

# On the Rise: Tulane's Impact on Economic Growth

## ECONOMIC IMPACT REPORT SUMMARY

Since 1834, Tulane University has stood at the center of Louisiana's economic, social, and cultural life, with its influences instantly recognizable across the city, state, and region. With an annual economic impact of \$5.2 billion, Tulane is leading the way to a promising future and positioning its home state as a pivotal player on the national stage. Tulane's unique ability to attract external funding through research grants, philanthropic donations, and pioneering initiatives such as the Innovation Institute has catalyzed not only job creation but also the emergence of a dynamic entrepreneurial ecosystem in the New Orleans region, Louisiana, and beyond. Recognized by *Forbes* as the state's top employer, the university's contributions extend beyond traditional academia, encompassing translational, lifesaving research, public health initiatives, and community engagement.

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### PAST IMPACT

Under the leadership of President Michael A. Fitts, Tulane has leveraged its unique strengths to achieve global academic excellence, resulting in substantial economic and social impacts for the greater New Orleans region and the State of Louisiana. In 2019, when the university last commissioned such a study, Tulane's total statewide economic impact was \$3.1 billion, which led to the creation of 19,535 jobs and over \$1 billion in earnings.

### PRESENT IMPACT

#### From Annual Operations:

Under President Fitts's continued leadership, the economic impact of Tulane's operations within the State of Louisiana has grown to more than \$5.2 billion in total output, supporting 30,300 jobs and generating \$ 88.2 million in state tax revenue each year. In the City of New Orleans, the annual impact is \$2.3 billion, supporting 17,260 jobs. Tulane University plays a direct role in the purchasing of goods and services from local and regional vendors and the employment of faculty and staff across Southeast Louisiana. This direct, local economic activity has myriad spillover effects on the broader economy, further supporting regional employment and tax revenue.

#### From Capital Investments:

On average, Tulane's \$166 million yearly capital investments have generated approximately \$315 million in statewide economic impact, supporting 1,990 jobs with \$94 million in employee compensation.

#### From Student, Patient, and Visitor Spending:

The economic impact attributed to ancillary spending by students, patients, and visitors is estimated to be approximately \$223 million, sustaining around 1,560 direct, indirect, and resultant jobs throughout Louisiana. Local businesses, including restaurants, retail stores, and service providers, experience dramatic increases in customers and revenue due to Tulane's presence.

#### From Alumni Wage Premium:

The higher earnings of Tulane graduates support roughly \$461 million in economic activity within the state, fostering approximately 2,320 additional jobs. This ripple effect strengthens Louisiana's economic landscape through increased spending, tax revenue, and overall business activity.

#### Charity:

Tulane is transforming its downtown campus into a research and innovation hub. In 2021, under the leadership of President Michael A. Fitts and the Board of Tulane Chair, Tulane began planning for the redevelopment of the historic Charity Hospital, undeveloped for the last 20 years, by securing a long-term lease for one-third of the building. Now, Tulane is negotiating to acquire more than half of the space. The \$635 million project, which includes significant research space, academic space, and apartments, will accommodate approximately 1,000 students, faculty, and staff. This project aims to support the revitalization of downtown New Orleans, generating a \$1.2 billion impact on the state economy, creating a one-time impact of approximately 7,300 jobs, and producing \$10.5 million in state tax revenues. The ongoing annual impact of Charity once completed, will be 1,200 direct jobs and ongoing support of 2,460 jobs and an annual impact on the state economy of \$530 million. The plan also includes relocating the Tulane Innovation Institute and the School of Public Health and Tropical Medicine to the building. This expansion within the BioDistrict New Orleans, an

economic development district, highlights Tulane's commitment to growing the biosciences sector. President Fitts has promoted the redevelopment, engaging with local leaders and drawing parallels to Pittsburgh's successful downtown health sciences district.

## FUTURE IMPACT

### Potential Future Economic Impact:

Tulane University aims to achieve sustainable growth, projecting a 26 percent increase in student enrollment to 17,700 and a 9 percent expansion of its operating budget to \$1.4 billion over the next decade. To support this growth, Tulane is embarking on a \$716 million capital expansion. Achieving these growth levels is expected to significantly amplify Tulane's economic footprint in Louisiana to an estimated annual economic impact of approximately \$6.1 billion. Additionally, this expansion is projected to generate around \$95 million in tax revenue for the state, underscoring the substantial benefits of Tulane to New Orleans, the region, and Louisiana.

Tulane is also in the midst of a one-time \$1 billion commitment to Louisiana's economy focused on research commercialization and entrepreneurship, including the renovation of Tulane Medical Center. These initiatives aim to address society's most critical issues, both locally and globally, including climate change and our region's glaring health disparities. By translating research from the bench to practical applications, Tulane fosters innovation that leads to the commercialization of new technologies and the creation of new companies. This will generate jobs, address shortages in nursing and other healthcare fields, and expand and develop the local workforce.

## REPORT METHODOLOGY

This report delves into four categories showcasing Tulane University's economic impact:

**Annual Operations:** Tulane's operations support thousands of students and local employees. The money spent on their needs directly benefits the surrounding community economically.

1. **Capital Investments:** Investments in construction, renovation, and major spending not only improve the campus but also boost the local economy by creating jobs and increasing business activity.
2. **Event and Activity Spending by Students and Visitors:** Visitors' spending during athletic events, performances, speakers, alumni reunions, and family celebrations brings significant economic benefits to the area.
3. **Alumni Wage Premium:** A Tulane degree enhances graduates' earning potential, increasing tax revenue for New Orleans and Louisiana.

The report uses industry-standard methodologies and economic multipliers, combining public data and proprietary information from the university. Data from 2019-2023 is used to account for trends and the impact of the COVID-19 pandemic. The analysis distinguishes between gross and net economic impacts to avoid double-counting and provide an accurate assessment.

The economic impact is evaluated across three geographies:

- **New Orleans:** Direct activity within Tulane's campus and its immediate economic ripple effects within the city.
- **New Orleans-Metairie Metropolitan Statistical Area (MSA):** Tulane's economic contribution across interconnected parishes, reflecting its wider regional influence.
- **State of Louisiana:** The institution's impact on the entire state, highlighting its significance.

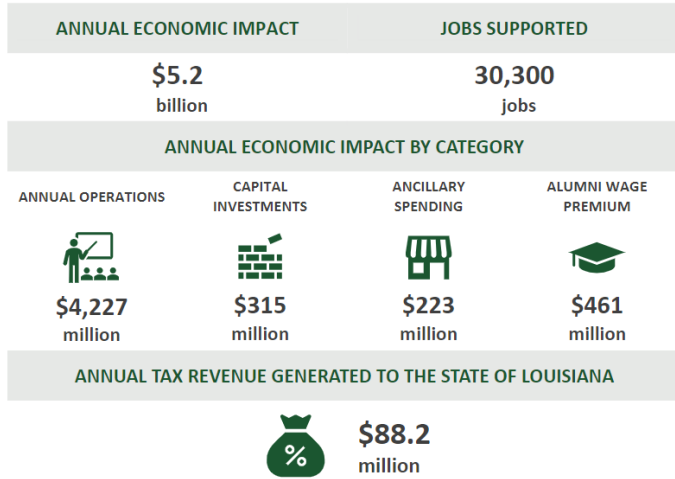
The sources of economic impact are separated into four areas: the Uptown campus, Downtown campus, Primate Center, and the Hospital System (East Jefferson, Lakeside, and Lakeview hospitals). The report includes hospital expenditures outside Tulane's normal operating budget due to the partnership with the New Orleans non-profit health system LCMC. This partnership justifies including hospital spending as part of Tulane's total economic impact.

In summary, this report highlights the comprehensive economic footprint of Tulane University, demonstrating its substantial impact on New Orleans, the broader metropolitan area, and the state of Louisiana.

## CONCLUSION

From creating jobs to improving health outcomes, Tulane's aggregate economy provides tangible benefits for the people of New Orleans, the region, and the state. Local residents find employment opportunities and benefit from Tulane-led health initiatives that improve community health. The purpose of a world-class research university is to fuel innovation, lead discovery, pursue scholarship, leverage its expertise, and steward its resources to maximize the benefit to its community, region, and planet. Tulane University serves as a vital economic engine, fostering growth, innovation, and societal well-being in New Orleans and beyond. By prioritizing community engagement and collaborative partnerships, Tulane ensures that its growth and success are shared across the region and state.

Tulane Generates Outsized Impacts in Louisiana



Tulane Generates Outsized Impacts in the City of New Orleans

