

GROWTH AND SOLUTIONS

DREXEL'S ECONOMIC IMPACT, A 2012 REPORT

John A. Fry
President, Drexel University

3141 Chestnut Street
Philadelphia, PA 19104
215-895-2100



FROM THE PRESIDENT

I believe that citizens have an intrinsic understanding of a university's social impact on a city or state—the importance to the common good of the education we provide, the knowledge we create, the services we provide.



The size and scope of the *economic* impact of a major university like Drexel is more difficult to describe. But it's critical that we make our case, so that our neighbors have a clear picture of how Drexel creates jobs and grows Pennsylvania's tax base.

This report summarizes the results of an economic impact study Drexel commissioned from industry leader Econsult. What they found is that our impact is robust and far-reaching, from Philadelphia throughout the Commonwealth, and across a wide variety of industries.

The University is responsible for an eye-opening amount of operational and capital spending in Pennsylvania. We attract visitors who spend money here. And a Drexel education raises the productivity of Pennsylvania's workforce, an impact that is felt across decades.

When you add in the long-term economic benefits of our signature co-op program, in which our students alternate classroom study with full-time professional employment in their field; the research we do at Drexel, which focuses on solutions that are ready to transform the marketplace; and the service-based partnerships we form with the neighborhoods and communities around us, it's clear that Drexel is a force for prosperity for Pennsylvania's families and businesses.

Our strategic vision for Drexel explicitly includes ramping up our economic development efforts, to continue growing our impact. We are proud to help move Pennsylvania and Philadelphia forward.

A stylized, handwritten signature in black ink, reading "John A. Fry".

John A. Fry

DREXEL'S ANNUAL IMPACT IN PENNSYLVANIA

\$2.4 billion flowing into the economy

This number measures the impact of our spending, the increased earning power of our alumni in Pennsylvania and the spending of students and visitors to Drexel.

27,400 jobs for Pennsylvanians

This critical number goes well beyond the 9,500 Pennsylvanians directly employed by Drexel, and impacts a wide range of employment sectors.

\$68 million in state and local tax revenues

Higher education is a driving economic force in the Commonwealth, and Drexel is a leader in generating government revenues.

Service to communities, solutions for society

Drexel's commitment to life-saving research and civic engagement improves the quality of life for Pennsylvanians far beyond the impact of the dollars spent on those activities.



THE IMPACT OF DREXEL'S DIRECT SPENDING

Drexel's direct operating expenditures in the Commonwealth of Pennsylvania totaled \$736 million in Fiscal year 2011. But even that number far understates the impact of the University's spending. When vendors ramp up their activity to meet demand, when employees spend their wages in Pennsylvania and when these activities lead to increased tax revenues, the economic and fiscal impact of Drexel's budget grows even further.



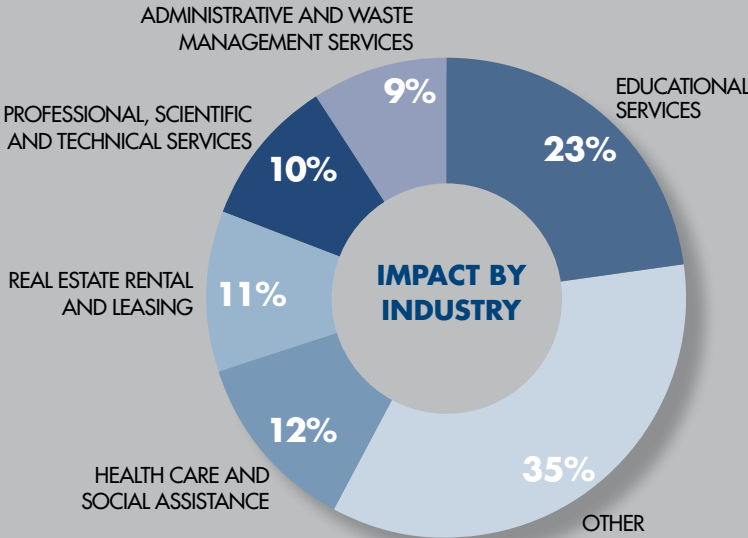
Drexel-led development projects such as the newly built Drexel Recreation Center (above, above right) have helped revitalize University City and bring new life to the Market Street corridor, while the Academy of Natural Sciences of Drexel University extends the University's impact to Ben Franklin Parkway.



\$ 1.7 billion for Pennsylvania's economy

20,200 jobs earning **\$790 million**

\$51 million in tax revenue

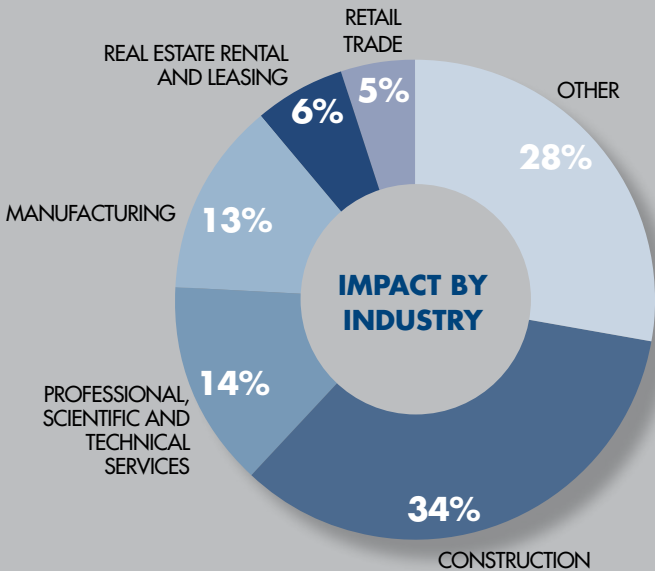


THE IMPACT OF DREXEL'S CAPITAL INVESTMENT

Drexel's continued investment in our campuses has helped bolster Pennsylvania against one of the deepest recessions in modern history. That investment creates real jobs and real growth, as well as sending a signal that Drexel is bullish on the future. And our Campus Master Plan calls for a new generation of projects that will support the success of our students and faculty, and make Drexel and Philadelphia one of the nation's great innovation hubs.



The \$70 million renovation of the URBN Center, home of the Antoinette Westphal College of Media Arts & Design, and the \$92 million LeBow College of Business building, set to open in 2014, are among the major construction projects reshaping Drexel's campus.



\$95 million for Pennsylvania's economy

800 jobs earning **\$31 million**

\$2 million in taxes

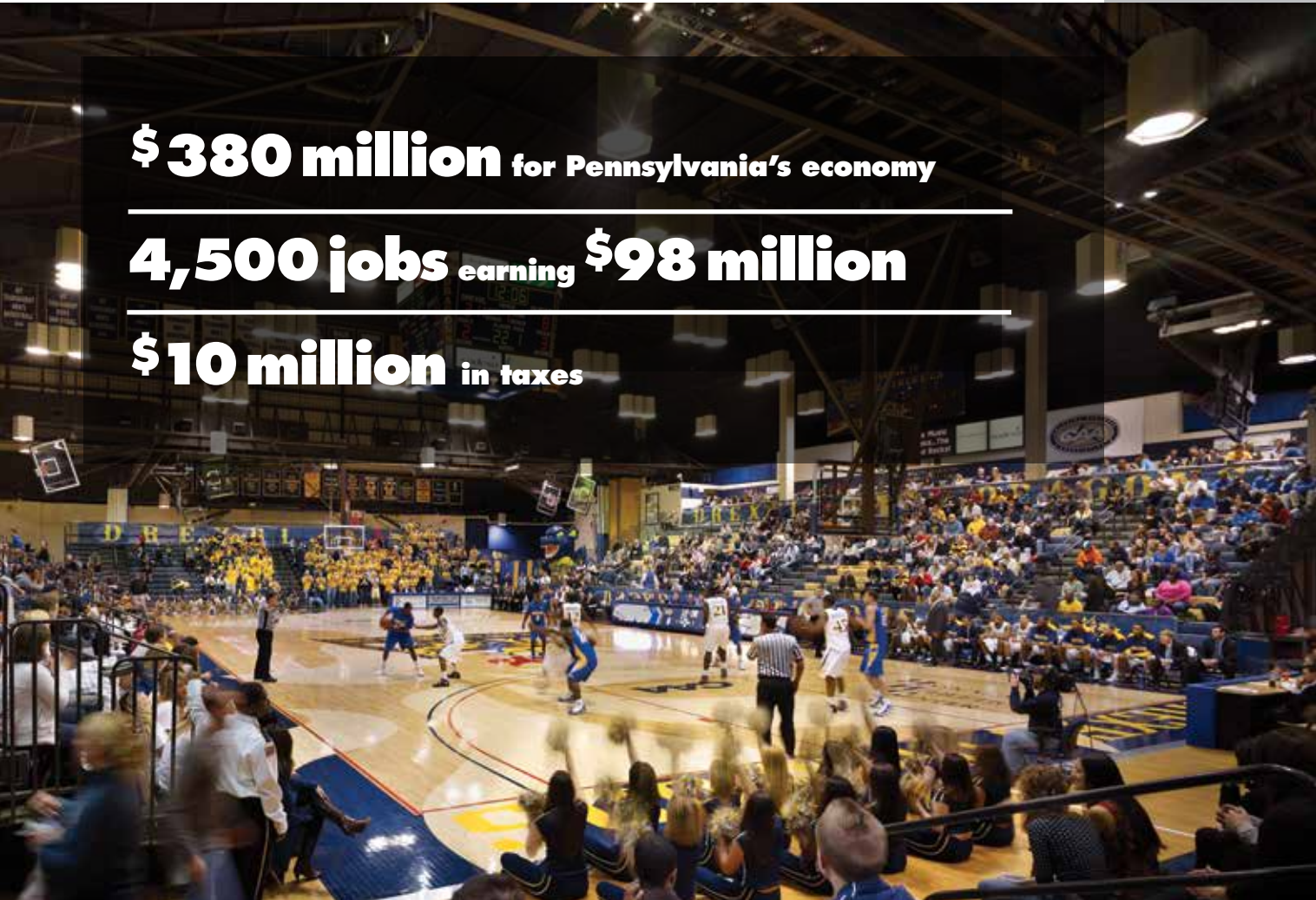
ESTIMATING THE ANNUAL IMPACT

	COMPLETED INVESTMENTS 2000-2011	IN PROGRESS: LEBOW COLLEGE OF BUSINESS BUILDING	CAMPUS MASTER PLAN PROJECTS 2012-2017	TOTAL	ANNUALIZED
DIRECT EXPENDITURES	\$361M	\$92M	\$257M	\$710M	\$39M
INDIRECT IMPACT	\$509M	\$130M	\$362M	\$1.002B	\$56M
TOTAL OUTPUT	\$870M	\$222M	\$619M	\$1.712B	\$95M
EMPLOYMENT	7,500 jobs	1,900 jobs	5,300 jobs	14,683 jobs	816 jobs
EARNINGS	\$282M	\$72M	\$201M	\$555M	\$31M
TAX REVENUES	\$19M	\$5M	\$14M	\$38M	\$2M

All dollar amounts are in 2012 dollars. Totals may not sum exactly due to rounding.

THE IMPACT OF
DREXEL STUDENT AND VISITOR SPENDING

As Drexel has become one of the nation’s top 100 comprehensive research universities, we’ve also become a popular destination for a variety of visitors, and their spending grows Pennsylvania’s bottom line. These individuals include students current and future, their friends and families, arts and sports fans and patients drawn by the world-class physicians at our College of Medicine.



\$380 million for Pennsylvania’s economy

4,500 jobs earning **\$98 million**

\$10 million in taxes

BREAKING DOWN ANCILLARY SPENDING			
	CATEGORY	NUMBER	SPENDING
	STUDENTS	24,680	\$176M
	ON-CAMPUS	4,475	\$18M
	OFF-CAMPUS	7,707	\$109M
	COMMUTER	12,678	\$49M
	STUDENTS’ VISITORS	58,992	\$1.1M
	IN-TOWN	55,717	\$1.1M
	OUT-OF-TOWN	3,275	\$0.7M
	PROSPECTIVE STUDENTS	27,264	\$2.2M
	PENNSYLVANIA, NEW JERSEY, DELAWARE	18,075	\$0.4M
	OTHER STATES	8,256	\$1.6M
	OTHER NATIONS	933	\$0.2M
	COLLEGE OF MEDICINE PATIENTS AND VISITORS	443,079	\$5.5M
	INPATIENT AND VISITORS	106,432	\$1.3M
	OUTPATIENTS	336,647	\$4.2M
	EVENT ATTENDEES	55,540	\$1.6M
	ATHLETICS	44,000	\$1.2M
	BUSINESS AND PROFESSIONAL	2,000	\$0.1M
	CULTURAL AND ENTERTAINMENT	9,540	\$0.3M

Totals may not sum exactly due to rounding.



Basketball games at the 2,500-seat Daskalakis Athletic Center (far left) bring fans and visitors to University City more than a dozen times each year.

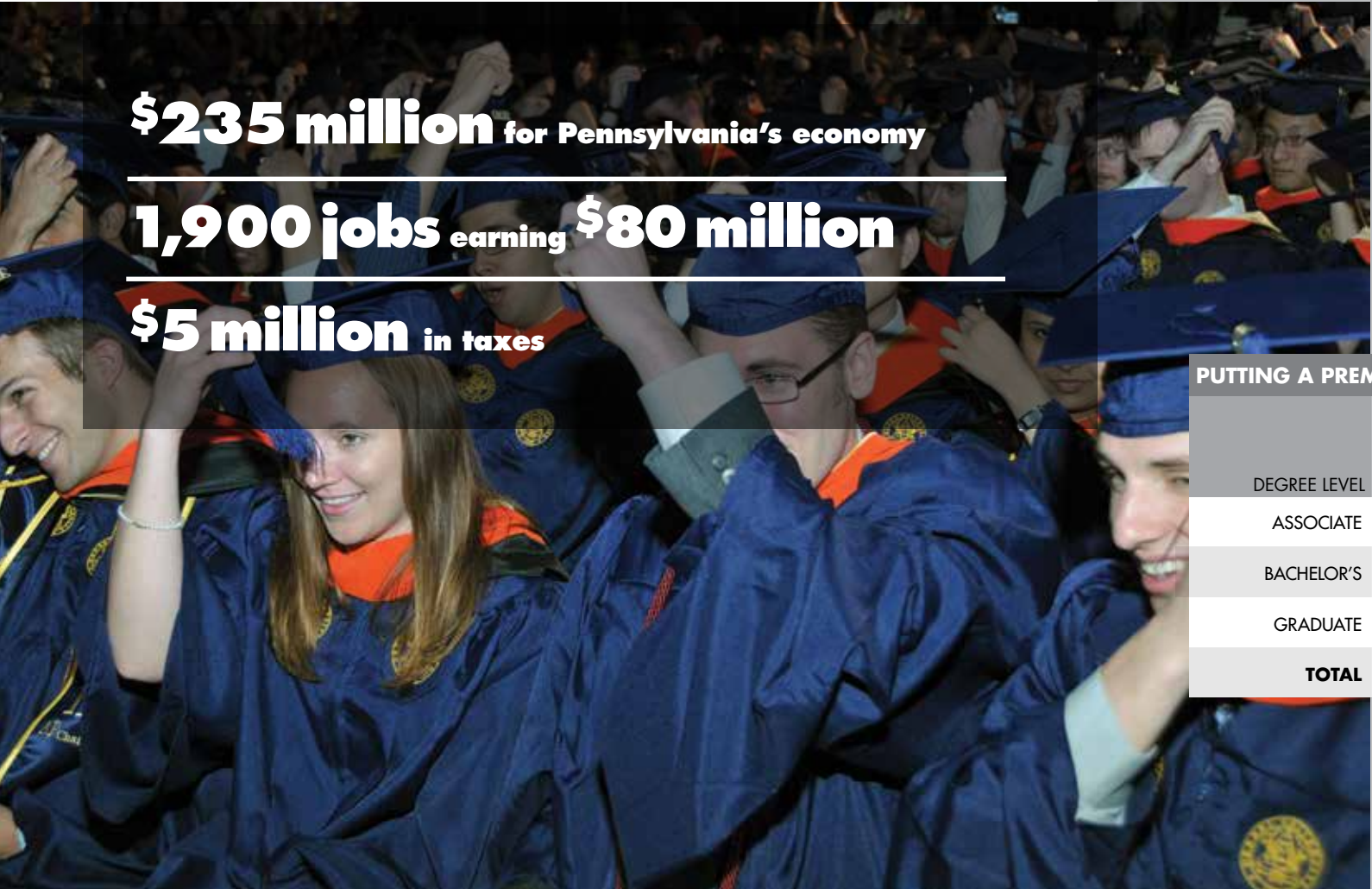


THE IMPACT OF DREXEL ALUMNI

The impact of a highly-educated workforce on Pennsylvania’s economy is well documented. And we know that Drexel’s nearly 60,000 alumni living and working in Pennsylvania earn more because they have college or graduate degrees, and even more because those degrees come from Drexel. Their increased earning power means an increase in economic activity for the Commonwealth.



Drexel’s alumni in the Commonwealth make an impact across numerous industries, and their collective contribution to the Pennsylvania economy is enormous.



\$235 million for Pennsylvania’s economy

1,900 jobs earning **\$80 million**

\$5 million in taxes

PUTTING A PREMIUM ON A DREXEL EDUCATION					
DEGREE LEVEL	ANNUAL WAGE PREMIUM ATTRIBUTABLE TO DEGREE	DREXEL ALUMNI LIVING AND WORKING IN PA.	TOTAL DEGREE PREMIUM	PREMIUM DUE TO DREXEL (EST. 10% OF TOTAL)	IMPACT OF INCREASED EARNINGS FROM A DREXEL EDUCATION
ASSOCIATE	\$5,400	283	\$1.5M	\$0.15M	
BACHELOR’S	\$20,600	27,906	\$575M	\$57.5M	
GRADUATE	\$15,650	29,392	\$460M	\$46M	
TOTAL		57,581	\$1,036M	\$104M	\$235M

Totals may not sum exactly due to rounding. Source for wage premium: Bureau of Labor Statistics.

THE IMPACT OF DREXEL ON COMMUNITY AND SOCIETY

Drexel's researchers are focused on real-world solutions, and our civically engaged students and employees are committed to supporting neighborhoods and improving lives. Together, their impact creates real value for Philadelphia, Pennsylvania, the nation and the world. Here are just a few areas where Drexel is making a difference.



11th Street Family Health Services



Chinatown Clinic

BETTER EDUCATION

Drexel's education professionals and volunteers work with schools and families in West Philadelphia and across the City and Commonwealth to give children better options and more opportunity. For example, the Drexel-PECO Community Education Collaborative is leveraging a generous \$1 million investment by PECO Energy to strengthen the schools in the neighborhoods adjacent to our campus.

HEALTHIER COMMUNITIES

Drexel's College of Medicine, College of Nursing and Health Professions and School of Public Health tackle the challenges of keeping Philadelphia and Pennsylvania healthy. The College of Medicine's Chinatown Clinic and the nurse-managed 11th Street Family Health Services of Drexel University are just two examples of hands-on care provided by Drexel to underserved, underinsured populations.

LIFE-SAVING SOLUTIONS

Through interdisciplinary initiatives that focus on translational research, which bridges the gap between basic science and technologies that are ready for commercialization, Drexel attracted the attention of the Wallace H. Coulter Foundation, a leading supporter of translational efforts. The resulting \$20 million endowment has helped move projects like a hand-held breast cancer screening device closer to the marketplace and clinic.

GLOBAL KNOWLEDGE

The 2011 affiliation between Drexel and the Academy of Natural Sciences on the Benjamin Franklin Parkway not only helped position one of the region's greatest scientific assets for a bright future, it created a new research powerhouse tackling the nation's most pressing societal and economic problems, including global warming and changing ecosystems.



The Academy of Natural Sciences of Drexel University across Logan Square, Philadelphia



\$ 1.5 billion into the economy annually

\$ 1.2 billion from operating activities

\$ 59 million from capital investment

\$ 287 million from visitor spending

17,600 jobs

15,000 jobs from direct spending,
earning **\$ 566 million/year**

250 jobs from capital investment,
earning **\$ 10 million/year**

2,350 jobs from visitor spending,
earning **\$ 43 million/year**

\$ 30 million in tax revenues

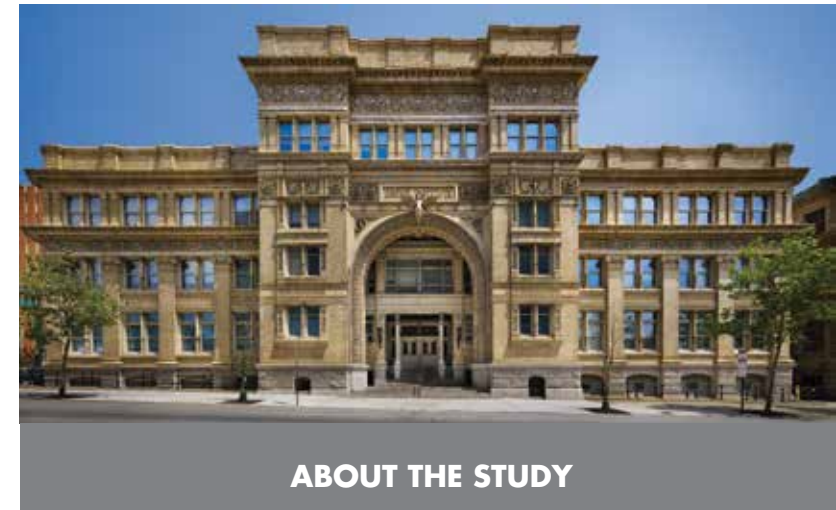
\$ 27 million from direct spending

\$ 0.6 million from capital investment

\$ 2.6 million from visitor spending

Stronger neighborhoods • Healthier people • Better education

Note: Numbers do not include impact of wage premium resulting from a Drexel education, which was not calculated for Philadelphians separate from the Commonwealth.



ABOUT THE STUDY

This report is based on the findings of a 2012 economic impact study commissioned by the University from Econsult Corporation, Philadelphia, Pa. Numbers have been summed and rounded throughout to create a clearer picture for a general audience. This report, along with Econsult's study including detailed notes on methodology, can be viewed at drexel.edu/president.