



Economic and Community Impacts of Boston University

Fiscal Year 2015

**Tripp
Umbach**

About Tripp Umbach

- ❑ Founded in 1990
- ❑ Tripp Umbach is a nationally recognized consulting firm that provides comprehensive services ranging from research and strategic planning to economic impact analyses for medical schools, hospitals, non-profit organizations, communities, and corporations throughout the world. Tripp Umbach has completed more than 150 economic impact studies over the past 25 years for clients in North America, Australia, and Europe.
- ❑ Since 1995, Tripp Umbach has completed national studies of the economic impact of all 130 medical schools and 400 teaching hospitals for the Association of American Medical Colleges (AAMC).
- ❑ Recent economic impact studies completed for universities include:
 - University of Arizona
 - University of Nebraska
 - University of Pittsburgh
 - University of Virginia
 - University of Washington

Study Goals

- ❑ Quantify the economic, employment, and tax revenue impacts of Boston University in the City of Boston, Town of Brookline, and Commonwealth of Massachusetts.
- ❑ Key Impact Findings Provided For:
 - ❑ Boston University
 - ❑ Boston University Medical Campus
 - ❑ BU Research
 - ❑ BU Operations
- ❑ Articulate community and alumni impacts of Boston University

Economic Impact Methodology



Study Methodology – IMPLAN

- ❑ Tripp Umbach utilized the IMPLAN (input-output modeling software) methodology. The model uses the most recent economic data from public sources such as the U.S. Bureau of Economic Analysis (BEA), the U.S. Department of Labor's Bureau of Labor Statistics (BLS), and the U.S. Census Bureau. It uses this data to predict effects on a regional economy from direct changes in employment and spending.
- ❑ IMPLAN is designed for running economic impact analyses, which are useful in evaluating the economic contribution of a sector of the economy.

Calculating Economic Impact with IMPLAN

- ❑ The impacts were calculated based on data received from Boston University and secondary data research.

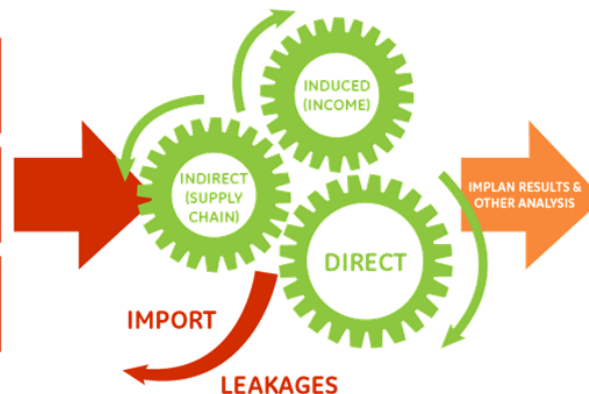
Industry sector(s) for development



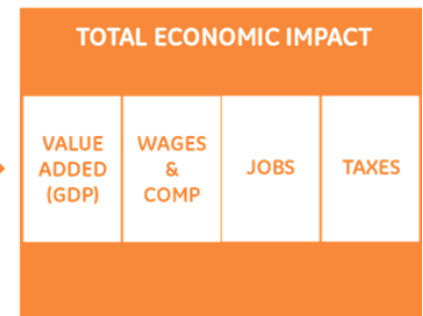
Financial data
collected to run
analysis (actual or
projected)



Analysis of impact with
models and multipliers



Economic impact
findings



Definitions of Impact Terms

- Three types of impact are presented in the analysis:

DIRECT vs. INDIRECT vs. INDUCED IMPACT



Boston University
Impact Findings

**Commonwealth of
Massachusetts**



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Boston University Study Background

- ❑ Impact analysis completed for Boston University, Boston University Medical Campus, BU Research, and BU Operations.
- ❑ Impacts provided at the City of Boston, Town of Brookline and Commonwealth of Massachusetts geographic levels
- ❑ Study data provided for FY15.

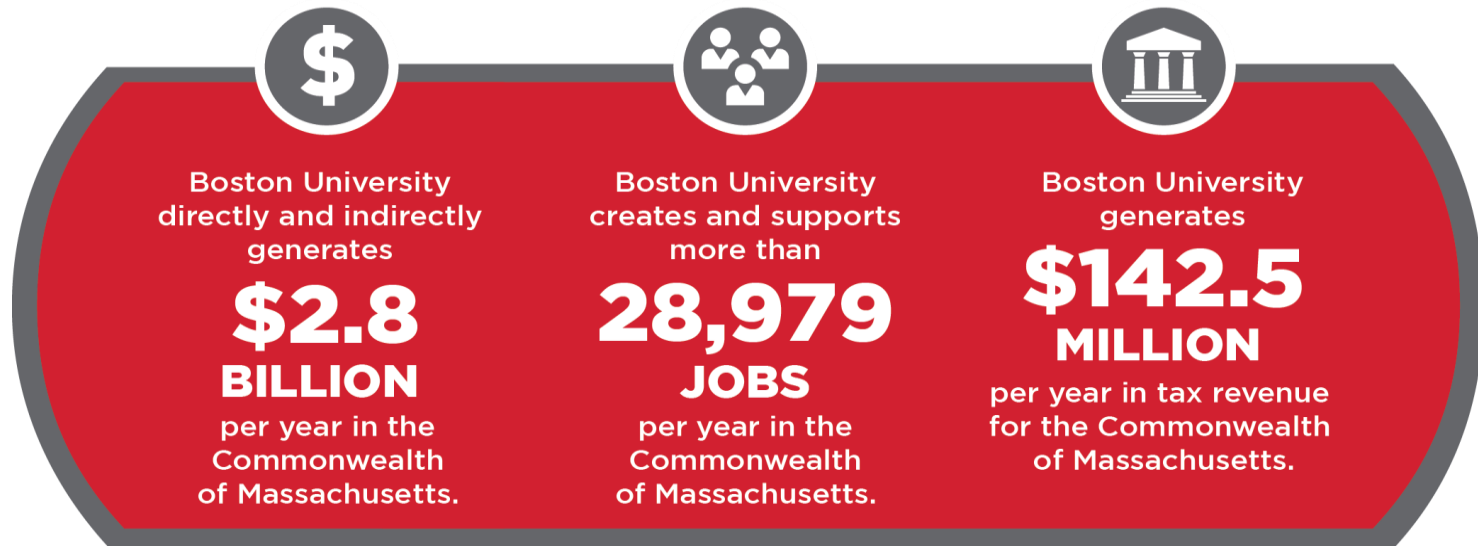
STUDY OVERVIEW

KEY IMPACT FINDINGS OF BOSTON UNIVERSITY REPORTED AT THE FOLLOWING GEOGRAPHIES:

- CITY OF BOSTON
- TOWN OF BROOKLINE
- COMMONWEALTH OF MASSACHUSETTS

IMPACT FINDINGS REPORTED FOR FISCAL YEAR 2015 (FY15)

Boston University Key Impact Findings



- ❑ Economic impact of \$2.8 billion in Massachusetts
- ❑ 28,979 jobs supported throughout the Commonwealth
- ❑ More than \$142.5 million in state and local government revenue generated

Generating Economic Impact

- ❑ Operational impact consists of dollars that are generated from organizational spending that circulate within the state and local economies.
- ❑ Boston University generated **\$2.8 billion** in economic impact on the Commonwealth of Massachusetts in FY15.

ECONOMIC IMPACTS OF BOSTON UNIVERSITY ON THE COMMONWEALTH OF MASSACHUSETTS



Direct: \$1.2 Billion



Indirect/Induced: \$1.6 Billion



Total: \$2.8 Billion

Source: Tripp Umbach, using IMPLAN results from data obtained through Boston University.

Creating and Sustaining Jobs

- ❑ Boston University **directly supports 17,890 jobs.**
- ❑ This employment then results in the support of additional jobs throughout the economy by means of spending.
- ❑ Therefore, the total employment impact of Boston University is **28,979 jobs** throughout Massachusetts.

EMPLOYMENT IMPACTS OF BOSTON UNIVERSITY ON THE COMMONWEALTH OF MASSACHUSETTS



Direct: 17,890 Jobs



Indirect/Induced: 11,089 Jobs



Total: 28,979 Jobs

Source: Tripp Umbach, using IMPLAN results from data obtained through Boston University.

Supporting the State and Local Tax Base

BOSTON UNIVERSITY STATE AND LOCAL GOVERNMENT REVENUE IMPACT, 2015

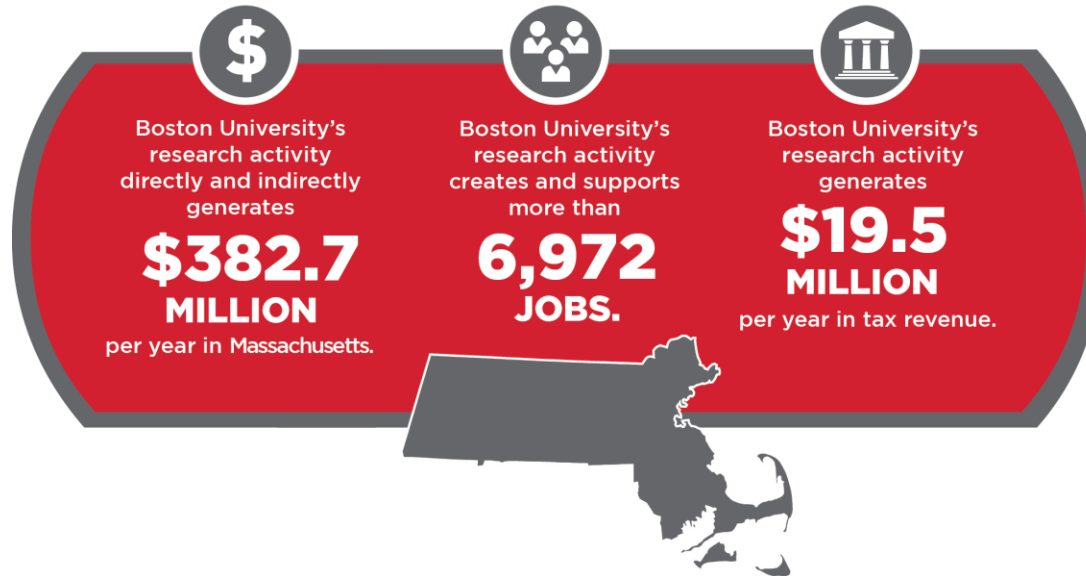
- In FY15, Boston University, by means of its regional spending and the spending of its employees and visitors, contributed a total of **\$142.5 million in state and local tax revenue impact** to the Commonwealth of Massachusetts.

Description	Employee Compensation	Tax on Products and Imports	Households	Corporations
Dividends				\$306,596
Social Ins Tax- Employee Contribution	\$856,253			
Social Ins Tax- Employer Contribution	\$1,672,369			
Indirect Bus Tax: Sales Tax		\$29,956,389		
Indirect Bus Tax: Property Tax		\$49,796,472		
Indirect Bus Tax: Motor Vehicle Lic		\$646,757		
Indirect Bus Tax: Severance Tax				
Indirect Bus Tax: Other Taxes		\$3,886,513		
Indirect Bus Tax: S/L NonTaxes		\$94,677		
Corporate Profits Tax				\$7,307,464
Personal Tax: Income Tax			\$42,678,208	
Personal Tax: NonTaxes (Fines- Fees)			\$3,450,723	
Personal Tax: Motor Vehicle License			\$1,005,865	
Personal Tax: Property Taxes			\$734,964	
Personal Tax: Other Tax (Fish/Hunt)			\$119,139	
TOTAL STATE AND LOCAL TAX	\$2,528,622	\$84,380,809	\$47,988,899	\$7,614,060
TOTAL: \$142,512,390				

Source: Tripp Umbach, using IMPLAN results from data obtained through Boston University.

Direct payments by Boston University to state and/or local governments, such as property taxes and payments in lieu of taxes, are not included in the figures on this table. The figures on this table represent indirect taxes only as calculated using IMPLAN.

Research Activity Impact



- ❑ In FY15, more than **\$382.7 million** was generated in Massachusetts as a result of the research activity at BU.
- ❑ The employment impact of the innovative research occurring at BU supported **6,972 jobs** throughout the state.
- ❑ Additionally, **\$19.5 million** was generated in state and local government revenue attributed solely to the research activities of the university.

Connecting with the Community

- Boston University's students, faculty, and staff members are tightly woven into the fabric of the surrounding community. The BU community provides hundreds of social programs and other benefits that serve Massachusetts residents and Bostonians.
- In addition to the direct contributions and concrete programs, BU employees and students generate community impacts on their own time outside of the workday. These include personal financial donations and volunteer hours to the community. **In fiscal year 2015, it is estimated that faculty, staff, and students contributed \$70.8 million in this type of community impact,** in the form of donations to organizations such as the United Way or YMCA, as well as through volunteer activities such as academic tutoring for adolescents.

Alumni Impacts on the State

- By educating students, BU adds to the talent pool of human capital in Massachusetts.
- In academic year 2015, BU granted 5,261 undergraduate degrees and 4,198 advanced degrees. More than 30% of these new graduates remain in the Commonwealth.
- Understanding the increased earning power of having an undergraduate or graduate degree, on an annual basis, **BU creates \$52.5 million of additional earning power** for members of each graduating class.

SALARY IMPACTS OF BOSTON UNIVERSITY ON THE COMMONWEALTH OF MASSACHUSETTS



Undergraduate: \$32.7 Million



Graduate: \$19.8 Million



Total: \$52.5 Million

Tripp Umbach analysis from data obtained through Boston University

Boston University

*Additional Impact
Findings*



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Boston University Medical Campus Key Impact Findings

- In FY15, Boston University Medical Campus directly and indirectly generated **\$712.2 million** in economic impact to the Commonwealth of Massachusetts, directly and indirectly supported **6,400 jobs** in the state, and generated more than **\$35.5 million** in state and local government revenue impact.

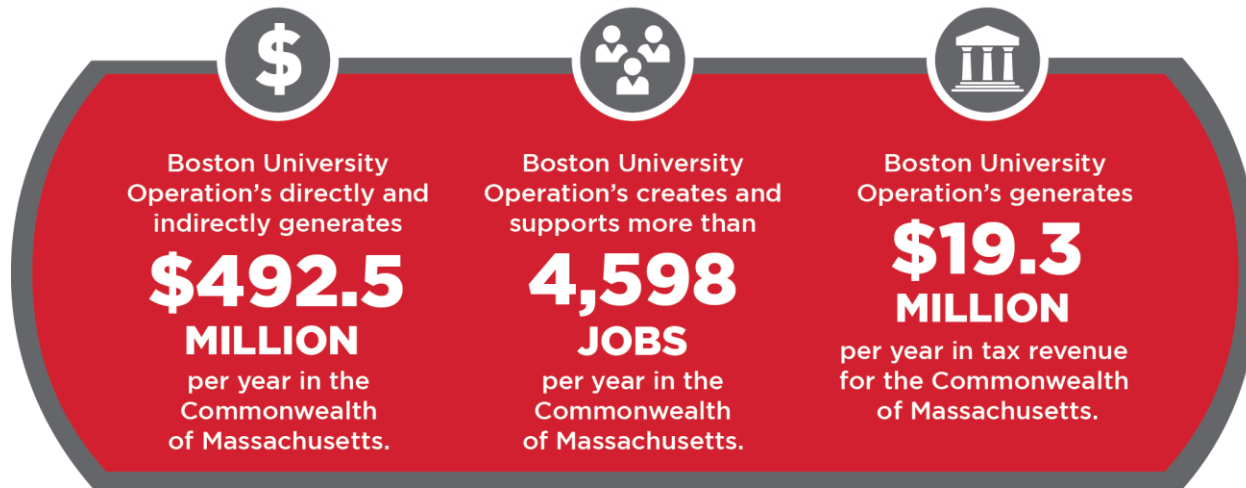
BOSTON UNIVERSITY MEDICAL
CAMPUS DIRECTLY AND
INDIRECTLY GENERATES
\$712.2 MILLION
PER YEAR IN MASSACHUSETTS.

BOSTON UNIVERSITY MEDICAL
CAMPUS CREATES AND
SUPPORTS MORE THAN
6,400 JOBS
IN MASSACHUSETTS.

BOSTON UNIVERSITY MEDICAL
CAMPUS OPERATIONS GENERATE
\$35.5 MILLION
PER YEAR IN TAX REVENUE.



Boston University Operations Key Impact Findings



- In FY15, Boston University Operations directly and indirectly generated **\$492.5 million** in economic impact to the Commonwealth of Massachusetts, directly and indirectly supported **4,598 jobs** in the state, and generated more than **\$19.3 million** in state and local government revenue impact.

Boston University, *City of Boston*

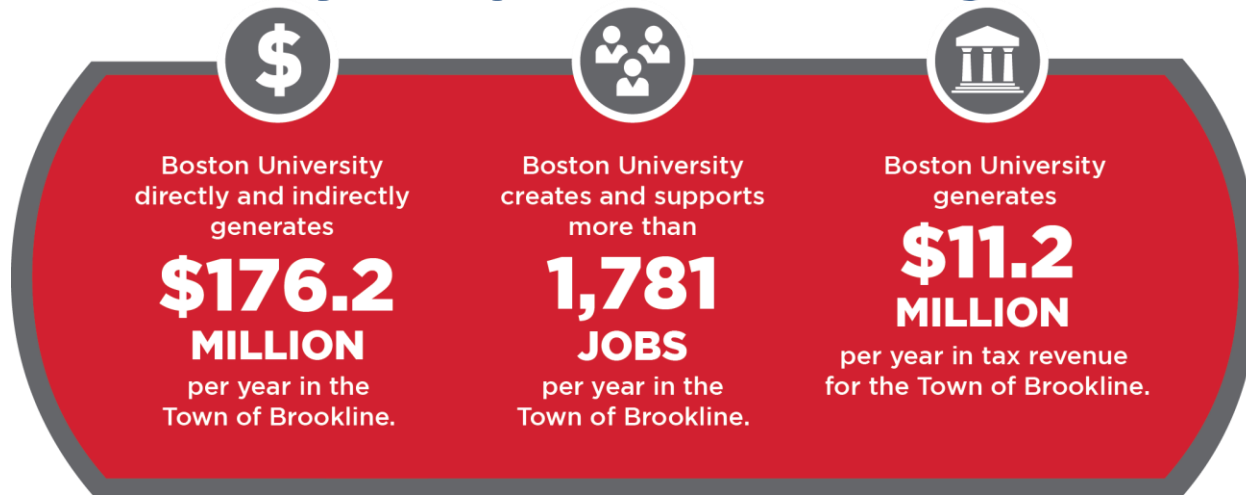
Key Impact Findings



- ❑ Economic impact of \$1.05 billion in Boston
- ❑ 14,132 jobs supported throughout the City of Boston
- ❑ \$52.9 million in state and local government revenue generated in the City of Boston

Boston University, *Town of Brookline*

Key Impact Findings



- ❑ Economic impact of \$176.2 million in Brookline
- ❑ 1,781 jobs supported throughout the Town of Brookline
- ❑ \$11.2 million in state and local government revenue generated in the Town of Brookline