



Economic Impact of the University of Nebraska Medical Center

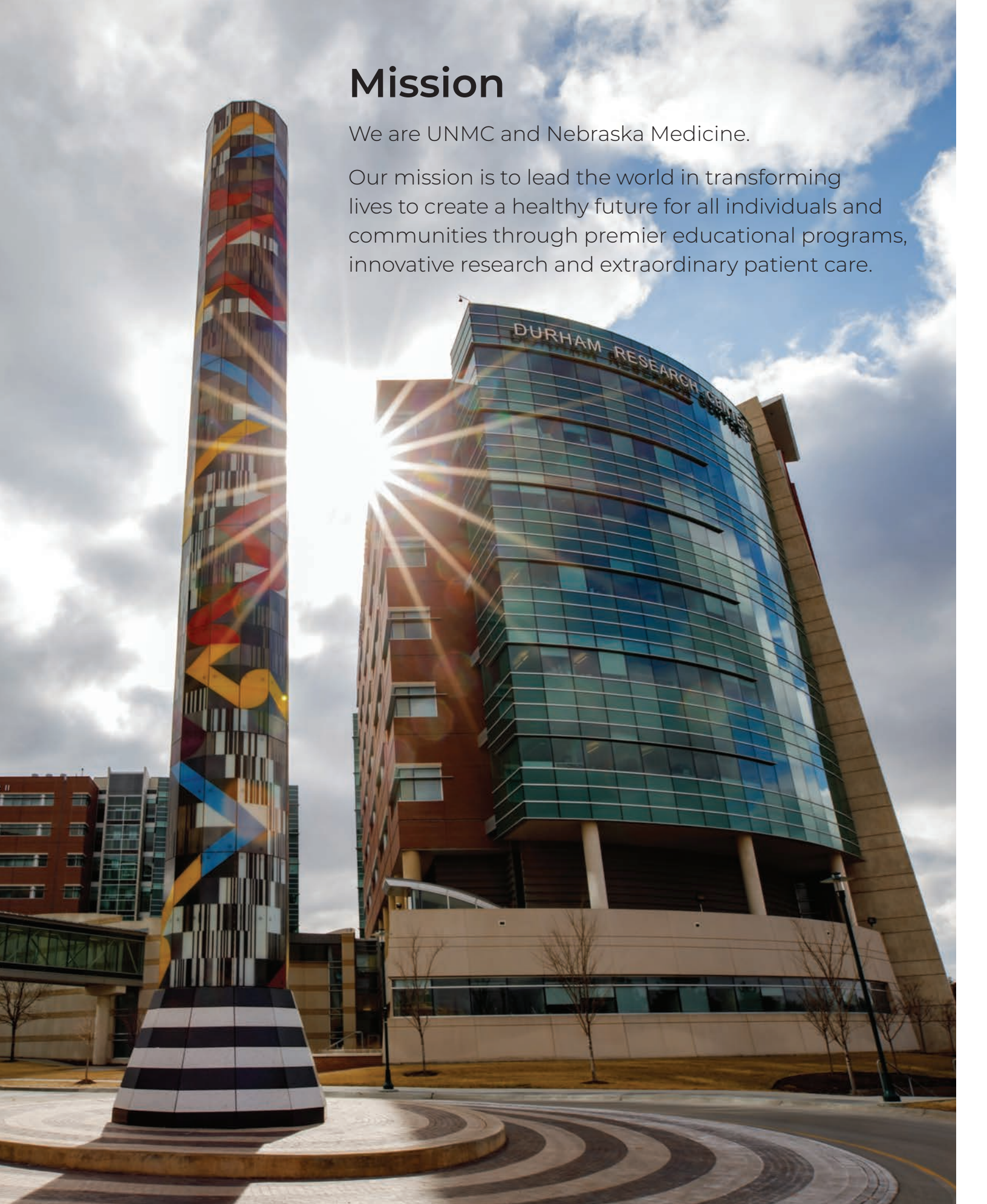
February 2022



Mission

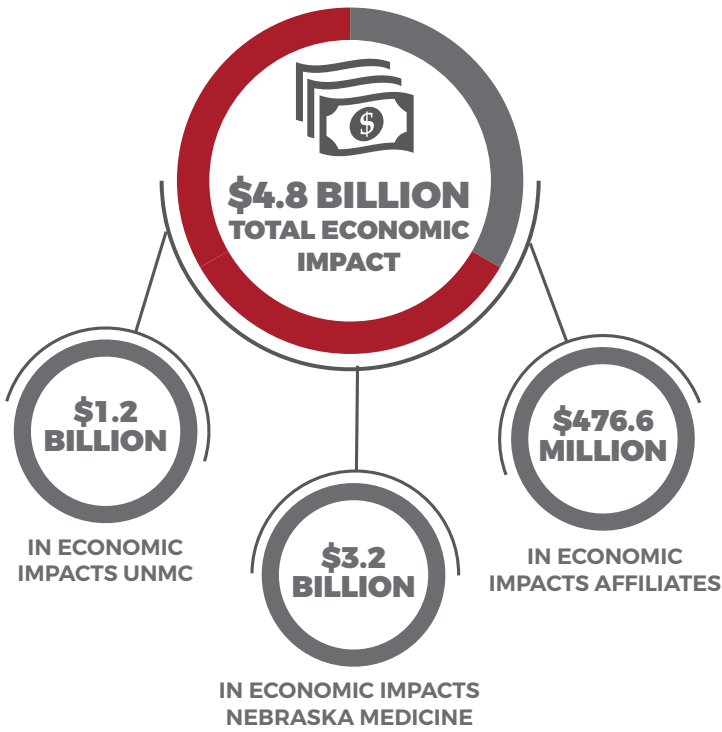
We are UNMC and Nebraska Medicine.

Our mission is to lead the world in transforming lives to create a healthy future for all individuals and communities through premier educational programs, innovative research and extraordinary patient care.



Annual Economic Impact of the University of Nebraska Medical Center

2018

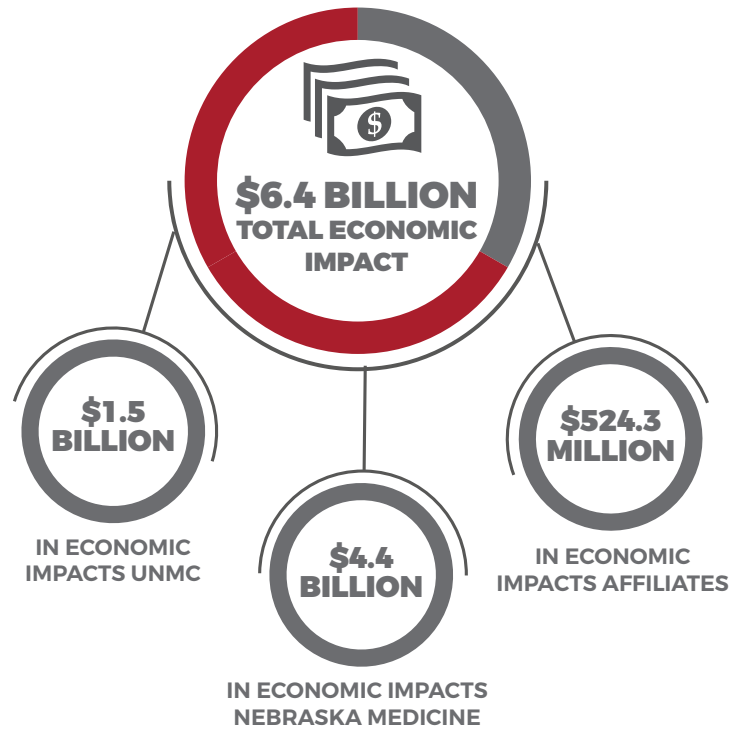


STATE AND LOCAL TAXES



JOBS/EMPLOYMENT IMPACTS

2021



STATE AND LOCAL TAXES



JOBS/EMPLOYMENT IMPACTS

- In 2021, \$36.76 in economic impact is generated in the Nebraska economy for every \$1 provided by the State of Nebraska's general fund appropriations for UNMC and Nebraska Medicine.



The University of Nebraska Medical Center (UNMC)

Founded in 1869 and chartered as the state's first medical college in 1881, the University of Nebraska Medical Center (UNMC) became part of the University of Nebraska in 1902. UNMC trains more health professionals than any other institution in the state. Committed to providing exceptional education, UNMC is dedicated to training the future health care workforce to improve the health of Nebraskans and beyond through its premier educational programs, high-quality patient care, innovative research, and technology.

UNMC creates an environment of diversity, equity, and inclusion for all faculty, staff, and students. UNMC's goal is an inclusive campus environment where every individual feels welcomed, valued, and supported providing training and development opportunities to cultivate the skills needed to effectively engage, communicate, and collaborate with others across differences.

As a major economic engine for the state, UNMC embraces the richness of its diverse community. Nearly half of Nebraska's physicians, dental professionals, bachelor-prepared nurses, and allied health professionals have graduated from UNMC. Underscoring UNMC's commitment to its "five-hundred-mile campus" across Nebraska, the percentage of medical school graduates who practice in rural areas ranks fifth in the nation among all medical schools. UNMC creates an environment of diversity, equity, and inclusion for all our faculty, staff, and students where the campus environment ensures every individual is welcomed, valued, and supported. UNMC, an academic health science center, offers world-class health care. Highly trained and experienced faculty provide the latest research advancements.

The University of Nebraska Medical Center (UNMC)

With its clinical partner, Nebraska Medicine, UNMC provides services in over 50 specialties and subspecialties, including cancer, neurosciences, heart disease, and others. UNMC's experts also provide dental care and services for physical and developmental disabilities.

UNMC is the home of cutting-edge research and clinical facilities, including the Fred & Pamela

Buffett Cancer Center, and has become a world leader in the global fight against Ebola in the areas of patient care and research.

UNMC has six colleges, two institutes, and a graduate studies program, serving more than 4,000 students in more than 60 programs.



Economic Impacts

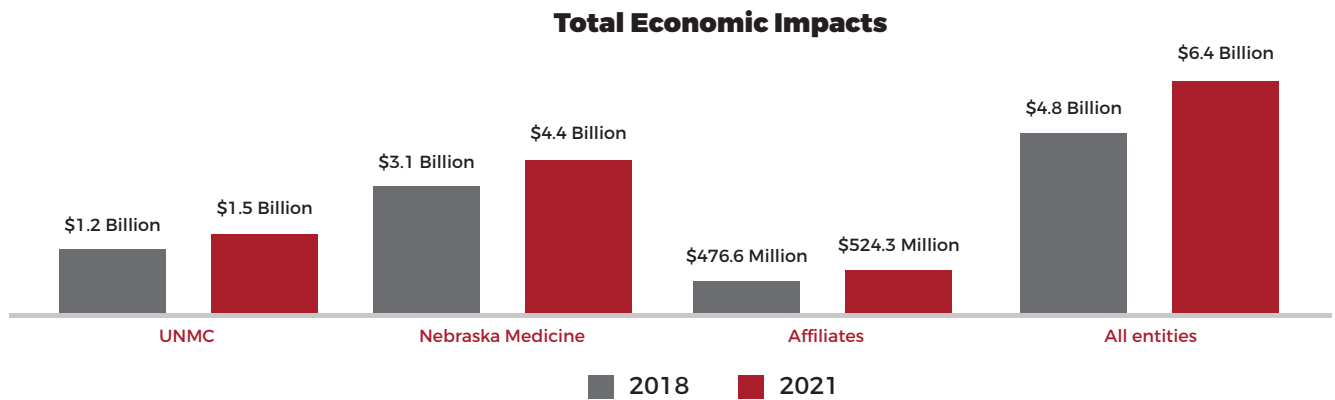
Instrumental to the state's economic success, UNMC, Nebraska Medicine, and their affiliates¹ are essential to the medical center's operations directly or indirectly impacting residents of Nebraska daily through clinical care services, operational spending, and research.

UNMC, Nebraska Medicine, and affiliates grow Nebraska business volume in two ways:

- Direct expenditures for goods and services by UNMC, employees, students, out-of-state patients, and visitors. This spending supports local businesses, which in turn employ local individuals to sell the goods and provide the services that UNMC/Nebraska Medicine and their affiliates need.
- Indirect spending within Nebraska. The businesses and individuals that receive direct payments from UNMC, Nebraska Medicine, and their affiliates re-spend this money within Nebraska, thus creating the need for more jobs.

The overall economic impact on the state from UNMC, Nebraska Medicine, and affiliates in Nebraska in FY21 totaled \$6.4 billion.

Economic Impacts of UNMC, Nebraska Medicine, and Affiliates



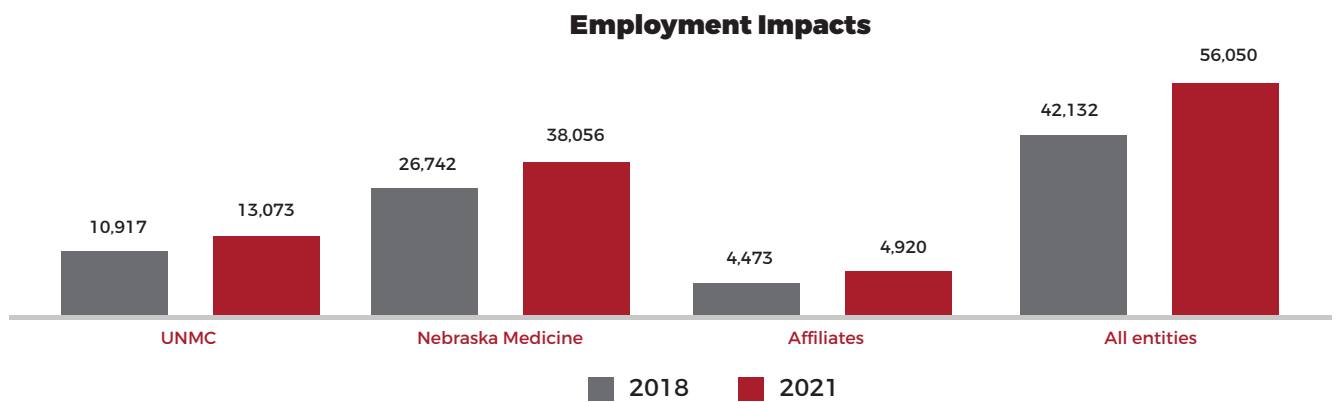
¹ Affiliates consist of Children's Hospital and Medical Center and the Omaha VA Medical Center.

Workforce Impacts

UNMC in FY21 in conjunction with Nebraska Medicine and their affiliates supported 56,050 jobs in the Nebraska economy. These jobs included not only direct employment from UNMC, Nebraska Medicine, and affiliates but also indirect jobs created through the supply chain and equipment vendors, laborers for the construction, contractors, and renovation of facilities. Jobs were created at restaurants, hotels, and retail stores.

Other sectors of the economy impacted include health care (i.e., physician, hospitals, and dental offices); nursing and residential care facilities; real estate establishments; and non-residential commercial construction, restaurants, retail, and wholesale trade businesses. UNMC, Nebraska Medicine, and affiliates also support thousands of jobs statewide in many sectors of the Nebraska economy.

Employment Impacts of UNMC, Nebraska Medicine, and Affiliates

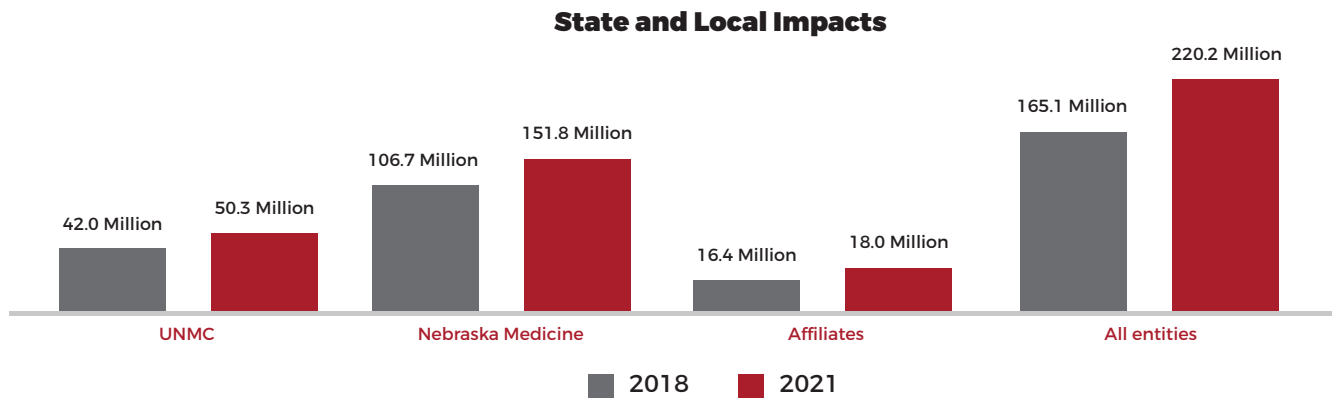


State and Local Tax Impacts

In FY21 UNMC, Nebraska Medicine, and affiliates generated \$220.2 million in state and local tax revenue.

Spending within the state from UNMC, Nebraska Medicine, and their affiliates generate government revenue in the form of sales tax, corporate net income tax, and other business taxes paid by the companies receiving revenue from UNMC, Nebraska Medicine, and their affiliates.

State and Local Tax Impacts of UNMC, Nebraska Medicine, and Affiliates

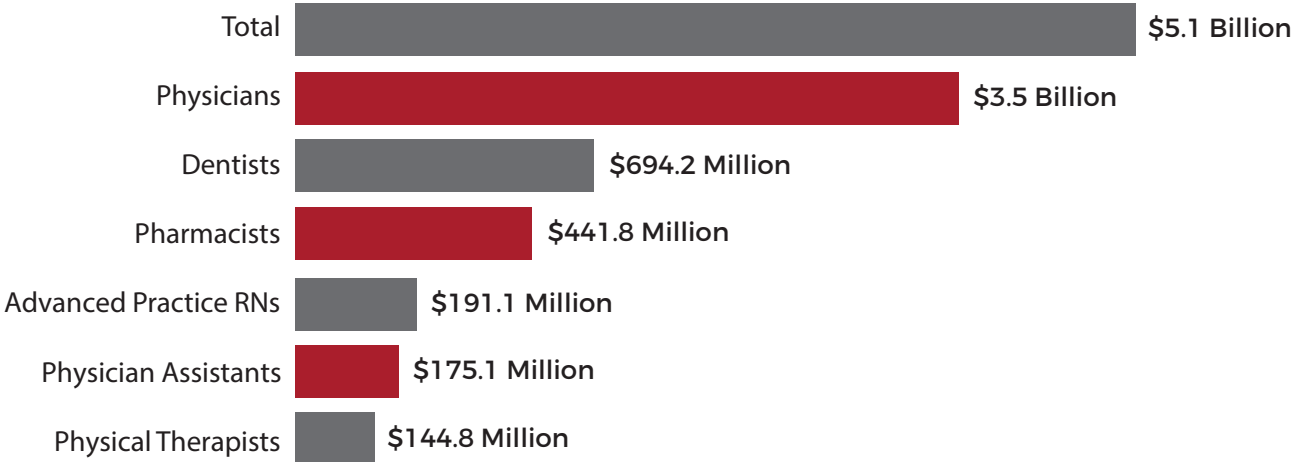


Alumni Generate Additional Impacts

Practicing in rural and urban areas throughout the state, graduates meet the health care needs of Nebraskans and create an economic impact. UNMC graduates working throughout Nebraska generate an economic impact of \$5.1 billion.

Economic Impact of UNMC Graduates Working in Nebraska

Alumni Impacts



Business Spin-off Impacts

The total economic impact from the 23 patents issued to researchers at UNMC in FY21 is estimated to boost the Nebraska economy annually by approximately \$200 million over the next 10 years. UNMC reported five startups in FY21:

1. Ensign Pharmaceutical Inc.
2. Shabri LLC
3. Precision Syringes LLC
4. Goldenrod Therapeutics
5. Advanced Nano Therapies Inc.

These companies are expected to generate an annual economic impact on the state of Nebraska of approximately \$50 million in five years based on national growth standards and create approximately 450 new jobs. All economic impact projections in this section are in addition to the \$1.5 billion operational impacts of the UNMC in FY21.



Study Methodology

About IMPLAN

Tripp Umbach estimated the economic impact of UNMC using IMPLAN (IMpactAnalysisforPLANing), an econometric modeling system developed by applied economists at the University of Minnesota and the U.S. Forest Service. The IMPLAN modeling system has been in use since 1979 and is currently used by more than 500 private consulting firms, university research centers, and government agencies. The IMPLAN modeling system combines the U.S. Bureau of Economic Analysis' Input-Output Benchmarks with other data to construct quantitative models of trade flow relationships between businesses and between businesses and final consumers. From this data, one can examine the effects of a change in one or several economic activities to predict its effect on a specific state, regional, or local economy (impact analysis). The IMPLAN input-output accounts capture all monetary market transactions for consumption in each time period. The IMPLAN input-output accounts are based on industry survey data collected periodically by the U.S. BEA and follow a balanced account format recommended by the United Nations.

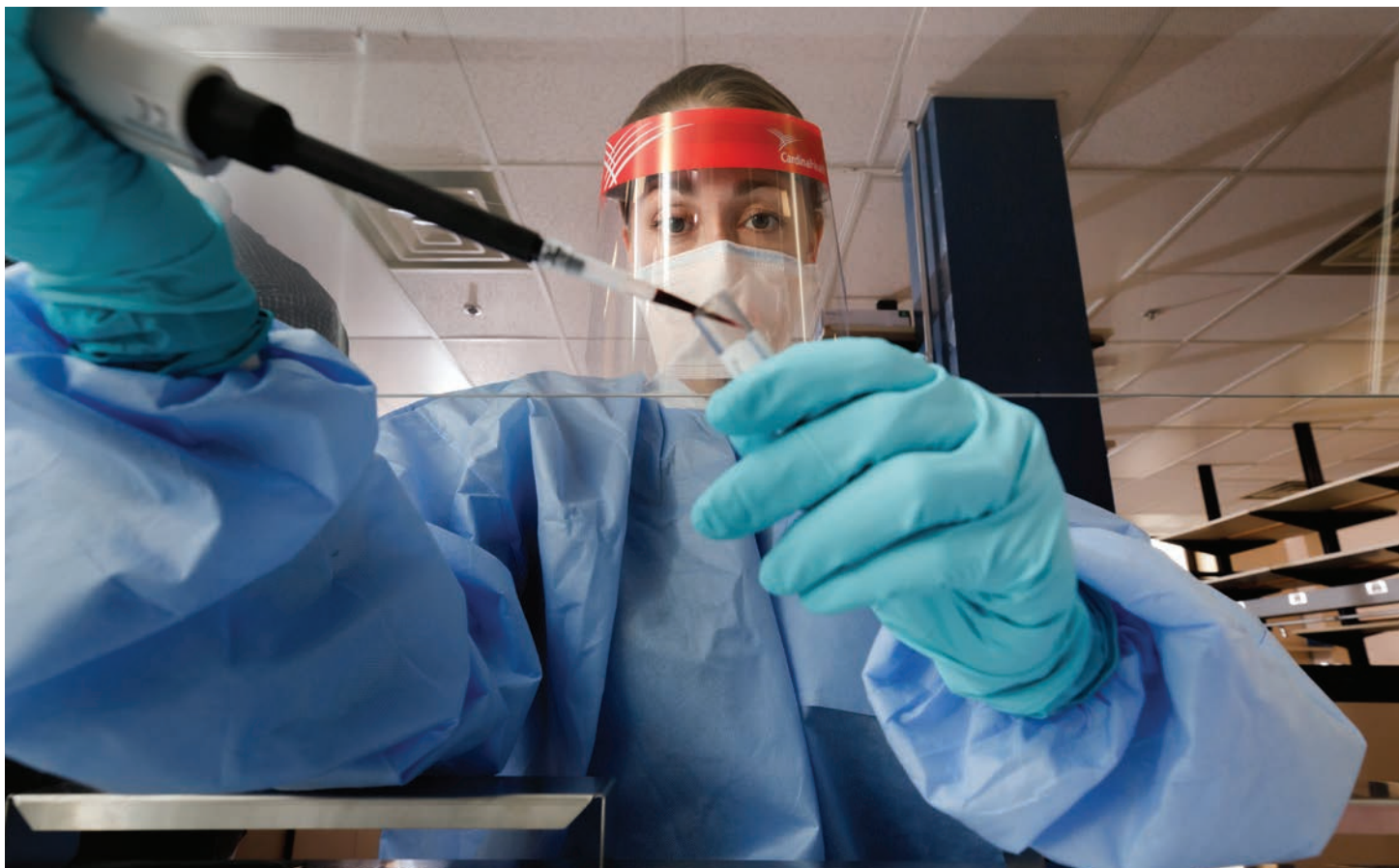


**Tripp
Umbach**

Study Methodology

IMPLAN's Regional Economic Accounts and the Social Accounting Matrices were used to construct state-level multipliers, which describe the response of the state economy to a change in demand or production because of the activities and expenditures of UNMC. Each industry that produces goods or services generates demand for other goods and services, and this demand is multiplied through a particular economy until it dissipates through "leakage" to economies outside the specified area. IMPLAN models discern and calculate leakage from local, regional, and state economic areas based on workforce configuration, the inputs required by specific types of businesses, and the availability of both inputs in the economic area. Consequently, economic impacts that accrue to other regions or states because of a change in demand are not counted as impacts within the economic area.

The model accounts for substitution and displacement effects by deflating industry-specific multipliers to levels well below those recommended by the U.S. Bureau of Economic Analysis. In addition, multipliers are applied only to personal disposable income to obtain a more realistic estimate of the multiplier effects from increased demand. Importantly, IMPLAN's Regional Economic Accounts exclude imports to an economic area, so the calculation of economic impacts identifies only those impacts specific to the economic impact area, in this case, the state of Nebraska. IMPLAN calculates this distinction by applying Regional Purchase Coefficients (RPC) to predict regional purchases based on an economic area's particular characteristics. The RPC represents the proportion of goods and services that will be purchased regionally under normal circumstances, based on the area's economic characteristics described in terms of actual trade flows within the area.





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