

The Economic and Societal Impact of Indiana University and Indiana University Health

(FY 10-11)

February 2012



IU Economic Impact Study Goals

- To quantify the cumulative economic and employment impacts of Indiana University and IU Health on the State of Indiana.
- To quantify the specific economic and employment impacts of each Indiana University campus.
- To more effectively articulate the benefits and value added of a major research institution through its partnership with Indiana communities, businesses, citizens, and state government.

About Tripp Umbach



- Tripp Umbach is a recognized leader in conducting economic impact studies for major research universities, hospitals, corporations and research partnerships throughout North America; selected examples include:
 - Pennsylvania State University
 - University of Iowa
 - University of Michigan
 - Mayo Clinic & Foundation
 - Cleveland Clinic
 - Ohio State University
 - University of Minnesota
 - University of Washington
 - University of Pittsburgh Medical Center
 - TGen and ISM
- Tripp Umbach has presented on the economic impact of universities and hospitals at numerous national and state conferences.
- Since 1995, Tripp Umbach has exclusively conducted national studies for the Association of American Medical Colleges (AAMC) on the economic impact of its member 130 medical schools and 400 teaching hospitals.

Methodology & Analysis

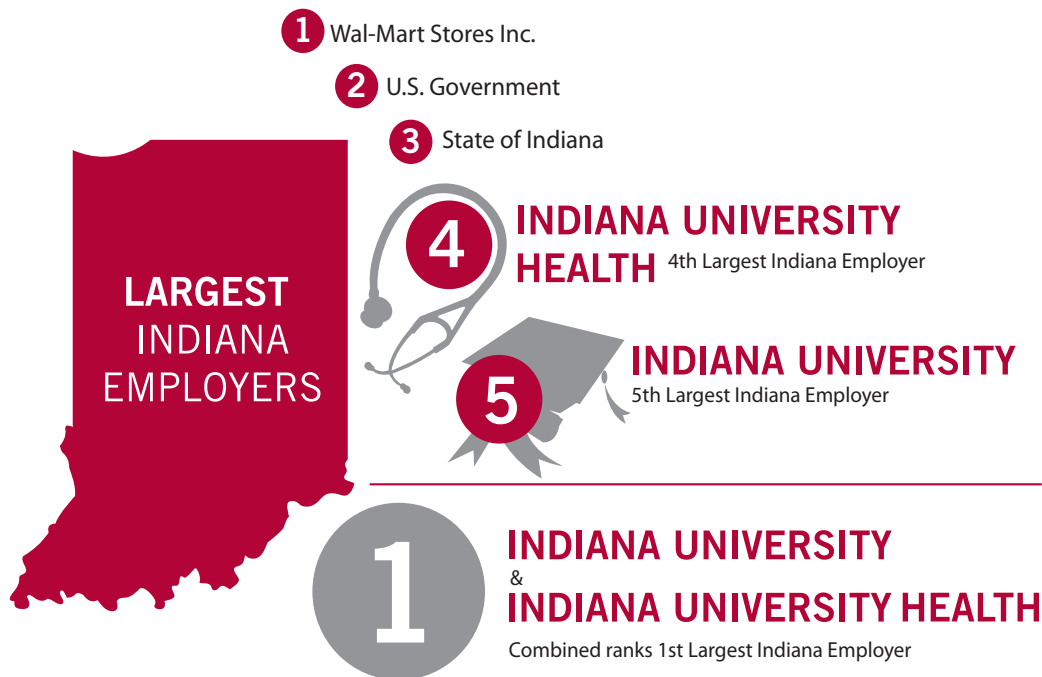
- The economic impact study was conducted using IMPLAN (input-output analysis).
- Primary data utilized to conduct the analysis was collected from Indiana University and IU Health. Data included: capital expenditures, operational expenditures, jobs, payroll & benefits and taxes.
- The approach taken on this study was decidedly conservative. However, the impacts compare favorably to the impacts of the top-ranked research universities in the country.

IU and IU Health's Overall Economic Impact is \$11.5 Billion Per Year

IU and IU Health's Economic Impact (in billions)



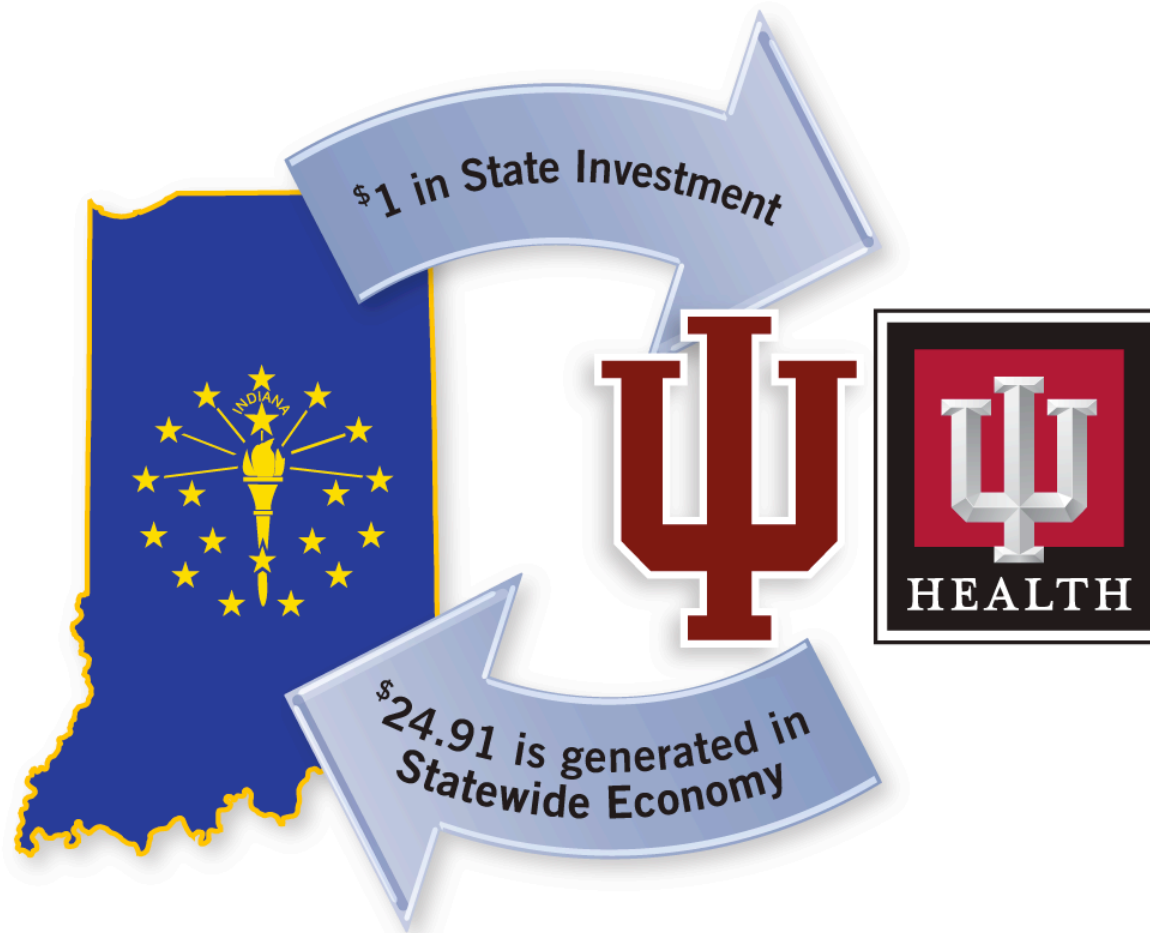
IU and IUH are Leading Generators of Indiana Jobs



100,031 total jobs are supported by IU, representing 3% of employed work force in Indiana:

- 48,147 direct jobs
- 51,884 indirect jobs

What is IU's Return on Investment to the State of Indiana?

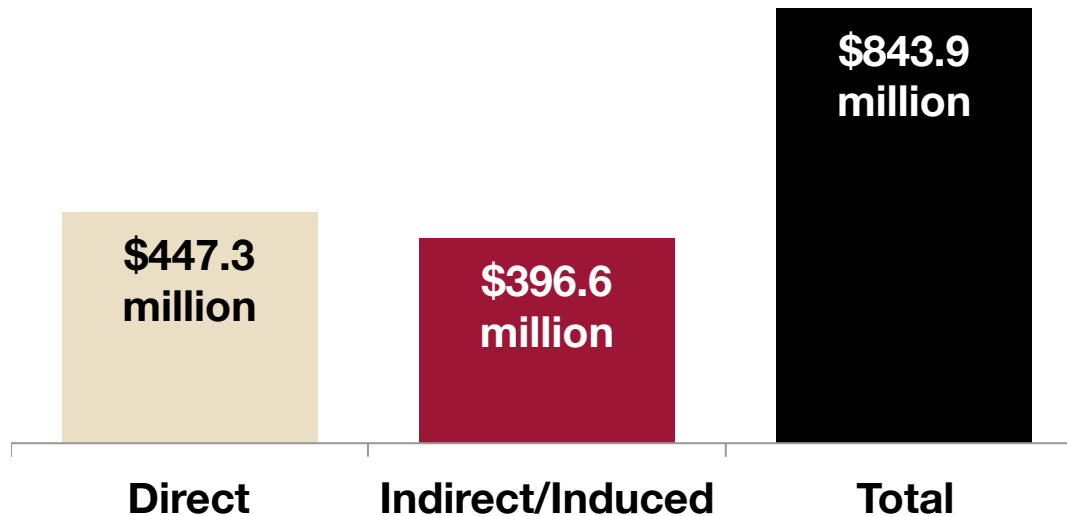


IU and IU Health Strengthen State and Local Tax Revenue Collections

- **\$1.00** in IU state funding, generates **\$1.11** in tax revenue to state government.
- IU and IU Health generate **\$511.7 Million** per year in state and local tax revenue.

Research is an Economic Engine for Indiana University

Indiana University Research Impact
(in millions)



- IU spent **\$509 million** on research in FY 10-11 resulting in an impact of **\$843.9 million**
- **6,537 jobs** are supported by IU Research

Educating the Future Workforce

- IU educates the workforce that Indiana needs to succeed in the rapidly changing, knowledge-based economy of the 21st century.
- **IU produces over 19,000 graduates each year**, providing essential contributions to the state's human capital and workforce needs.
- With nearly **560,000 living alumni** in 151 countries, IU holds the third largest alumni population of any U.S. college or university. More than half of IU alumni live in Indiana -- including more than 50% of Indiana's physicians, 35% of its teachers, 75% of its attorneys, and 90% of its dentists.
- IU is a global talent magnet, attracting gifted students in a wide range of disciplines - many of whom remain and reside in Indiana upon graduation.

IU and IU Health are Strong Community Partners

IU and IU Health educate and train Indiana citizens, future employees, business and community leaders, health care professionals, and innovators.

IU and IU Health enhance quality of life in Indiana, providing **\$328.2 Million** in community benefits including:

- **\$122.2 Million** in charitable care provided by IU Health
- **\$17.0 Million** in research to improve health outcomes in Indiana communities provided by IU Health.
- **\$51.8 Million** donated to local charitable organizations by IU and IU Health Faculty, Staff and Students
- **\$137.2 Million** of volunteer service to area communities by IU and IU Health Faculty, Staff and Students

Why is this Important?

- **\$11.5 Billion** in total economic impact to the state
- **100,000 jobs** for Indiana citizens
- **\$24.91 returned** to the state for every \$1.00 invested
- \$1.00 in state funding generates **\$1.11 in tax revenue**
- \$509 Million in IU Research spending **generates \$843.9 Million in impact** and supports **over 6,500 jobs**

Questions & Answers

