

Prepared by
**Tripp
Umbach**



The Economic and Community Impacts of
The University of Pittsburgh

July 2024

Pitt's Contributions to Pennsylvania's Economy

In early 2024, the University of Pittsburgh (Pitt) commissioned Tripp Umbach to conduct a study quantifying the university's economic and social impact on Pennsylvania. This independent study, based on rigorous research and analysis, provides a factual basis for understanding Pitt's significant economic contributions.

Pitt serves as an economic driver in Pennsylvania in several ways:

Statewide Economic Driver: Pitt's procurement of goods and services from local businesses injects vitality into the community, supporting local enterprises and spurring economic growth. This symbiotic relationship not only strengthens local businesses but also contributes to the overall economic health of the state, fostering a dynamic and resilient economy that benefits all residents. Pitt's partnerships with local industries and organizations help to align academic programs with market needs, ensuring that graduates are well-prepared to meet the demands of the evolving job market.

Major Employment Hub: Pitt serves as a major employment hub in western Pennsylvania and across the state. With a diverse workforce spanning faculty, staff, and support personnel, the university provides a wealth of job opportunities. By offering positions in various fields and industries, Pitt contributes to statewide employment rates and economic stability. The university attracts businesses, entrepreneurs, and investors, creating a dynamic economic ecosystem that drives job creation.

Tax Contributor: Pitt is a significant contributor to the statewide tax base. Through payroll taxes on wages, salaries, and benefits provided to its employees, the university generates substantial tax revenue. For example, the economic activity stimulated by Pitt, including spending by students, faculty, staff, and visitors, contributes to state and local taxes. This economic impact supports public services and infrastructure, further enhancing the community and regional development.

Driver of Research & Innovation: Pitt's research activities have a profound influence on the statewide economy. For example, the university's cutting-edge research sparks innovation, creates jobs, and leads to the development of new technologies and businesses, further enhancing economic development throughout Pennsylvania.

Sports Magnet: Pitt's athletics programs significantly boost the statewide economy by attracting visitors who spend on lodging, dining, entertainment, and goods and services. The influx of fans, teams, and event staff generates substantial economic activity in the region. Additionally, Pitt Athletics enhances community spirit and engagement, promotes physical wellness, and provides student-athletes with opportunities for personal and professional development.

Alumni Impact: Pitt graduates have a lasting positive effect on the Commonwealth. Nearly 60% of alumni choose to remain in the state, contributing to the local economy and community vibrancy. They bring their skills, knowledge, and innovation to various industries, cultivating economic growth and development. Graduates also enhance the workforce, fill critical job roles, and engage in community service, further enriching the social and economic fabric of the region. Pitt plays a crucial role in workforce development within Pennsylvania.

Community Partner: Community engagement is core part of Pitt's mission. The university participates in its surrounding communities, striving to make a positive, meaningful impact. Through partnerships, programs, and service-learning initiatives, Pitt provides opportunities for faculty, staff, and students to contribute to the betterment of their communities. Whether through volunteer work, educational outreach, or collaborative projects, Pitt champions connections and strengthens relationships with local and regional stakeholders. This commitment to community engagement reflects Pitt's dedication to serving as a responsible and caring member of society, working hand-in-hand with its neighbors to address shared challenges and promote collective well-being.

As Pitt strengthens its connections throughout Pennsylvania, its positive economic influence continues to grow, contributing to economic advancement and prosperity in the state. The following analysis highlights Pitt's vital role in generating economic impact, promoting job creation, and influencing tax revenues for Pennsylvania. These efforts enhance the quality of life for individuals within Pennsylvania while positively shaping the region's future.



FY '23 Economic & Community Impact Highlights

In FY '23, Pitt's operations and expenditures, along with spending by faculty, staff, students, and visitors, collectively amounted to **\$6.6 billion** in Pennsylvania. **This represents a 24 percent increase in economic impact since FY '21.** Beyond its economic contributions, Pitt is deeply committed to contributing to its communities through initiatives and programs that provide substantial benefits to local and regional areas. Pitt's impact extends beyond academics, reflecting its dedication to fostering community growth, development, and well-being.

Impact on Pennsylvania



\$6.6 billion generated in economic impact

\$2.2 billion direct impact and
\$4.4 billion indirect/induced impact

48,978 jobs supported and sustained

14,253 direct jobs and
34,725 indirect/induced jobs

\$356.2 million generated in state and local taxes

33,000+ STUDENTS - 14,000+ FACULTY & STAFF - 330,000+ ALUMNI



Research

\$2.4 billion generated in economic impact
\$1.1 billion direct impact and \$1.3 billion indirect/induced impact

10,596 jobs supported and sustained
4,213 direct jobs and 6,383 indirect/induced jobs

\$86.9 million generated in state and local taxes

Economic Value of State Investment

For every dollar received from the Commonwealth, **\$43.42** is generated by Pitt in the state's economy



Athletics

\$553.9 million generated in economic impact
\$124.5 million direct impact and \$429.4 million indirect/induced impact

5,892 jobs supported and sustained
232 direct jobs and 5,660 indirect/induced jobs

\$32.6 million generated in state and local taxes



Alumni

194,031 alumni living in Pennsylvania

1 out of 31 employees within Pennsylvania is a Pitt graduate

\$5.4 billion in overall spending generated by alumni in Pennsylvania annually



Workforce

1 out of 130 jobs within Pennsylvania is supported by Pitt



Volunteerism

In FY '23, 5,671 volunteers—including 5,023 students and 648 staff—contributed 84,683 hours (equivalent to 9.7 years) of their time in 177 volunteer projects. These volunteer hours are valued at **\$2.7 million**.¹ It is important to note that these benefits are in addition to the \$6.6 billion annual impact generated by Pitt.

¹ This does not include volunteer hours contributed by Pitt Athletics and United Way of Southwestern PA volunteers.

Pitt FY '23 Impact on Pennsylvania

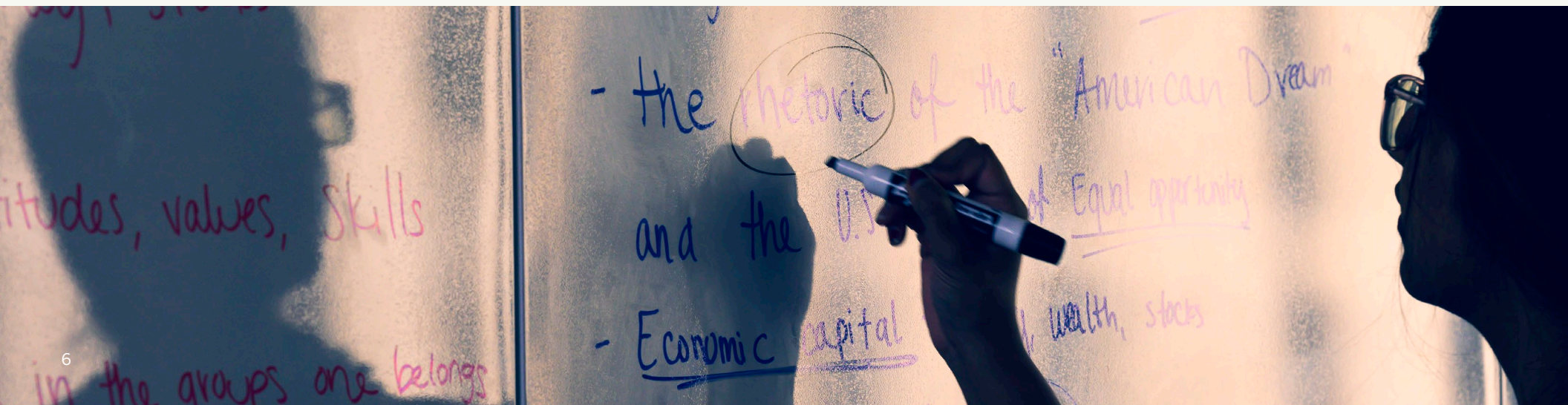
Economic → Impact

The University of Pittsburgh is an integral piece of the state's economic success, and Pitt operations directly or indirectly impact nearly every resident of Pennsylvania. The University of Pittsburgh affects business volume in Pennsylvania in two ways:

1. Direct expenditures for goods and services by Pitt and its staff, faculty, students, and visitors. This spending supports local businesses, which in turn employ individuals to sell the goods and provide the services that university constituencies need.
2. Indirect or induced spending within Pennsylvania. The businesses and individuals that receive direct payments re-spend this money within the state, thus creating the need for even more jobs.

**\$6.6
BILLION**

As a result of expenditures on goods and services by Pitt and its constituents, the overall economic impact of all of Pitt's operations on Pennsylvania in FY '23 amounted to **\$6.6 billion**, with \$2.2 billion representing the direct impact and \$4.4 billion the indirect and induced impact.



Creating and Sustaining Jobs → **Throughout Pennsylvania**

In FY '23, Pitt supported **48,978 jobs** in Pennsylvania, directly enhancing workforce vitality and strengthening the economy across various sectors. These jobs, encompassing full-time and part-time positions, consist of direct employment by the university (14,243 jobs) and indirect and induced jobs (34,735 jobs).

These employment impacts directly contribute to the overall workforce vitality of the Commonwealth and provide a boost to the economy. Individuals directly employed by Pitt spend their earnings within the state, further supporting additional employment. Additionally, the spending by Pitt on capital projects, development and planning projects, and suppliers contributes to the creation of additional indirect jobs throughout Pennsylvania. Approximately one out of every 130 jobs in Pennsylvania can be attributed directly or indirectly to the university's activities.

Generating Local and State → **Tax Impacts**

State and local tax impacts attributable to the presence of Pitt totaled **\$356.2 million** in FY '23. Total impact figures include local taxes paid by Pitt employees and taxes paid by companies that do business with the University.

Economic Value of → **State Investment**

In FY '23, Pitt received about **\$152.0 million** in appropriations from the Commonwealth to support an in-state tuition discount for Pennsylvania students. For every \$1 received by Pitt, \$43.42 is generated in Pennsylvania's economy. These figures do not include capital appropriations or state grants and contracts that are awarded to the University.

Driver of Research & Innovation

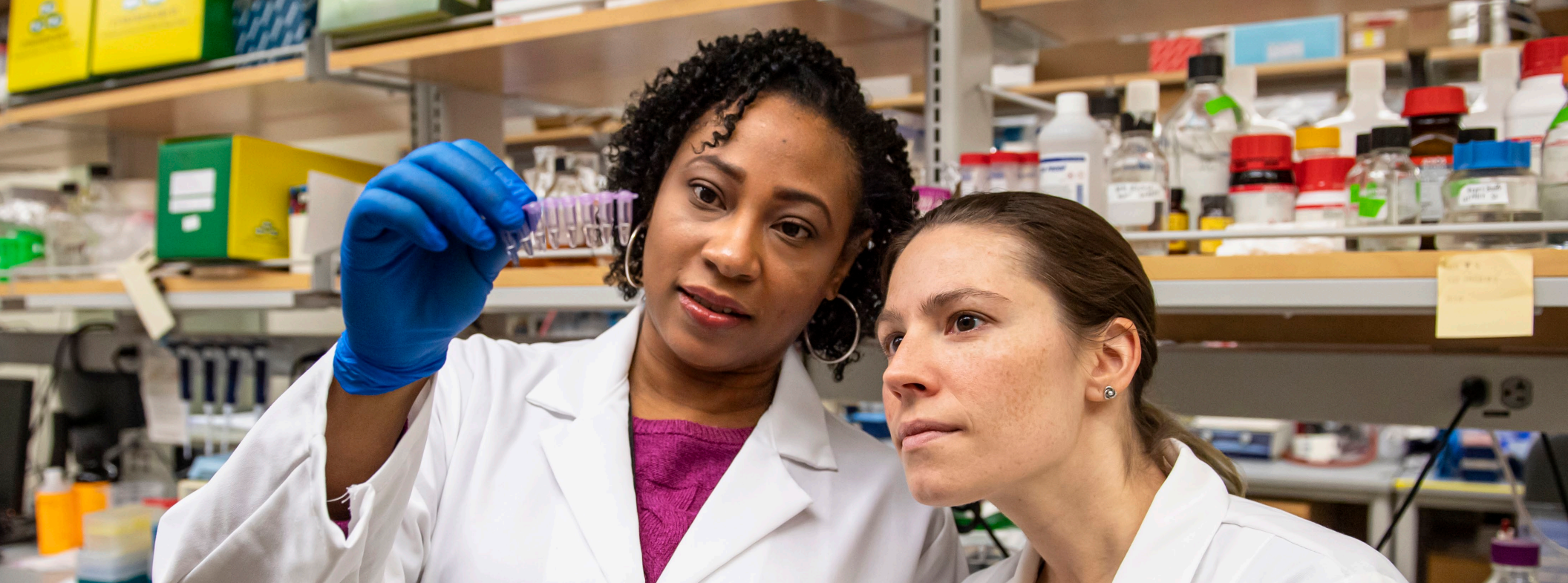
Research is foundational to Pitt's mission. The University of Pittsburgh ranks among the top universities in the world for its exceptional research strength and academic programs that focus on areas of great societal need and preparing students for productive and meaningful lives. Research is a major source of external investment in the University, and Pitt research has a substantial economic impact on society and the world.

The university's track record of receiving competitive federal research funding has been critical for its ability to invest in targeted initiatives and research to stay globally competitive. In FY '23, Pitt ranked in the top 20 among all universities in research spending, with more than **\$1.1 billion** in research expenditures. These research dollars received by Pitt came from a wide variety of agencies, including the National Science Foundation and the National Institutes of Health (NIH). In 2023, Pitt received **\$658.3 million** in NIH funding, which ranks sixth among U.S. universities. This impressive research funding has a direct and lasting impact on Pitt's educational mission and Pennsylvania's future.

Pitt's research expenditures — an indicator of activity and growth — and indirect and induced economic activity resulting from those expenditures totaled nearly **\$2.4 billion** during FY '23.² Pitt's global research capacity and unwavering commitment to partnering with Pennsylvania businesses are assets to the region. Pitt spending of research dollars represents only the tip of the iceberg as a growing ecosystem of companies in the biomedical, advanced manufacturing, information technology, and bioscience industries generates millions in additional economic impact annually throughout Pennsylvania as a result of Pitt's research footprint.

Research and innovation provide benefits beyond the economic and employment impacts generated by Pitt operations. Not included in this economic impact of Pitt's research is the impact of commercialization activities such as patents, licensing and spin-off companies.

² The research expenditures include all research that is conducted at the University, including the University of Pittsburgh School of Medicine, which accounts for nearly 67% of all research. This analysis does not include research revenue received by the University of Pittsburgh Medical Center (UPMC).



The University of Pittsburgh Research Creates High-Quality Jobs

In FY '23, Pitt's operational and capital expenditures for sponsored research and other sponsored programs supported **10,596 jobs**. These jobs include not only Pitt's direct employment (4,213 direct jobs) of research professionals, but also indirect jobs (6,383 indirect jobs) created for supply and equipment vendors, contractors, and laborers for the construction and renovation of laboratory facilities; administrators and managers who support the research infrastructure; and jobs created in the community by the disposable income of the scientific workforce.

If Pitt can maintain and grow its strong faculty base, it will continue to attract — and consequently recirculate — new dollars into the local economy, secure increasingly higher levels of research dollars, and grow the number of jobs supported. With continued high levels of research funding and consequent expenditures, Pitt will remain a source of support for thousands of local jobs based on its research funding alone.

State and Local Tax Impact

The impact of Pitt research generated **\$86.9 million** in state and local taxes, representing 24% of the total tax impact of the University.

Sports Magnet

Pitt Athletics stands as a vibrant cornerstone of the University of Pittsburgh's campus life, embodying a culture of excellence, competition, and community engagement. Pitt participates in NCAA Division I athletics and proudly belongs to the esteemed Atlantic Coast Conference (ACC), placing the university among the nation's top athletics programs. With a diverse array of sports programs spanning football, basketball, baseball, and beyond, Pitt Athletics offers opportunities for student-athletes to showcase their talents on regional and national stages.

The university's state-of-the-art athletics facilities provide the perfect backdrop for training, competition, and spectator enjoyment, fostering an environment where athletics achievement thrives. Beyond the field of play, Pitt Athletics cultivates connections with the community through outreach initiatives, youth programs, and charitable endeavors, demonstrating a commitment to making a positive impact beyond the confines of the campus. As a source of pride for students, alumni, and fans alike, Pitt Athletics embodies the spirit of teamwork, sportsmanship, and excellence that defines the University of Pittsburgh.

Pitt's athletics events attract visitors from around the world to Pittsburgh, injecting millions of dollars into the local and statewide economies. This economic boost not only creates additional employment opportunities but also generates significant tax revenue for local municipalities and school districts.





Economic Impact

Pitt Athletics generates economic activity throughout Pennsylvania. In FY '23, the direct spending of Pitt Athletics, in combination with the indirect and induced impacts of dollars being re-spent throughout the economy, generated **\$553.9 million** in overall economic impact to the state (\$124.5 million in direct impact and \$429.4 million in indirect and induced impact).

Employment Impact

In FY '23, Pitt Athletics supported **5,892 jobs** throughout Pennsylvania. These jobs, inclusive of full-time and part-time positions, include not only direct employment by Pitt Athletics (232 jobs) but also encompass indirect and induced jobs (5,660 jobs) supported by the spending of Pitt Athletics employees, students, and visitors within Pennsylvania.

Tax Impact

State and local tax impacts attributable to Pitt Athletics' presence totaled approximately **\$32.6 million** in FY '23.

Alumni Impact

Pitt educates and trains the future workforce of Pennsylvania and beyond. Each graduating class provides essential contributions to the workforce that Pennsylvania needs to succeed in the 21st century. Pitt is a talent magnet, attracting top students in a wide range of disciplines — many of whom stay in Pennsylvania upon graduation. The students who graduate every year from Pitt are essential to the state's workforce needs; in 2023 the University conferred 8,635 degrees. Of the university's 335,329 alumni, nearly 60% — 194,031 — reside in Pennsylvania. Their contributions are critically important to the state's economic vitality.

While strong job creation, income generation and workforce development are undoubtedly key contributors to financial and economic growth, it is also important to recognize the countless associated benefits in communities throughout Pennsylvania. Pitt is a leading generator of the state's nurses, doctors, dentists, engineers, and researchers and an indispensable talent pipeline for many businesses and industries. Without Pitt, there would be a void of ready talent, especially in the fields of biomedical research and advanced manufacturing.





Pitt Alumni by the Numbers

- **335,329 alumni**
- **194,031 alumni** living in Pennsylvania
- **1 out of 31 employees** within Pennsylvania is a Pitt graduate³

Alumni Impact

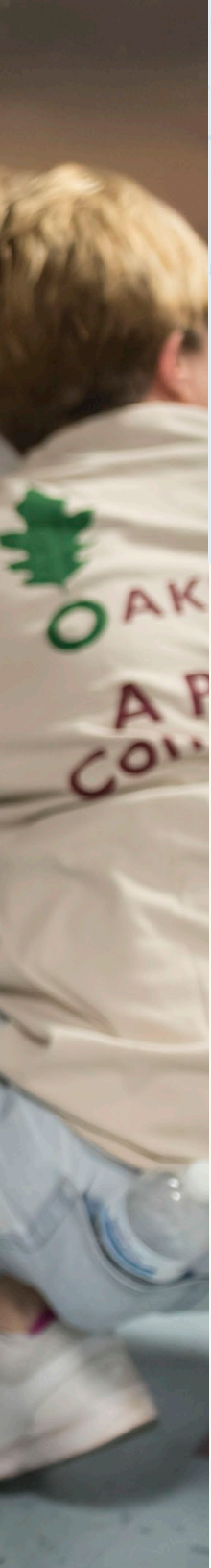
The **194,031 alumni living in Pennsylvania** comprise nearly half of all Pitt alumni around the world. In FY '23, the total economic impact of Pitt alumni to the Pennsylvania economy was estimated at \$5.4 billion.

Alumni impacts are in addition to the **\$6.6 billion** economic impact that Pitt generated for Pennsylvania in FY '23.

³ Based on 5,948,490 total employees in Pennsylvania in 2023, according to the Bureau of Labor Statistics.

Community Partner





Through diverse community engagement initiatives, Pitt offers faculty, staff, and students opportunities to engage in institutional partnerships, programs, and service-learning projects that contribute to the community's well-being. The university enables access to expert faculty, arts and cultural activities, premier medical care, and education, enhancing the lives of Pennsylvanians daily.

Pitt's students, faculty, and staff collaborate with community members to address challenges and enhance the lives of children and families. These endeavors encompass supporting K-12 education and enrolling high school students in college-level courses, training minority and small business owners, providing free dental and mental health services, and conducting extensive outreach efforts to inform residents about water quality, green infrastructure, and flood mitigation to name a few. Additionally, the university allocates significant resources to bolster neighborhoods surrounding its campuses, exemplifying its commitment as a caring partner and a supportive neighbor, including through significant investments in housing affordability and workforce development efforts.

In FY '23, 5,671 volunteers—including 5,023 students and 648 staff—contributed 84,683 hours (equivalent to 9.7 years) of their time in 177 volunteer projects. These volunteer hours are valued at **\$2.7 million**.⁴ It is important to note that these benefits are in addition to the \$6.6 billion annual impact generated by Pitt.

⁴ This does not include volunteer hours contributed by Pitt Athletics and United Way of Southwestern PA volunteers.

Appendix A: Methodology

To fully quantify Pitt's impact on the Commonwealth, Tripp Umbach used IMPLAN data and software to conduct the analysis. Pitt supplied the data used in this study, and FY '23 figures were used for all inputs. All impacts are presented in 2023 dollars. Economic impact begins when an organization spends money. Economic impact studies measure the direct effect of an organization's spending plus additional indirect spending in the economy caused by direct expenditures. The financial impact has nothing to do with dollars collected by organizations, their profitability, or their sustainability since all operating organizations have a positive economic impact when they spend money and attract spending.

The direct economic impact measures the dollars generated within a specified region because of the presence of Pitt. This includes not only spending on goods and services with vendors within the region and the spending of its staff and visitors but also the business volume generated by businesses within the area that benefit from the spending and operations of Pitt.

The total economic impact includes the "multiplier" of spending from companies with Pitt. Support businesses may include lodging establishments, restaurants, vendors, temporary agencies, etc. Spending multipliers attempt to estimate the ripple effect in the economy where the spending occurs. For example, Pitt's spending with local vendors provides these vendors with additional dollars that they re-spend in the local economy, causing a "multiplier effect."

Tripp Umbach utilized IMPLAN, one of the preferred methodologies by the Association of Public and Land-grant Universities (APLU) and other leading academic associations, to complete this assignment. IMPLAN (Impact analysis for PLANning) data and software utilize classic input-output analysis in combination with regionally specific social accounting matrix and multiplier models. The IMPLAN modeling system has been used 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 period. The IMPLAN input-output accounts are based on industry survey data collected periodically by the U.S. Bureau of Economic Analysis and follow a balanced account format recommended by the United Nations.

Appendix B: Tripp Umbach Qualifications

The University of Pittsburgh commissioned Tripp Umbach, the national leader in independent economic analysis, to conduct this economic impact study. Established in Pittsburgh, PA, and currently headquartered in Kansas City, MO, Tripp Umbach is one of the most highly regarded private consulting firms in the United States. Renowned for its economic and community development expertise, the firm collaborates with healthcare, education, government, and corporate clients to enhance the economic, social, and physical well-being of communities globally. With a history spanning nearly 35 years, Tripp Umbach has partnered with more than 1,000 organizations, delivering services such as community assessment, economic impact assessment, and economic development strategies. The firm has completed more than 500 economic impact studies in the past three and a half decades for colleges and universities throughout the United States.





University of
Pittsburgh®