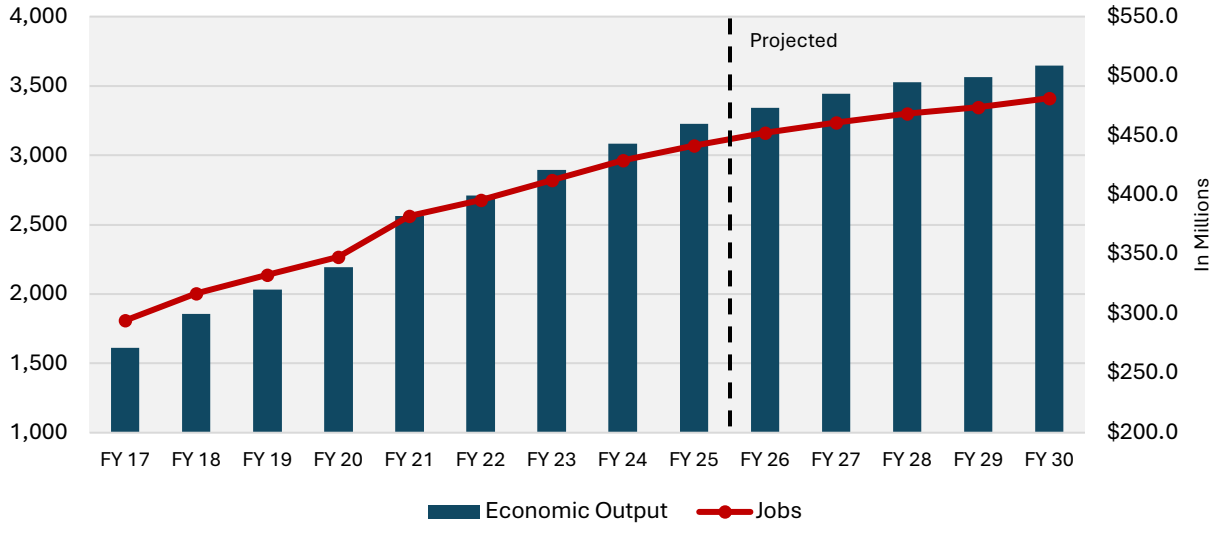
In total, from FY 2026 to FY 2030, TLA and TLA-linked business activity are projected to collectively and cumulatively support **16,457 job-years**, generate **$855.5 million in labor income**, produce **$2.5 billion in economic output**, and generate **$90.0 million in combined tax revenues**.

Projected 5-Year Impacts of Tech Launch Arizona (FY 2026 – FY 2030)

16,457	$855.5 million	$90.0 million	$2.5 billion
Job-Years	Labor Income	Tax Revenues	Economic Output

Source: Rounds Consulting Group, Inc.

Figure 1: Annual Jobs & Economic Output Generated by Tech Launch Arizona



Source: Rounds Consulting Group, Inc.

Methodology & Assumptions

Economic Impact Methodology

An economic impact model provides a quantifiable method to estimate the economic impact of a particular activity in a given area. Impacts can be used to measure existing activity and to measure potential expansions/contractions of an area's economy resulting from changes in economic activity. Typically, the level of economic effects resulting from the activity is estimated in terms of **output**, **labor income**, and **employment**.

- ***Output*** captures the level of economic activity, or the total value of goods and services produced, in the broader region, similar to how statistics like gross domestic product (GDP) capture economic volume in individual states and across the country.

- ***Labor Income*** is the employee-earned wages and benefits.

- ***Employment*** is the average full-time equivalent (FTE) job count on an annualized basis. A job-year is a unit of measurement used to quantify employment over a specific period. This measure helps standardize the assessment of employment impacts by accounting for both the number of jobs created and their duration. For example, if a project employs 100 FTE workers for one year, it generates 100 job-years. Similarly, if the project employs 50 full-time workers over two years, it also results in 100 job-years.

The economic effects occurring as a direct consequence of the initial activity create additional effects in the economy. This relationship is known as the "multiplier" effect. The basis for the multiplier effect is the interdependencies between industries, how one industry impacts other sectors, and the cycle of spending and re-spending within the regional economy.

Direct or primary effects are the result of the initial activity being analyzed. Direct economic impacts are derived directly from the operations of TLA and TLA-linked business activity. The associated **multiplier effects**, **or secondary effects**, are measured as either **indirect or induced**. These are defined as:

- ***Direct effects, or impacts***, are the result of the development's primary activity. For example, direct jobs include the employees who directly support on-site businesses regularly and the direct contractors/workers working on the construction of buildings, site improvements, and infrastructure.

- ***Indirect impacts*** capture additional effects as a result of increased demand in the supplier industries, which supply services or products to direct businesses. For example, indirect jobs include workers of businesses in supply chain industries.

- ***Induced impacts*** capture additional effects generated by increased spending in the economy by households of both direct and indirect employees. For example, induced jobs include grocery store employees supported by the local spending of direct and indirect employees.

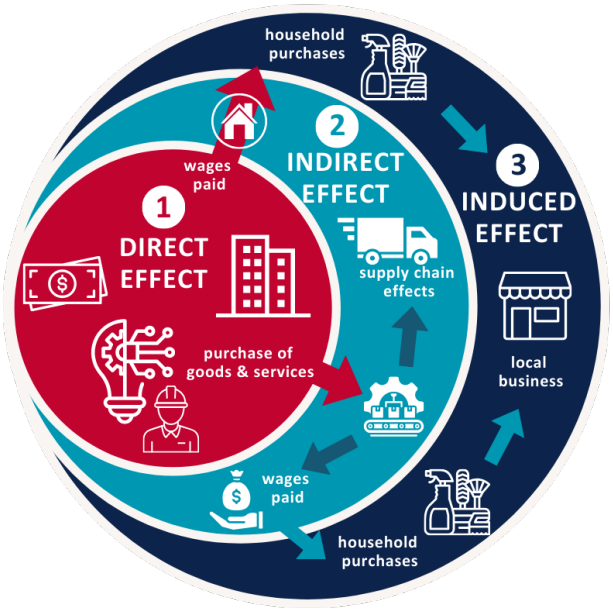
A common input-output model used to generate economic multipliers is IMPLAN (short for "impact analysis for planning").

IMPLAN is the leading provider of nationwide economic impact data and analytical software.

The Rounds Consulting Group's custom economic impact model employed this input-output model methodology and uses Arizona-specific IMPLAN multipliers.

However, the model is further customized to capture dynamic economic impacts that typical input-output models do not capture.

The Multiplier Effect



Fiscal Impact Methodology

Fiscal impact models provide estimates of government revenues generated by a particular project, policy, business, development, or activity in a given area. Typically, fiscal impacts examine revenues that are likely to result from a project or activity and are determined by the study area's tax structure.

In general, the types of government taxes analyzed include sales taxes, excise taxes, lease taxes, income taxes, and property taxes. The activities subject to these taxes include payroll, retail sales, utility use, leases, and construction, among others.

Fiscal impacts are categorized similarly to economic impacts and are classified as direct, indirect, or induced.

- ***Direct (primary) tax revenues*** include the revenues generated on-site (e.g., property taxes levied on mining equipment, etc.) and the off-site revenues generated from the spending of the direct workers (e.g., the sales tax revenues generated, such as when employees stop and purchase dinner on their way home from work).

- ***Indirect and induced (secondary) tax revenues*** are generated by the wages, residency, and spending of those indirect and induced employees (i.e., the sales, property, and income taxes applied on the worker's household expenditures, their wages, and residency).

The Rounds Consulting Group's fiscal impact model employs this methodology.

Tech Launch Arizona Economic & Fiscal Impacts

Through facilitating the commercialization of innovations, technologies, and intellectual property primarily originating within the local UA community, TLA is a prominent business development and economic driver for the state.

While TLA helps create new businesses and direct jobs, the organization also creates economic stimulus that ripples throughout the state economy as TLA-related businesses generate secondary impacts (indirect and induced) and ripple effects when an enterprise transacts with suppliers and secondary businesses for its business operations.

These supply chain businesses often locate near the primary business to enhance logistical efficiency, thereby forming industry clusters that increase job creation and further spur innovations. The following analysis quantifies these benefits through direct, indirect, and induced impacts on employment (jobs), labor income, economic output, and state, county, and municipal tax revenues. TLA and TLA-linked business impacts are estimated for FY 2025, historically from FY 2017, and projected through FY 2030.

Economic & Fiscal Impacts – Fiscal Year 2025

In FY 2025 alone, TLA and TLA-linked business activity supported 1,533 direct jobs throughout Arizona, which includes the individuals employed by TLA and the owners and employees of TLA-linked businesses. This direct activity is estimated to have added $84.5 million in labor income, created $230.0 million in economic output, and generated $8.9 million in tax revenues for the state, counties, and municipalities.

Direct activity associated with TLA also indirectly stimulates demand for inputs and services from related supply-chain industries. In FY 2025, these supply chain effects supported 683 jobs and generated $35.8 million in labor income, $107.2 million in economic output, and $3.7 million in combined state, county, and municipal tax revenues.

Additional spending on local businesses resulted in induced impacts, including 854 jobs supported in FY 2025, $39.6 million in labor income, $122.5 million in economic output, and $4.3 million in state, county, and municipal tax revenues.

In total, TLA and TLA-linked businesses are estimated to have supported **3,070 jobs**, generated **$159.8 million in labor income**, and produced **$459.7 million in economic output** in FY 2025. Combined activity also generated an estimated **$16.8 million in total tax revenues** in the same year. FY 2025 economic and fiscal impacts are summarized in Table 1.

Table 1: FY 2025 Economic and Fiscal Impacts of TLA and TLA-Linked Businesses

Impact Type	Direct	Indirect	Induced	**Total**
Jobs	1,533	683	854	**3,070**
Labor Income	$84,462,700	$35,773,500	$39,589,700	**$159,826,000**
Economic Output	$229,954,500	$107,232,500	$122,547,200	**$459,734,100**
Tax Revenues	$8,862,800	$3,661,200	$4,272,900	**$16,796,900**
State	$4,486,900	$1,884,900	$2,139,100	**$8,510,900**
County	$1,746,800	$707,500	$864,700	**$3,319,000**
Municipal	$2,629,100	$1,068,800	$1,269,100	**$4,967,000**

Source: Rounds Consulting Group, Inc.
Note: May not sum due to rounding.

Total Cumulative Impacts – Fiscal Years 2017 – 2025

Table 2 displays the estimated cumulative economic and fiscal impacts of TLA and TLA-linked businesses from FY 2017 to FY 2025. Over these eight fiscal years, TLA and associated businesses directly supported 11,151 job-years, where one job-year is the equivalent of one person working for one year (e.g., one individual working full-time for five years is equivalent to five job-years).

Additionally, direct workers earned a cumulative $612.8 million in labor income. Direct economic output and statewide revenues totaled $1.7 billion and $64.6 million, respectively, from fiscal years 2017 and 2025.

Through increased demand for goods and services across supply chain industries, TLA and TLA-linked businesses supported 4,962 indirect job-years and generated $259.9 million in labor income, $778.8 million in economic output, and $26.6 million in statewide tax revenues over the eight fiscal years.

Spending by direct and indirect employees supported by TLA and its affiliated businesses contributed to the total impacts, resulting in 6,199 job-years and generating $287.3 million in labor income, $889.4 million in economic output, and $31.0 million in statewide tax revenues during the same period.

From FY 2017 to FY 2025, TLA and TLA-linked businesses supported a cumulative **22,312 job-years**, earning a total of **$1.2 billion in labor income**. The primary and secondary business activities during this period generated an estimated **$3.3 billion in economic output** and **$122.2 million in state and local tax revenues**. For additional details on the historical annual impacts over this period, see the Appendix.

Table 2: Cumulative Economic and Fiscal Impacts of TLA and TLA-Linked Businesses (FY 2017 – FY 2025)

Impact Type	Direct	Indirect	Induced	**Total**
Job-Years	11,151	4,962	6,199	**22,312**
Labor Income	$612,771,200	$259,892,300	$287,339,900	**$1,160,003,600**
Economic Output	$1,668,545,300	$778,797,900	$889,440,500	**$3,336,783,400**
Tax Revenues	$64,564,300	$26,599,800	$31,012,700	**$122,176,800**
State	$32,736,700	$13,694,300	$15,525,700	**$61,956,700**
County	$12,697,800	$5,139,900	$6,275,500	**$24,113,200**
Municipal	$19,129,800	$7,765,600	$9,211,500	**$36,106,900**

Source: Rounds Consulting Group, Inc.
Note: May not sum due to rounding.

Projected Impacts – Fiscal Years 2026 – 2030

As TLA continues to foster business development and innovation within the state, its significant annual contributions to the local and state economy will be sustained. The following utilizes historical TLA financial data and forecasted economic conditions to project the economic and fiscal impacts of TLA and TLA-linked businesses over the next five fiscal years, ending in 2030. These cumulative impacts provided in this section are further broken out in the Appendix.

Table 3 summarizes the projected cumulative direct, indirect, and induced impacts associated with TLA and its associated business activity. Over the next five fiscal years, TLA and TLA-linked businesses are expected to support 8,238 direct job-years. These direct employees will earn an estimated $452.4 million in labor income, contributing to a total direct economic output of $1.2 billion. TLA and its linked operations are also anticipated to directly generate $47.6 million in statewide tax revenues over the same period.

TLA and TLA-linked businesses are forecasted to generate substantial indirect impacts through ongoing demand for goods and services across supplier industries. By FY 2030, this supply chain activity is projected to support 3,648 indirect job-years, generate $191.1 million in labor income, produce $573.2 million in economic output, contributing $19.6 million to state and local tax revenues over the forecast period.

Employee spending is projected to support an additional 4,572 job-years by FY 2030, generate $211.9 million in labor income, produce $655.9 million in economic output, and generate $22.9 million in cumulative state and local revenues during the forecast period.

From FY 2026 to FY 2030, TLA and its affiliated businesses are projected to collectively and cumulatively support **16,457 job-years**, add **$855.5 million in labor income**, create **$2.5 billion in economic output**, and generate **$90.0 million in state, county, and city revenues**.

Table 3: Projected Economic and Fiscal Impacts of TLA and TLA-Linked Businesses (FY 2026 – FY 2030)

Impact Type	Direct	Indirect	Induced	**Total**
Jobs	8,238	3,648	4,572	**16,457**
Labor Income	$452,447,900	$191,121,200	$211,903,800	**$855,472,900**
Economic Output	$1,231,472,700	$573,232,600	$655,933,100	**$2,460,638,600**
Tax Revenues	$47,585,000	$19,558,100	$22,870,900	**$90,014,000**
State	$24,082,200	$10,070,200	$11,449,700	**$45,602,100**
County	$9,384,500	$3,778,600	$4,628,000	**$17,791,100**
City	$14,118,300	$5,709,300	$6,793,200	**$26,620,800**

Source: Rounds Consulting Group, Inc.
Note: May not sum due to rounding.

Appendix

Table 4: Annual Historical TLA and TLA-Linked Businesses Economic and Fiscal Impacts (FY 2017 – 2025)										
Fiscal Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	**Total**
Direct										
Jobs	898	997	1,065	1,133	1,284	1,346	1,412	1,482	1,533	**11,150**
Labor Income	$49,668,500	$55,001,700	$58,766,700	$62,239,700	$70,267,800	$73,498,800	$77,424,900	$81,440,400	$84,462,700	**$612,771,200**
Economic Output	$135,392,700	$149,874,300	$160,099,200	$169,491,100	$191,270,700	$200,019,000	$210,745,000	$221,698,800	$229,954,500	**$1,668,545,300**
Tax Revenues	$5,228,700	$5,796,300	$6,182,500	$6,565,200	$7,425,900	$7,775,800	$8,162,000	$8,565,100	$8,862,800	**$64,564,300**
State	$2,660,200	$2,946,000	$3,138,700	$3,330,700	$3,764,100	$3,939,400	$4,133,900	$4,336,800	$4,486,900	**$32,736,700**
County	$1,023,000	$1,135,800	$1,213,500	$1,290,100	$1,461,300	$1,531,400	$1,607,900	$1,688,000	$1,746,800	**$12,697,800**
City	$1,545,500	$1,714,500	$1,830,300	$1,944,400	$2,200,500	$2,305,000	$2,420,200	$2,540,300	$2,629,100	**$19,129,800**
Indirect										
Jobs	407	449	478	504	567	592	625	658	683	**4,963**
Labor Income	$21,285,600	$23,487,800	$25,044,100	$26,420,400	$29,705,700	$31,002,200	$32,720,200	$34,452,800	$35,773,500	**$259,892,300**
Economic Output	$63,638,300	$70,277,100	$74,967,800	$79,156,700	$89,081,200	$93,015,400	$98,128,400	$103,300,500	$107,232,500	**$778,797,900**
Tax Revenues	$2,179,500	$2,404,500	$2,563,500	$2,704,100	$3,040,100	$3,172,500	$3,348,400	$3,526,000	$3,661,200	**$26,599,800**
State	$1,121,800	$1,237,800	$1,319,500	$1,392,200	$1,565,200	$1,633,500	$1,724,000	$1,815,400	$1,884,900	**$13,694,300**
County	$421,300	$464,700	$495,500	$522,500	$587,400	$612,900	$646,900	$681,200	$707,500	**$5,139,900**
City	$636,400	$702,000	$748,500	$789,400	$887,500	$926,100	$977,500	$1,029,400	$1,068,800	**$7,765,600**
Induced										
Jobs	504	558	595	630	710	742	782	823	854	**6,198**
Labor Income	$23,363,700	$25,844,600	$27,596,600	$29,193,000	$32,917,700	$34,408,200	$36,266,800	$38,159,600	$39,589,700	**$287,339,900**
Economic Output	$72,320,700	$80,000,100	$85,423,400	$90,364,900	$101,894,400	$106,508,200	$112,261,400	$118,120,200	$122,547,200	**$889,440,500**
Tax Revenues	$2,521,700	$2,789,500	$2,978,600	$3,150,900	$3,552,800	$3,713,700	$3,914,100	$4,118,500	$4,272,900	**$31,012,700**
State	$1,262,300	$1,396,500	$1,491,200	$1,577,400	$1,778,600	$1,859,200	$1,959,500	$2,061,900	$2,139,100	**$15,525,700**
County	$510,400	$564,400	$602,700	$637,600	$719,000	$751,400	$792,000	$833,300	$864,700	**$6,275,500**
City	$749,000	$828,600	$884,700	$935,900	$1,055,200	$1,103,100	$1,162,600	$1,223,300	$1,269,100	**$9,211,500**
Total										
Jobs	1,809	2,004	2,139	2,268	2,561	2,680	2,819	2,963	3,070	**22,313**
Labor Income	$94,317,900	$104,334,000	$111,407,400	$117,853,200	$132,891,300	$138,909,200	$146,411,900	$154,052,700	$159,826,000	**$1,160,003,600**
Economic Output	$271,351,700	$300,151,400	$320,490,300	$339,012,800	$382,246,300	$399,542,500	$421,134,700	$443,119,600	$459,734,100	**$3,336,783,400**
Tax Revenues	$9,929,900	$10,990,300	$11,724,600	$12,420,200	$14,018,800	$14,662,000	$15,424,500	$16,209,600	$16,796,900	**$122,176,800**
State	$5,044,300	$5,580,300	$5,949,400	$6,300,300	$7,107,900	$7,432,100	$7,817,400	$8,214,100	$8,510,900	**$61,956,700**
County	$1,954,700	$2,164,900	$2,311,700	$2,450,200	$2,767,700	$2,895,700	$3,046,800	$3,202,500	$3,319,000	**$24,113,200**
City	$2,930,900	$3,245,100	$3,463,500	$3,669,700	$4,143,200	$4,334,200	$4,560,300	$4,793,000	$4,967,000	**$36,106,900**

Source: Rounds Consulting Group, Inc.
Note: May not sum due to rounding.

Table 5: Annual Projected TLA and TLA-Linked Businesses Economic and Fiscal Impacts (FY 2026 – 2030)						
Fiscal Year	2026	2027	2028	2029	2030	**Total**
Direct						
Jobs	1,578	1,617	1,648	1,681	1,714	**8,238**
Labor Income	$86,958,200	$89,112,400	$90,894,700	$91,823,100	$93,659,500	**$452,447,900**
Economic Output	$236,742,100	$242,604,000	$247,456,100	$249,836,900	$254,833,600	**$1,231,472,700**
Tax Revenues	$9,123,100	$9,346,400	$9,530,000	$9,697,400	$9,888,100	**$47,585,000**
State	$4,617,900	$4,730,300	$4,822,900	$4,907,600	$5,003,500	**$24,082,200**
County	$1,798,500	$1,842,900	$1,879,200	$1,912,900	$1,951,000	**$9,384,500**
City	$2,706,700	$2,773,200	$2,827,900	$2,876,900	$2,933,600	**$14,118,300**
Indirect						
Jobs	703	720	735	738	752	**3,648**
Labor Income	$36,821,000	$37,728,400	$38,483,000	$38,657,800	$39,431,000	**$191,121,200**
Economic Output	$110,378,600	$113,101,900	$115,364,000	$116,033,700	$118,354,400	**$573,232,600**
Tax Revenues	$3,768,500	$3,861,300	$3,938,400	$3,955,400	$4,034,500	**$19,558,100**
State	$1,940,200	$1,988,100	$2,027,800	$2,036,700	$2,077,400	**$10,070,200**
County	$728,200	$746,000	$760,900	$764,100	$779,400	**$3,778,600**
City	$1,100,100	$1,127,200	$1,149,700	$1,154,600	$1,177,700	**$5,709,300**
Induced						
Jobs	879	901	919	927	945	**4,571**
Labor Income	$40,756,300	$41,764,300	$42,599,700	$42,962,100	$43,821,400	**$211,903,800**
Economic Output	$126,158,100	$129,278,700	$131,864,200	$132,986,200	$135,645,900	**$655,933,100**
Tax Revenues	$4,398,800	$4,507,500	$4,597,700	$4,636,900	$4,730,000	**$22,870,900**
State	$2,202,200	$2,256,600	$2,301,700	$2,321,300	$2,367,900	**$11,449,700**
County	$890,100	$912,100	$930,300	$938,300	$957,200	**$4,628,000**
City	$1,306,500	$1,338,800	$1,365,700	$1,377,300	$1,404,900	**$6,793,200**
Total						
Jobs	3,160	3,238	3,302	3,345	3,412	**16,457**
Labor Income	$164,535,400	$168,605,300	$171,977,400	$173,443,000	$176,911,800	**$855,472,900**
Economic Output	$473,278,800	$484,984,600	$494,684,300	$498,856,900	$508,834,000	**$2,460,638,600**
Tax Revenues	$17,290,400	$17,715,200	$18,066,100	$18,289,700	$18,652,600	**$90,014,000**
State	$8,760,300	$8,975,000	$9,152,400	$9,265,600	$9,448,800	**$45,602,100**
County	$3,416,800	$3,501,000	$3,570,400	$3,615,300	$3,687,600	**$17,791,100**
City	$5,113,300	$5,239,200	$5,343,300	$5,408,800	$5,516,200	**$26,620,800**

Source: Rounds Consulting Group, Inc.

Note: May not sum due to rounding.