

The Economic Impact of The University of Maryland on The State of Maryland

Prepared by
The Jacob France Center, The Maryland Business Research Partnership
February 2001

Executive Summary

The University of Maryland is the flagship public provider of health and professional educational services in Maryland. The University impacts the State of Maryland in many ways. The University is a major source of economic activity through its purchases of goods and services from Maryland suppliers and the salaries it pays to its Maryland workforce. The University also plays a vital role in providing a skilled and educated workforce, and is the only provider of educational services in several key areas. Finally, the University supports economic development in the State through the commercialization of new technologies. This report attempts to quantify many of these important impacts.

The economic impacts of the University are presented in the Summary Table below. This study used two alternative methodologies to estimate the economic impacts of the University. The *Upper Bound* estimate assumes that there is no effective in-State substitutes for the educational services provided by the University, while the *Lower Bound* estimate adjusts for the potential substitution by other Maryland universities for these services. Using the *Upper Bound* estimate the total impact of the University of Maryland on the Maryland economy is nearly \$1.1 billion in economic activity with an associated 16,215 jobs earning \$569 million in salaries and wages. Using the *Lower Bound* estimate the total impact of the University of Maryland on the Maryland economy is more than \$900 million in economic activity with an associated 13,691 jobs earning \$485 million in salaries and wages.

Summary Table
The Economic Impact of the University of Maryland
on the State of Maryland

Item	Upper Bound			Lower Bound		
	Direct Impact	Indirect Impact	Total Impact	Direct Impact	Indirect Impact	Total Impact
Economic Output (Mil. \$)	481.3	610.7	1,092.0	399.4	510.8	910.1
Employment (Number of FTEs)	5,897	10,318	16,215	5,137	8,555	13,691
Earnings (Mil. \$)	278.2	290.8	568.9	235.8	248.6	484.5

Source: University of Maryland and The Jacob France Center

The economic impacts presented above are made possible by the support provided to the University by the State. However, the University leverages its State appropriations by attracting new research funding, students, and visitors into Maryland. Thus, using the *Upper Bound* impact estimate, the University of Maryland generates \$10 in economic activity for each \$1 appropriated and using the *Lower Bound* impact estimate, the University of Maryland generates \$8.35 in economic activity for each \$1 appropriated.

In addition to the economic and fiscal impacts presented above the University makes a significant contribution to the economic health of and quality of life in Maryland. Some highlights of the important workforce development, economic development, and community service impacts of the University are as follows. The University of Maryland:

- is the only school that offers dental, pharmacy, and masters in social work degree programs;
- awards 58% of all professional degrees awarded in Maryland;
- meets more than half of the demand in Maryland for the health and professional occupations for which the University provides training;
- accounts for more than 10% of all University research and development conducted in Maryland;
- accounts for 27% of all industry-sponsored University research and development conducted in Maryland;
- has five start-up companies currently in operation based on University technology, with two more companies in development;
- fulfills its service mission through targeted community service programs, faculty, staff, and student volunteer work and community involvement, educational programs, programs that enhance primary and secondary education, and clinics.