Economic and Community Impacts of Boston University

Fiscal Year 2015

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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
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

- Manufacturing
- Construction
- Healthcare
- Other sectors

Financial data collected to run analysis (actual or projected)

- OPX
- VISITOR SPENDING
- CAPX
- NUMBER OF EMPLOYEES
- PAY & BENEFITS
- OTHER

Analysis of impact with models and multipliers

- INDIRECT (SUPPLY CHAIN)
- INDUCED INCOME
- DIRECT

Economic impact findings

TOTAL ECONOMIC IMPACT
- VALUE ADDED (GDP)
- WAGES & COMP
- JOBS
- TAXES
Definitions of Impact Terms

- Three types of impact are presented in the analysis:

Direct vs. Indirect vs. Induced Impact

- Direct: Investment in Construction and Expenditures for Operations
- Indirect: Purchases from Area Suppliers
- Induced: Household Spending from Earnings of Direct and Indirect Expenditures
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.
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.
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.

### BOSTON UNIVERSITY STATE AND LOCAL GOVERNMENT REVENUE IMPACT, 2015

<table>
<thead>
<tr>
<th>Description</th>
<th>Employee Compensation</th>
<th>Tax on Products and Imports</th>
<th>Households</th>
<th>Corporations</th>
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<tr>
<td>Dividends</td>
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<td>Social Ins Tax- Employee Contribution</td>
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<td>Social Ins Tax- Employer Contribution</td>
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<td>Indirect Bus Tax: S/L NonTaxes</td>
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<td><strong>TOTAL STATE AND LOCAL TAX</strong></td>
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**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.
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
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.
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