



From Recovery to Renewal

THE ECONOMIC IMPACT OF TULANE UNIVERSITY

EXECUTIVE SUMMARY





Tulane University is one of New Orleans' oldest institutions – its largest private employer – and its leading center of education and research. As a result, the University has long had a major impact on the city's economy, and that of the surrounding region. Moreover, in the years since Hurricane Katrina devastated New Orleans and several other parishes in the Greater New Orleans area, Tulane has had an even greater impact on the region's economy.

Tulane students, faculty and administrators have been deeply involved in the process of recovery, and in building a foundation for sustained economic growth. During the next five to ten years, Tulane University's impact on the economy of the city and the region could be even greater than it has been in the recent past.

A major regional enterprise

Tulane is a major enterprise in its own right and contributes to the economic vitality of the city and region through its spending on payroll, its purchases of goods and services from companies based in Louisiana and its investment in university construction.

- With 5,173 employees (excluding students) in the fall of 2008 – 52 percent of whom live in New Orleans – Tulane is the largest private employer in the city, and one of the largest in the Greater New Orleans area.
- The average salary for full-time, full-year employees at Tulane in fiscal year 2008 was \$60,600 – 22 percent greater than the average for all full-time, full-year workers in New Orleans, and 38 percent greater than the average for Greater New Orleans.
- In addition to those who are directly employed by the University, Tulane Medical Center in 2009 employed 1,764; the Medical Center is also one of the city's largest private employers.

Figure 1: Tulane full- and part-time employment by occupation, Fall 2008

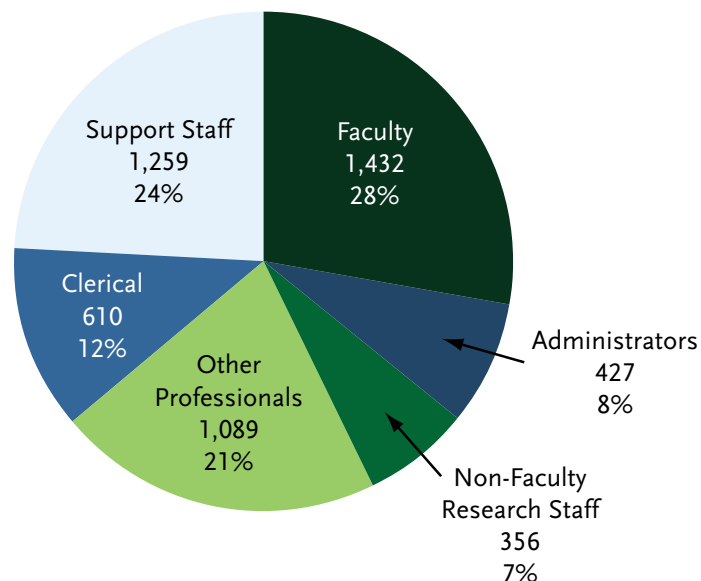
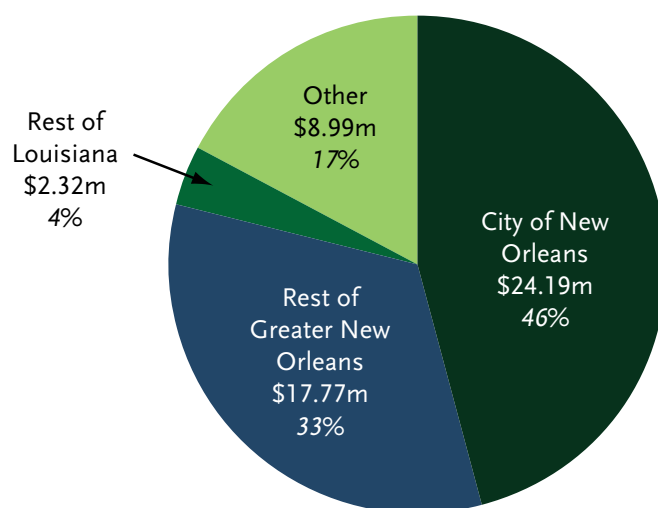


Figure 2: Tulane construction spending by location of vendor, FY 2008



- Tulane University spent \$75.8 million during fiscal year 2008 on the purchase of goods and services from Louisiana companies, including \$49.8 million paid to companies located in New Orleans. This spending directly supported more than 800 full-time-equivalent (FTE) jobs with companies throughout Louisiana, including more than 350 FTE jobs in New Orleans.
- Between fiscal years 2004 and 2008, Tulane invested a total of \$390.5 million in construction and renovation of University facilities – including \$200 million spent restoring the campus after Hurricane Katrina. During fiscal year 2008, Tulane’s investments in construction and renovation directly supported 450 FTE jobs with Louisiana contractors.
- In 2008, Tulane’s payroll of \$262 million generated \$9.9 million in Louisiana state income taxes. The University also paid more than \$9 million in fees (for water and sewer services, building permits, etc.) to state and local governments.

Table 1: Total impact of Tulane, student and visitor spending, FY 2008 (\$ millions)

	New Orleans			Louisiana		
	Direct	Indirect/ induced	Total	Direct	Indirect/ induced	Total
University spending						
Output	\$ 324.7 m	\$ 160.3 m	\$ 485.0 m	\$ 381.7 m	\$ 332.1 m	\$ 713.8 m
Employment (FTEs)	5,486	856	6,342	6,436	2,467	8,903
Student spending						
Output	\$ 84.2 m	\$ 30.4 m	\$ 114.7 m	\$ 73.5 m	\$ 43.1 m	\$ 116.6 m
Employment (FTEs)	916	200	1,116	711	258	969
Visitor spending						
Output	\$ 68.8 m	\$ 26.3 m	\$ 95.0 m	\$ 54.9 m	\$ 34.7 m	\$ 89.7 m
Employment (FTEs)	699	174	873	511	212	723
TOTAL						
Output	\$ 477.6 m	\$ 217.0 m	\$ 694.6 m	\$ 510.2 m	\$ 409.9 m	\$ 920.1 m
Employment (FTEs)	7,101	1,230	8,129	7,658	2,937	10,595

- We estimate that off-campus spending by students who came to Tulane from outside of the City of New Orleans totaled \$84.2 million during the 2008 academic year; and that this spending directly supported approximately 916 FTE jobs throughout New Orleans.
- We estimate that off-campus spending by visitors to Tulane from outside of New Orleans totaled approximately \$68.8 million; and that this spending directly supported about 700 full-time-equivalent jobs within the city.
- Combining the impact of spending by the University, its students and visitors, and taking into account the multiplier effect of this combined spending, we estimate that in fiscal year 2008, Tulane accounted for:
 - Approximately \$694.6 million in economic activity and more than 8,300 FTE jobs in New Orleans; and
 - Approximately \$920 million in economic activity and nearly 10,600 FTE jobs throughout Louisiana (including New Orleans).

Developing human capital

One of the nation's top academic institutions, Tulane University contributes to the development of human capital in New Orleans, the surrounding area and throughout Louisiana.

- In the fall of 2008, a total of 11,157 students were enrolled at Tulane University, including 6,749 undergraduate students and 4,408 graduate and professional students. About 23 percent of all Tulane students are from New Orleans; and about 8 percent come to the University from elsewhere in Louisiana.
- Tulane offers its students opportunities for both undergraduate and graduate education in fields that are likely to be critical to the future of the city's, the region's and the state's economy, with specializations in areas such as bioengineering, neuroscience, energy, and international business.



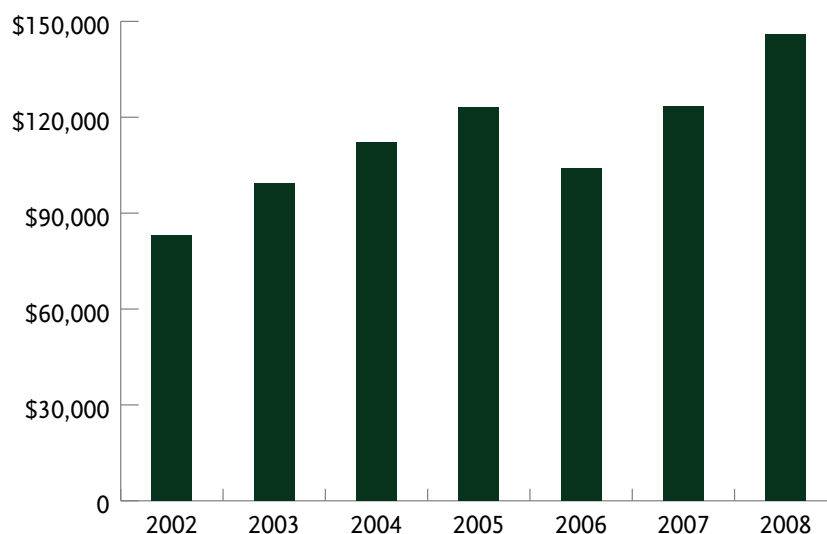
- Tulane’s School of Continuing Studies provides extensive opportunities for working adults and other non-traditional students in New Orleans and the surrounding area to earn degrees or to complete post-baccalaureate certificates in fields such as information technology, digital design, journalism and homeland security. In the fall of 2008, 1,480 students were enrolled in the School’s programs.
- As of 2009, approximately 24 percent of all Tulane alumni are Louisiana residents, including about 16 percent who are residents of New Orleans. The percentage of Tulane graduates living in the city has increased during the past decade.
- Based on data from the Census Bureau’s 2007 American Community Survey we estimate that approximately 30 percent of all New Orleans residents who have associate, bachelor’s or higher degrees are graduates of Tulane.

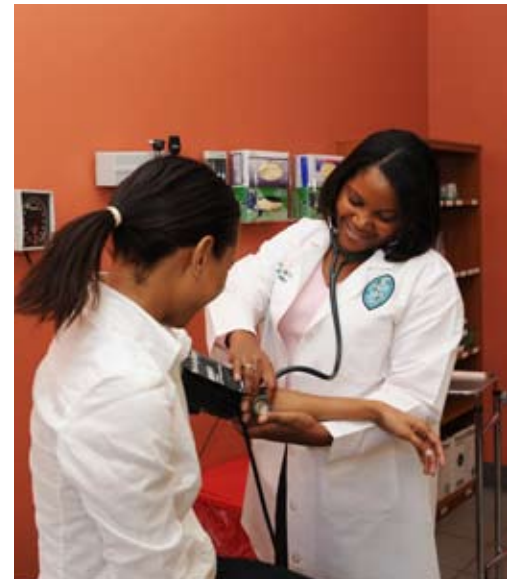
The impact of Tulane’s research

Tulane is the region’s leading research university, directly contributing to the economic growth of the city of New Orleans, the Greater New Orleans area and the state of Louisiana in several ways.

- In fiscal year 2008, research spending at Tulane totaled \$146.1 million – an increase of 76 percent since 2002. From 2002 through 2008, research spending at Tulane grew by an average of 9.9 percent annually.
- Federal funding accounted for approximately 88 percent of Tulane’s research spending in fiscal year 2008; and other sources outside Louisiana for 7 percent. With so much of its funding derived from external sources – and with most of those funds spent locally – Tulane’s research spending has a particularly powerful effect on the region’s economy.

Figure 13: Tulane annual research spending, FY 2002 – 2008 (\$ millions)





- Tulane’s research enterprise is particularly strong in several areas that could in the future contribute to the growth of the region’s economy, and the well-being of its people, including biomedical, environmental, energy and business research.
- Partnerships with other Louisiana institutions help Tulane increase the impact of its research activities on the state’s economy. Notable examples of such partnerships include three state-funded research consortia:
 - The Louisiana Cancer Research Consortium;
 - The Louisiana Gene Therapy Research Center; and
 - The Louisiana Clean Power and Energy Research Consortium.
- Both undergraduate and graduate students at Tulane have the opportunity to participate in University research – either as members of faculty-led research teams or by initiating their own research projects. Involvement in research projects not only enriches students’ educational experience; it helps them acquire skills and knowledge that can be useful in whatever careers they choose to pursue.

Addressing health needs in the New Orleans area

Tulane University traces its origins back to 1834, and the efforts of several local doctors to protect New Orleans residents from the ravages of malaria and yellow fever; and today the University continues to help meet the health needs of the region’s residents.

- The Tulane School of Medicine is a leading educator of the region’s physician workforce. Of the 2,430 licensed MD’s practicing in New Orleans in October 2009, 380 (or 15.6 percent) were graduates of the School of Medicine.
- Faculty members at the School of Medicine are also deeply involved in providing health services to area residents – primarily through the University’s faculty practice plan. In fiscal year 2008, the plan generated more than \$49 million in revenues, as its members treated more than 64,000 hospital inpatients and handled more than 109,000 clinic visits.

- Tulane’s graduate medical education program also brings talented physicians to New Orleans. In 2008, 363 Tulane residents and fellows worked in New Orleans-area hospitals, including Tulane Medical Center and University Hospital.
- Tulane Medical Center was originally created to serve as a teaching hospital for the Tulane School of Medicine. Although the University sold a majority stake in the Medical Center to HCA in 1995, it remains a part-owner and an active partner in the hospital’s operations. With 1,764 employees as of August 2009, the Medical Center is itself one of the city’s largest employers, a provider of high-quality medical care for the city’s residents – and a major contributor to the city’s role as a center for the delivery of health services to residents of the surrounding region and beyond.

Tulane’s role in the city’s recovery after Katrina

By reopening in January 2006, Tulane put thousands of people back to work, and brought thousands of students back to New Orleans. Perhaps just as important, Tulane’s reopening was a sign of confidence in the City’s future. Since then, Tulane has been actively engaged in a wide range of efforts to help New Orleans recover from the impact of Hurricane Katrina.

- The Cowen Institute for Public Education Initiatives is an active participant in efforts to strengthen the city’s public schools. Its work includes applied research on what makes schools effective; advocating public policies aimed at strengthening the city’s schools; and programs that help high school students prepare for and succeed in college.





- The Tulane School of Medicine has been deeply involved in efforts to improve access to (and the quality of) health care in New Orleans. The School is partnering with other institutions and community organizations to develop new health centers in New Orleans East, Treme and Gentilly; and has been a partner in the expansion of school-based health services.
- Through the Tulane City Center, the School of Architecture has been engaged in designing and building new, more sustainable housing prototypes in several neighborhoods, and in the development of new neighborhood facilities.
- The University's Renewal Plan, adopted in the fall of 2006, established a new public service requirement for undergraduate students, overseen by the new, university-wide Center for Public Service. The program has led to a significant increase in the number of students engaged in service learning and volunteer community service programs in the New Orleans area.

Building a more entrepreneurial economy

During the past few years, New Orleans has benefited from the emergence of a small but growing cluster of highly innovative, entrepreneurial businesses. The continued growth of this sector is likely to be critical to the city's and the region's efforts to move beyond its traditional economic base, and create a new foundation for economic growth.

Tulane is contributing to this process in several ways:

- Through programs aimed at developing the next generation of entrepreneurs;
- Through technology transfer – the use of new technologies first developed at Tulane to create new products, businesses and services;
- Through partnerships with other institutions aimed at promoting commercial applications of university technologies, such as the New Orleans Bioinnovation Center; and
- Through the involvement of Tulane alumni, students and faculty in the creation and growth of new businesses.

Tulane and the future of the New Orleans economy

During the next five to ten years, Tulane University's impact on the economy of the city and the region could be even greater than it has been in the recent past. This is so for several reasons.

- As the University returns during the next two years to pre-Katrina enrollment levels, the New Orleans area will benefit from increased student spending, a growing number of students engaged in various types of public service, and an increase in the pool of talented students who might choose to stay in the city after graduation.
- As it has been for the past ten years, research at Tulane is likely to remain a growth enterprise – bringing federal funds and other external funding into the region, and creating new knowledge that will help drive future economic growth.
- Over time, the impact of Tulane's renewed commitment to public service is likely to increase. Improving the city's public schools, for example, will over time enhance the skills of its workforce, and make New Orleans a more attractive place to invest. Similarly, expanding community-based health care will make New Orleans neighborhoods more attractive places to live, work and invest.
- A growing emphasis on entrepreneurship at Tulane is likely to lead to an increase in the number of students, faculty members and graduates who get involved in the creation and growth of new ventures, both for-profit and non-profit, that can help build a new entrepreneurial economy in the region.

- The number of Tulane graduates who are staying in New Orleans appears to have increased during the past decade. This could in part reflect an increase in the number of students who are developing stronger ties to the city during their time at Tulane – for example, as a result of their engagement in community service work – or who are choosing to start their careers here – for example, because they see New Orleans as an increasingly attractive place to start a business.

The concentration of well-educated young workers, innovators and entrepreneurs is perhaps the single most important factor in determining whether cities and regions falter or flourish economically. By creating an environment on-campus and building relationships off-campus that encourage students to stay in the New Orleans area after they graduate, Tulane is making an important contribution to the future of the New Orleans economy.

In many ways, the process of recovery from Hurricane Katrina – at Tulane, in New Orleans and in the surrounding region – is not yet complete. But even as this work continues, it is clear that recovery will not by itself be enough to ensure a more prosperous future. Both New Orleans and the Greater New Orleans area need to build a stronger foundation for – and to develop new sources of – economic growth. Tulane – which in the weeks after Katrina had already begun to confront the need not just for recovery but for renewal – can be a valuable partner in that process.





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