

**Economic Impact of
University of Kentucky Sponsored Research
in the Commonwealth of Kentucky**

**Board of Trustees Retreat
October 17, 2014**

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About Tripp Umbach

- Tripp Umbach has experience throughout the U.S. in completing research, planning, and economic impact studies for academic health centers, major research universities, hospitals, corporations, nonprofits, and research partnerships such as:
 - ✓ GE (Healthcare + Corporate)
 - ✓ Penn Medicine
 - ✓ University of Arizona
 - ✓ University of Minnesota
 - ✓ University of Montana
 - ✓ University of Pittsburgh
 - ✓ University of Washington
- Tripp Umbach has made numerous presentations on the topic of economic impact of universities and hospitals at state and national conferences.
- Since 1995, Tripp Umbach has completed national studies of the economic impact of all 130 medical schools and 400 teaching hospitals for the Association of American Medical Colleges (AAMC).

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Study Goals + Overview

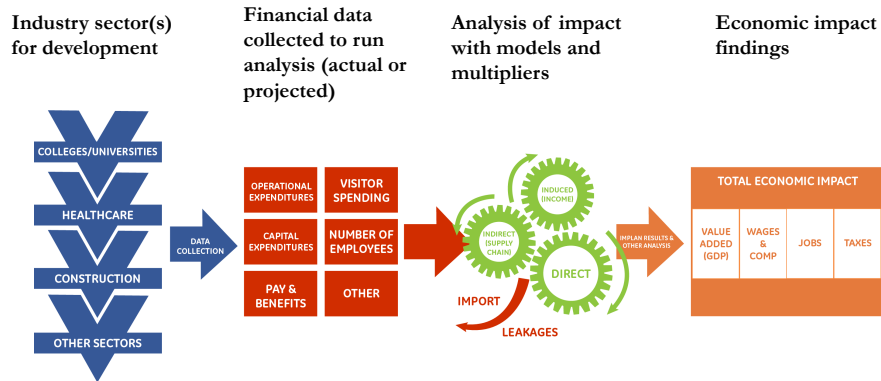
- Quantify annual economic impact of UK Sponsored Research
- Quantify the employment impact of UK Sponsored Research
- Quantify the annual government revenue impact of UK Sponsored Research at the state and local level
- Provide a defensible impact study which shows the impact of current sponsored research operations on the Commonwealth of Kentucky

Study Methodology - IMPLAN

- Tripp Umbach utilized the IMPLAN (input-output modeling software) methodology. The model uses the most recent economic data from public sources such as the U.S. Bureau of Economic Analysis (BEA), the U.S. Department of Labor's Bureau of Labor Statistics (BLS), and the U.S. Census Bureau. It uses this data to predict effects on a regional economy from direct changes in employment and spending.
- IMPLAN is designed for running economic impact analyses, which are useful in evaluating the economic contribution of a sector of the economy.
- Customized to Kentucky economy utilizing conservative assumptions.

Calculating Economic Impact with IMPLAN

- The impacts presented in this study are based upon actual data provided to Tripp Umbach by UK Research.



Definitions of Impact Terms

- Three types of impact are presented in the analysis: 1) Direct; 2) Indirect; and 3) Induced.
- Multipliers in this study, derived by IMPLAN, range from 1.87 to 2.2.*

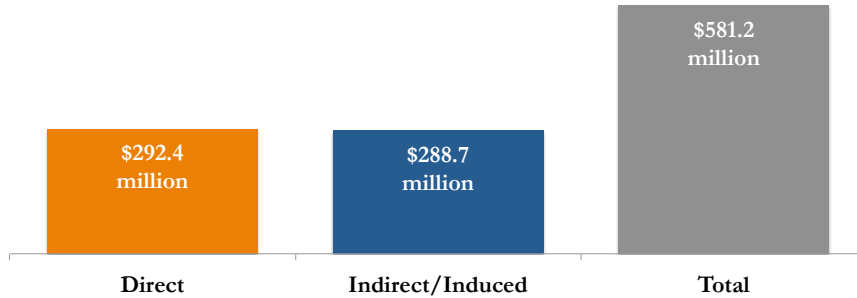
DIRECT vs. INDIRECT vs. INDUCED IMPACT



Generating Significant Economic Impact

In FY13, the economic impact of UK Sponsored Research was **\$581.2 million**.

Economic Impact of UK Sponsored Research (in millions)



Creating and Sustaining Jobs

UK Sponsored Research supports and sustains **8,114 jobs** in the Commonwealth of Kentucky.

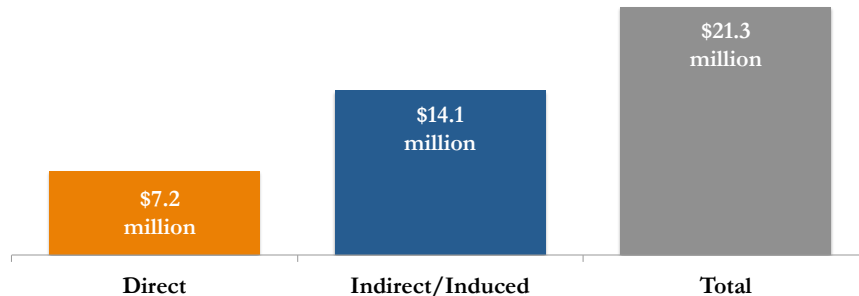
Employment Impact of UK Sponsored Research (in jobs)



Generating State and Local Tax Revenue

UK Research supports and sustains **\$21.3 million in state and local tax revenue** in the state of Kentucky.

Government Revenue Impact of UK Research (in millions)



Key Takeaways

- **\$581.2 million** in annual economic impact in Kentucky generated by UK Sponsored Research.
- **8,114 jobs** created and supported as a result of UK Sponsored Research.
- **\$21.3 million** generated annually in state and local taxes.



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