



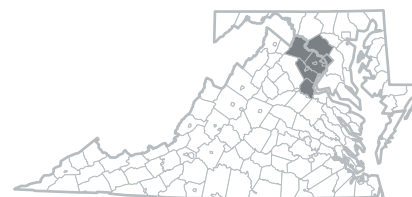
# The Economic Value to the Washington, D.C. MSA of George Washington University and the Medical Faculty Associates



**G**EORGE WASHINGTON UNIVERSITY (GW) creates value in many ways. The university plays a key role in helping students increase their employability and achieve their individual potential. The university facilitates new research and company developments, and also draws visitors and students to the region, generating new dollars and opportunities for the Washington, D.C. Metropolitan Statistical Area.\* GW provides students with the education, training, and skills they need to have fulfilling and prosperous careers. Furthermore, GW is a place for students to meet new people, increase their self-confidence, and promote their overall health and well-being.

GW influences both the lives of its students and the regional economy. The university supports a variety of industries in the Washington, D.C. MSA and serves regional businesses.

This study measures the economic impacts created by GW on the regional business community. All results reflect employee, student, and financial data, provided by the university, for fiscal year (FY) 2019-20 (July 1, 2019 to June 30, 2020). Impacts on the Washington, D.C. MSA economy are reported under the economic impact analysis and are measured in terms of added income.



THE WASHINGTON, D.C. MSA

GW influences both the **lives of its students** and the **regional economy**.

\* For the purposes of this analysis, the Washington, D.C. Metropolitan Statistical Area (MSA) consists of the following: Washington, D.C.; Alexandria City, VA; Arlington County, VA; Falls Church City, VA; Fairfax County, VA; Fairfax City, VA; Loudoun County, VA; Prince William County, VA; Manassas City, VA; Manassas Park City, VA; Stafford County, VA; and Montgomery County, MD.



GW promotes economic growth in the Washington, D.C. MSA through its direct expenditures and the resulting expenditures of visitors, students, and regional businesses. The university serves as an employer and buyer of goods and services for its day-to-day, research, and clinical operations. Numerous start-up and spin-off companies have formed as a result of programs and knowledge at GW. The university's reputation and activities attract visitors and students from outside the Washington, D.C. MSA, whose expenditures benefit regional vendors. In addition, GW is a primary source of higher education to the Washington, D.C. MSA residents and a supplier of trained workers to regional industries, enhancing overall productivity in the regional workforce.

## Operations spending impact



GW adds economic value to the Washington, D.C. MSA as an employer of the region's residents and a large-scale buyer of goods and services. In FY 2019-20, the university employed 6,146 full-time and part-time faculty and staff (excluding research and Medical Faculty Associates, Inc. (MFA) employees), 93% of whom lived in the Washington, D.C. MSA. Total payroll at GW was \$915.9 million (excluding payroll from research and MFA employees), much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses in the Washington, D.C. metropolitan area. In addition, the university spent \$383.7 million on day-to-day expenses related to facilities, supplies, and professional services (excluding research and clinical expenditures).

GW's day-to-day operations spending added \$1.3 billion in income to the region during the analysis year. This figure represents the university's payroll, the multiplier effects generated by the in-region spending of the university and its employees, and a downward adjustment to account for funding that the university received from regional sources. The \$1.3 billion in added income for the Washington, D.C. metropolitan economy is equivalent to supporting 9,762 jobs in the region.

## Research spending impact



Research activities impact the economy by employing people and requiring the purchase of equipment and other supplies and services. Over the last four years, GW received 273 invention disclosures, filed 148 new patent applications, and produced 26 licenses.

In FY 2019-20, GW spent \$100.3 million on payroll to support research activities. This, along with \$166.7 million in other research spending, created a net total of \$273.0 million in added income for the Washington, D.C. metropolitan regional economy. This added income is equivalent to supporting 2,327 jobs.

### GW RESEARCH DEVELOPMENTS

Fiscal year	Inventions	Patents	Licenses
2016-17	63	37	5
2017-18	63	31	8
2018-19	68	32	4
2019-20	79	48	9
<b>Total</b>	<b>273</b>	<b>148</b>	<b>26</b>

Source: GW.

## Clinical spending impact



The Medical Faculty Associates, Inc. in Washington, D.C. is related to GW and would not exist without the university. The clinical system provides a hands-on learning and research environment for students and employs hundreds of workers. Although broader health-related impacts are outside the scope of this analysis, the clinic is known for providing quality patient care.

In FY 2019-20, GW spent over \$435.2 million on clinical operations. These expenditures added a net impact of \$550.4 million in added income to the region. This is equivalent to supporting 4,479 jobs.

## Construction spending impact



GW invests in construction each year to maintain its facilities, create additional capacities, and meet its growing educational demands. While the amount varies from year to year, these quick infusions of income and jobs have a substantial impact on the regional economy. In FY 2019-20, GW's construction spending generated \$4.0 million in added income, which is equivalent to supporting 51 jobs.

### IMPACTS CREATED BY GW AND GW MFA IN FY 2019-20



Operations spending impact  
**\$1.3 billion**



Research spending impact  
**\$273.0 million**



Clinical spending impact  
**\$550.4 million**



Construction spending impact  
**\$4.0 million**



Start-up & spin-off company impact  
**\$162.0 million**



Visitor spending impact  
**\$3.2 million**



Student spending impact  
**\$137.4 million**



Alumni impact  
**\$524.1 million**



**TOTAL ECONOMIC IMPACT**  
**\$2.9 billion**

OR

Jobs supported  
**24,959**

## Start-up and spin-off company impact



GW creates an exceptional environment that fosters innovation and entrepreneurship, evidenced by the number of GW start-up and spin-off companies created in the region. Start-up companies, created specifically to license and commercialize GW technology or knowledge, have a strong and clearly defined link to GW. Spin-off companies, created and fostered through university programs or faculty and alumni, have a clear but weaker link to GW.

In FY 2019-20, GW start-up and spin-off companies added \$162 million in income to the Washington, D.C. MSA economy, which is equivalent to supporting 1,087 jobs. Of this added income, \$32.7 million was due to the start-up companies, with the remainder due to spin-off companies.

## Visitor spending impact



Thousands of visitors from outside the region were attracted to GW during the analysis year to attend commencement, sports events, and other activities sponsored by the university. While in the region, visitors spent money for lodging, food, transportation, and other personal expenses. The off-campus expenditures of the university's out-of-region visitors generated a net impact of \$3.2 million in added income for the regional economy in FY 2019-20. This \$3.2 million in added income is equivalent to supporting 56 jobs.

## Student spending impact



Around 65% of students attending GW originated from outside the region in FY 2019-20, and some of these students relocated to the Washington, D.C. MSA to attend GW. These students may not have come to the region if the university did not exist. In addition, some in-region students, referred to as retained students, would have left the Washington, D.C. MSA if not for the existence of GW. While attending the university, these relocated and retained students spent money on groceries, accommodation, transportation, and other household expenses. This spending generated \$137.4 million in added income for the regional economy in FY 2019-20, which supported 2,504 jobs in the Washington, D.C. MSA.

## Alumni impact



The education and training GW provides for the region's residents has the greatest impact. Since the university's establishment, students have studied at GW and entered the regional workforce with greater knowledge and new skills. Today, thousands of former GW students are employed in the Washington, D.C. MSA. Using Emsi Burning Glass's Alumni Outcomes data, many of the university's alumni are employed in the regional workforce in industry sectors such as Professional and Technical Services, Education, Finance,

and Administrative Services, with their top occupations being chief executives, lawyers, personal service managers, management analysts, public relations and fundraising managers, and software developers and software quality assurance analysts and testers. As a result of their education from GW, the alumni receive higher earnings and increase the productivity of the businesses that employ them. In FY 2019-20, GW alumni generated \$524.1 million in added income for the Washington, D.C. metropolitan regional economy, which is equivalent to supporting 4,692 jobs.

## Total impact

GW added \$2.9 billion in income to the Washington, D.C. MSA economy during the analysis year, equal to the sum of the operations, research, clinical, and construction spending impacts, the start-up and spin-off company impact, the visitor and student spending impacts, and the alumni impact.

GW's total impact can also be expressed in terms of jobs supported. The \$2.9 billion impact supported 24,959 regional jobs, using the jobs-to-sales ratios specific to each industry in the region. In addition, the \$2.9 billion, or 24,959 supported jobs, stemmed from different industry sectors. Among non-education industry sectors, GW's spending and alumni in the Health Care & Social Assistance industry sector supported 3,456 jobs in FY 2019-20. If the university did not exist, these impacts would not have been generated in the Washington, D.C. MSA.

### GW IMPACTS BY INDUSTRY (JOBS SUPPORTED)



## GW alumni unicorns spell business magic

GW ranked among the top universities nationwide for alumni “unicorns”—entrepreneurs who founded businesses that surpassed \$1 billion in valuation since 2005, according to Medium magazine. Four alumni led the way: Josh Balk, B.A. '03, co-founded JUST, which markets affordable, sustainable plant-based food; Christopher “Chip” Paucek, B.A. '92, is the co-founder of 2U, Inc., described by Forbes as the “leading provider of software” for educational institutions; Nate Morris, B.A. '03, created Rubicon Global, the “Uber of garbage” that lets consumers pick their trash collectors; and Tom Cortese, B.A. '02, is the co-founder of Peloton, the stationary bicycle and exercise-content giant.

## GW in the community: building pipelines to success for Washington, D.C. youth

Through the nonprofit Promising Futures, the GW community engages Washington, D.C. high school and middle school students to become peer educators on everything from health to social justice and leadership skills. The Promising Futures program, founded by GW alumna Maranda Ward, Ed.D. '17, is one of numerous community partnerships that GW faculty, staff, and students have with nonprofit and government agencies throughout the Washington, D.C. area. Partnerships like these are why GW received the Carnegie Foundation for the Advancement of Teaching's 2020 Community Engagement Classification, an elective designation that indicates institutional commitment to community engagement.

# CONCLUSION

The results of this study demonstrate that GW creates value from multiple perspectives. The university benefits regional businesses by increasing consumer spending in the region and supplying a steady flow of qualified, trained workers to the workforce. GW enriches the lives of students by raising their lifetime earnings and helping them achieve their individual potential.

## About the study

Data and assumptions used in the study are based on several sources, including the FY 2019-20 academic and financial reports from GW, the university's alumni records matched to Emsi Burning Glass's Alumni Outcomes database, industry and employment data from the U.S. Bureau of Labor Statistics and U.S. Census Bureau, outputs of Emsi Burning Glass's Multi-Regional Social Accounting Matrix model, and a variety of studies and surveys relating education to social behavior. The study applies a conservative methodology and follows standard practice using only the most recognized indicators of economic impact and investment effectiveness. For a full description of the data and approach used in the study, please contact the university for a copy of the main report.

The results of this study demonstrate that GW creates value from **multiple perspectives**.



Emsi Burning Glass provides colleges and universities with labor market data that help create better outcomes for students, businesses, and communities. Our data, which cover more than 99% of the U.S. workforce, are compiled from a wide variety of government sources, job postings, and online profiles and résumés. Hundreds of institutions use Emsi Burning Glass to align programs with regional needs, drive enrollment, connect students with in-demand careers, track their alumni's employment outcomes, and demonstrate their institution's economic impact on their region. Visit [economicmodeling.com/higher-education](http://economicmodeling.com/higher-education) to learn more or connect with us.