

ECONOMIC IMPACT



EMORY
UNIVERSITY

- » In addition to our strong cultural influence, alumni leadership, and academic strengths, Emory has a profound economic impact upon metro Atlanta—\$11.4 billion in 2018—as it creates thousands of jobs, generates millions in tax revenues, undertakes capital investment, and contributes to communities through service, health care, research, and civic engagement.

EMORY EXERTS

\$11.4 billion

STATEWIDE ECONOMIC IMPACT

56%

OF VENDOR SPENDING WENT TO FIRMS IN THE ATLANTA METRO AREA (ABOUT \$995 MILLION) AND A TOTAL OF \$1 BILLION WAS WITH VENDORS IN GEORGIA.

» As the second-largest employer in the greater Atlanta region with a full-time workforce of 37,716, we directly or indirectly support nearly 77,400 jobs statewide. With those jobs comes spending power, as demonstrated by our employees and students, as well as the nearly four million patients and visitors each year whose purchases help fuel the regional economy. In the end, Georgia is stronger because of Emory.

Emory Healthcare has a major economic impact on the region through patient care, research, construction, teaching, and partnerships. In 2018, its economic impact within the state was \$6.53 billion; the value of charity care provided by Emory Healthcare totaled \$98 million.

Our investments in new construction—averaging \$225 million per year since 2013—benefit local businesses and their employees too. In the past six years, the university undertook \$1.2 billion in capital projects, while third-party investors have spent \$12 million annually on real estate developments near Emory’s campus.

And Emory helps support local and state government through income, sales, and business taxes, delivering more than \$240 million in state tax revenue annually.

AS A MAJOR ECONOMIC ENGINE, **EMORY SUPPORTS**

1 in every **23**

JOBS IN DEKALB AND FULTON COUNTIES

▶ AMERICA’S BEST EMPLOYERS
▶ BEST EMPLOYER FOR DIVERSITY
▶ BEST EMPLOYER FOR WOMEN

Forbes

2nd- Emory supports
LARGEST 77,400 jobs
EMPLOYER statewide
in metro Atlanta

Once students leave school, the value of an Emory education accrues not just to our graduates but also to their communities. With ties to campus and community, graduates often stay in the region. Based on the number of alumni living and working locally, this yields an additional \$350 million of household income within Atlanta and \$860 million within the state—a benefit that keeps on giving.

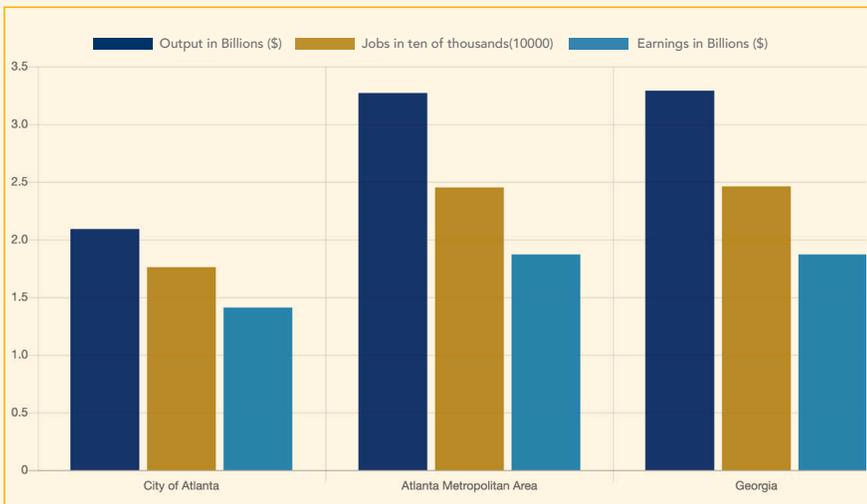
Emory's economic impact is felt in four major ways:

1. OPERATIONS

Emory's most direct economic contribution is through its large and growing annual operations. Operations and payroll to employees support jobs and businesses within local and state economies. The university's current budget is about \$2.28 billion, and it directly employs 14,560 employees, while Emory Healthcare's current budget is about \$3.91 billion, with 23,156 employees.

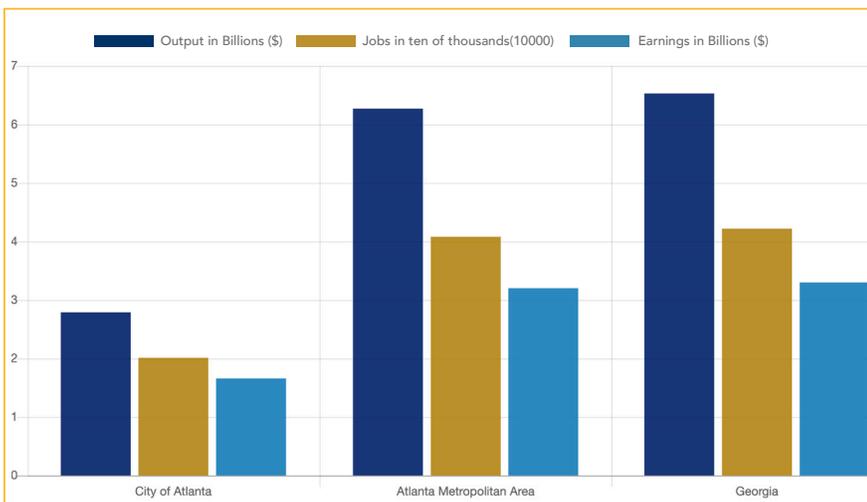
As an educational institution, health system, and research enterprise, Emory is a major employer and procurer of goods and services, both of which support local economic activity. In fact, we consistently demonstrate our commitment to local purchasing and track vendor spending to locally owned businesses.

THE UNIVERSITY'S OPERATIONS PRODUCE:



- \$2.09 billion in total output, supporting 17,600 direct, indirect, and induced jobs and \$1.41 billion in earnings within the city of Atlanta;
- \$3.27 billion in total output, supporting 24,500 direct, indirect, and induced jobs and \$1.87 billion in earnings within the Atlanta Metropolitan Statistical Area (a 30-county region); and
- \$3.29 billion in total output, supporting 24,600 direct, indirect, and induced jobs and \$1.87 billion in earnings in the state of Georgia.

EMORY HEALTHCARE'S OPERATIONS PRODUCE:



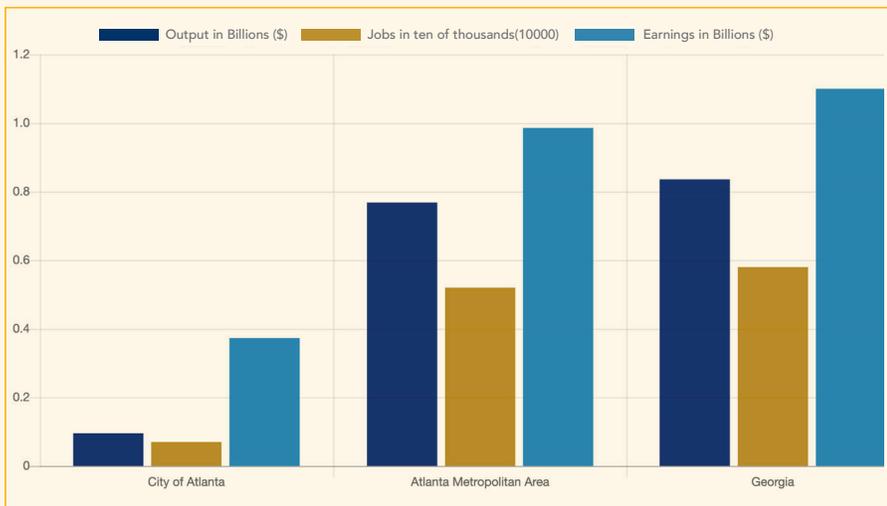
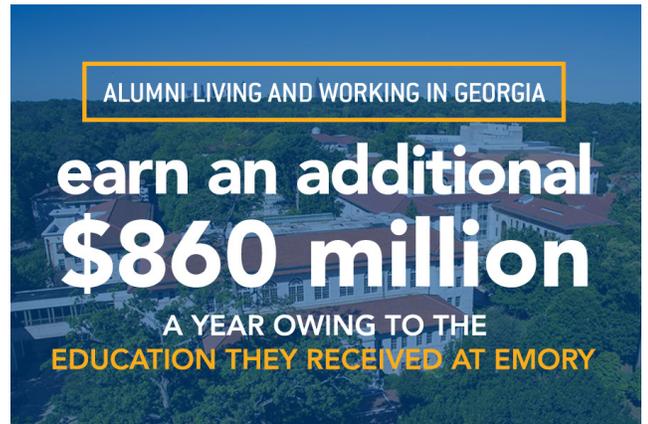
- \$2.79 billion in total output, supporting more than 20,100 direct, indirect, and induced jobs and \$1.66 billion in earnings with the city of Atlanta;
- 6.27 billion in total output, supporting 40,800 direct, indirect, and induced jobs and \$3.20 billion in earnings within the Atlanta Metropolitan Statistical Area; and
- \$6.53 billion in total output, supporting more than 42,200 direct, indirect, and induced jobs and \$3.30 billion in earnings in the state of Georgia.

» 2. WAGE PREMIUM

Emory has 149,000 alumni worldwide, of whom a significant portion—44,000—live in Georgia. Their higher income potential, by earning an Emory degree, infuses more spending into the state economy.

For alumni with a bachelor’s degree, those living in the city of Atlanta earn an estimated \$33,200 additionally each year, and alumni in the rest of the state earn an additional \$26,000. Emory alumni with a master’s degree earn an estimated wage premium of \$25,400 in Atlanta and \$24,600 in the state.

Each year, the estimated increase in earnings generates significant economic impacts:



- \$95 million in total output, supporting 700 induced jobs and \$373 million in earnings in the city of Atlanta;
- \$768 million in total output, supporting 5,200 induced jobs and \$986 million in earnings within the Atlanta Metropolitan Statistical Area;
- \$836 million in total output, supporting 5,800 induced jobs and \$1.10 billion in earnings in the state of Georgia.

»» 3. CAPITAL INVESTMENTS

Emory undertakes significant capital investments each year, including new buildings, major renovations, and maintenance projects. This spending supports jobs, creates demand for goods and services, and generates statewide tax revenues. More important, because the work is done sustainably, it helps make Emory a more vibrant and healthy community for students, patients, employees, and local residents. Additionally, third-party investors have spent about \$12 million annually on real estate developments near Emory's campus.

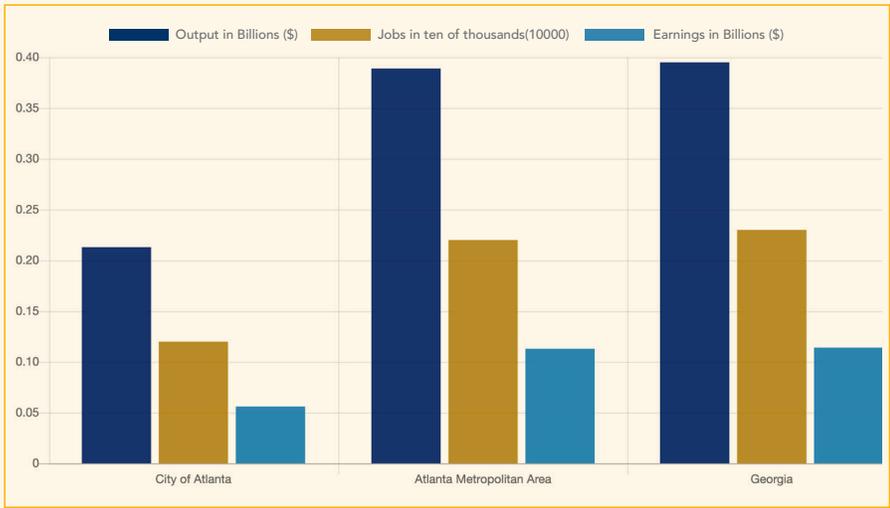
The university undertook

\$1.3 billion

IN CAPITAL INVESTMENTS

in the past six years and third-party investors have spent \$12 million annually on real estate developments near Emory's campus.

Each year, the university's investments have generated approximately:



- \$213 million in total output, supporting 1,200 direct, indirect, and induced jobs and \$56 million in earnings within the city of Atlanta;
- \$389 million in total output, supporting 2,200 direct, indirect, and induced jobs and \$113 million in earnings within the Atlanta Metropolitan Statistical Area;
- \$395 million in total output, supporting 2,300 direct, indirect, and induced jobs and \$114 million in earnings within the state of Georgia.

»» 4. ANCILLARY SPENDING

Emory students account for the largest expenditures; their total annual ancillary spending is more than \$260 million, of which the majority is local. The university also attracts roughly four million visitors and patients annually, whose spending on lodging, food, and retail stimulates the local and statewide economies. In total, visitors to Emory spend about \$200 million each year within the state economy.

Student and visitor spending at Emory University and patient spending at Emory Healthcare are estimated to generate:

EMORY VISITORS AND PATIENTS ADDED

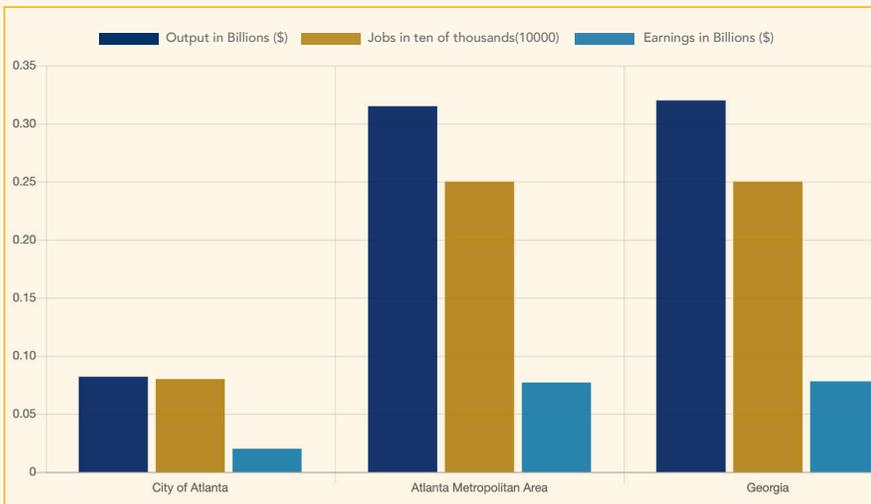
\$195.9 million

TO THE STATE ECONOMY

EMORY STUDENTS CONTRIBUTE AN ADDITIONAL

\$150 million

IN SPENDING TO THE STATE



- \$82 million in total output, supporting 800 direct, indirect, and induced jobs and \$20 million in earnings within the city of Atlanta;
- \$315 million in total output, supporting 2,500 direct, indirect, and induced jobs and \$77 million in earnings within the Atlanta Metropolitan Statistical Area;
- \$320 million in total output, supporting 2,500 direct, indirect, and induced jobs and \$78 million in earnings within the state of Georgia.

»» TAX IMPACT

Although Emory is a tax-exempt institution, its operations create significant amounts of revenue for the city and state governments. The city of Atlanta does not levy income taxes, so Emory's impact was analyzed only for sales and business tax revenue at the city level.

ANNUALLY, EMORY UNIVERSITY AND EMORY HEALTHCARE GENERATE:

- \$4.9 million in total tax revenue for the city of Atlanta;
- \$204.7 million in total tax revenue for the state of Georgia, including \$162.1 million in personal income tax revenue.

TAX REVENUE IMPACT FROM WAGE PREMIUM:

- The economic activity attributable to wage premium effects generates an estimated \$300,000 in tax revenues within the city of Atlanta and \$33 million in tax revenues within the state of Georgia on an annual basis.

TAX REVENUE IMPACT FROM CAPITAL INVESTMENTS:

- \$200,000 in total tax revenue, \$100,000 in sales and use tax revenue, and another \$100,000 in business tax revenue for the city of Atlanta;
- \$3.9 million in total tax revenue, including \$2.4 million in income tax revenue, \$1.2 million in sales and use tax revenue, and \$200,000 in business tax revenue for the state of Georgia.

TAX REVENUE IMPACT FROM ANCILLARY SPENDING:

- \$300,000 in total tax revenue, \$200,000 in sales and use tax revenue, and another \$100,000 in business tax revenue for the city of Atlanta;
- \$2.6 million in total tax revenue, including \$1.7 million in income tax revenue, \$800,000 in sales and use tax revenue, and \$100,000 in business tax revenue for the state of Georgia.

This report was prepared by Econsult Solutions and delivered to Emory University on December 4, 2018. It is an updating of a May 2017 economic impact study prepared by Econsult; this 2018 updating uses financial data inclusive of FY2018 and accounts for the acquisition of DeKalb Medical, which took effect on September 1, 2018.

Scope and Methodology

Econsult uses IMPLAN, a standard input-output modeling technique to estimate the full range of economic, employment, and labor income impacts associated with the direct activity attributable to Emory. Econsult also has developed a custom fiscal impact model to translate this activity into any commensurate tax revenue impact. In an interconnected economy, every dollar spent generates two spillover impacts.

First, some proportion of the amount that purchases goods and services gets circulated back into an economy when those goods and services are purchased from local vendors. This represents what is called the "indirect effect." Second, some amount of the labor income gets circulated back into an economy when Emory employees spend some of their earnings on various goods and services. This represents what is called the "induced effect."

The role of input-output models is to determine the linkages across industries in order to model the magnitude and composition of the spillover impacts to all industries of a dollar spent in any one industry. The total economic impact of Emory is the sum of its own direct economic footprint plus the indirect and induced effects generated by that direct footprint.

Finally, this analysis reviews the economic impact in three distinct geographies: City of Atlanta (which annexed Emory's Druid Hill campus in 2017), Atlanta Metropolitan Statistical Area, and the state of Georgia.