

**The Impact of George Mason University on the
Economies of the Washington Metropolitan Area
and the Commonwealth of Virginia**

Research Summary

Prepared for

George Mason University

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George Mason University is a major source of economic activity within the economies of the Washington metropolitan area and the Commonwealth of Virginia. While George Mason University (GMU) impacts the region and State in many ways—cultural, educational, social and economic—its economic impacts are frequently undercounted or overlooked altogether. The analysis presented here identifies the measurable direct outlays that flow from George Mason University into the metropolitan and statewide economies and calculates the total economic impacts of these flows that would not have occurred to the benefit of the Washington metropolitan area and Commonwealth of Virginia in the absence of George Mason University.

The spending flows reported here include George Mason University's annual payroll and non-payroll expenditures, student spending, spending in the region and State by visitors to the region and state and spending by retirees from GMU who have continued to reside locally. However, this analysis does not reflect many sources of economic impact that cannot be easily quantified on an annual basis that nevertheless represent important sources of local economic benefits. These would include: the value of the education and skills transferred to the Washington metropolitan area workforce as a result of George Mason University's presence in the region; the business attraction and interaction linked to the presence of GMU and its faculty; the intellectual property generated at George Mason University that contributes to the region's business base and competitiveness; the in-kind and voluntary services provided by George Mason University and its staff and students to the betterment of the local economy; and there are many others. The operating outlays and capital spending by the George Mason University Foundation also have been excluded from this analysis.

Research Findings

George Mason University is an important source of economic activity within the local, metropolitan area and State, as employer, generator of personal income and business transactions, and as a source of direct and indirect spending that spans the breadth of the regional and statewide economies. In 2010 George Mason University had a workforce totaling 5,598 full- and part-time employees of which all but 28 resided in the Washington metropolitan area representing an annual payroll of \$374.6 million. George Mason University also made \$63.5 million in non-payroll expenditures for goods and services and capital outlays totaling \$211.2 million to vendors and contractors located within the local area. Combined, payroll, non-

payroll and capital outlays in 2010 within the Washington metropolitan area totaled \$649.3 million. Payroll, non-payroll and capital outlays in the Commonwealth of Virginia totaled \$468.7 million in 2010.

This direct spending in the Washington metropolitan area was complemented by the local spending of GMU's students (\$134.6 million), the spending of GMU retirees living locally (\$8.6 million) and by the spending of GMU's non-local visitors (\$6.4 million). This spending—\$149.6 million—and the direct outlays made by George Mason University totaled \$798.9 million in 2010. Spending by students (non-Virginia residents), GMU retirees residing in Virginia and out-of-state visitors to GMU in 2010 totaled \$54.1 million bringing total direct GMU and related outlays within the State to \$522.8 million.

The total economic impact of this combined \$798.8 million in direct outlays in 2010, that is, the total contribution of this spending to the Washington metropolitan area's gross regional product (GRP), totaled \$1.56 billion (reflecting a multiplier of 1.955). For the Commonwealth of Virginia, GMU's direct spending and the spending of students, retirees and non-local visitors contributed a total of \$1.055 to the State's economy (reflecting a multiplier of 2.019) in 2010.

This direct spending within the Washington metropolitan area economy supported a total of 16,612 non-university jobs of which 8,914 or 54 percent are estimated to have been held by area residents generating an additional \$490.3 million in new personal earnings for local resident workers. This spending exclusively within the Commonwealth supported a total of 9,944 jobs beyond those workers employed by GMU with and estimated 5,400 or 54 percent of these jobs being held by workers residing in the State. These jobs generated new personal earnings of \$297.0 million in 2010.

The sources of these economic impacts and their magnitudes are presented in the following tables and summarized below:

- George Mason University employed 5,598 full- and part-time workers in 2010 with all but 28 of these job holders residing within the Washington metropolitan area and surrounding region;
- Payroll outlays by George Mason University to its employees residing in the Washington metropolitan area totaled \$374.6 million in 2010 with employees residing in Virginia accounting for \$324.6 million or 86 percent of these payroll outlays.
- George Mason University's non-payroll outlays for the annual operations totaled \$122.4 million in 2010 with \$63.5 million or 45 percent of these purchases being made from vendors located in the region;

- Local capital outlays during 2010 by George Mason University are estimated to have totaled \$211.2 million with an estimated two-thirds of these outlays being captured by Virginia-based contractors.
- Student enrollment during the 2009-2010 academic year averaged 31,631 with 61.5 percent of these students enrolled as undergraduates;
- In 2010 it is estimated that 53,115 out-of-town visitors (not residing within the metropolitan area or the Commonwealth of Virginia) were attracted to the GMU campus spending an estimated \$6.4 million on lodging, meals and other retail services while visiting the area; and,
- The combined direct spending benefits accruing to the Washington metropolitan area and Commonwealth of Virginia from George Mason University (GMU's spending and the spending by its students, visitors and retirees) totaled \$798.9 million and \$522.8 million respectively in 2010 and contributed a total of \$1.56 billion to the metropolitan area's gross regional product and \$1.056 billion to the Commonwealth of Virginia's economy, generated net personal earnings totaling \$490.3 million to the benefit of workers residing within the metropolitan area supporting 8,914 local jobs and earnings totaling \$297.0 million for workers residing in Virginia and supported a total of 5,400 non-university jobs by workers residing in Virginia.

Higher education is one of the metropolitan area's and state's major growth sectors upon which its future economic vitality will depend. George Mason University has been shown to be a major employer of area residents, supporting directly or indirectly a total of 5,570 jobs with 4,825 of these jobs being held by Virginia residents, generating direct and indirect personal earnings totaling \$864.9 million to the benefit of workers residing within the Washington metropolitan area and \$621.6 million in new personal earnings accruing to workers residing within the Commonwealth. Beyond these economic impacts, these direct and indirect earnings and subsequent spending by GMU employees living in the metropolitan area and Commonwealth of Virginia and the vendors and their workers dependent upon GMU's direct and related spending represent major sources of local and state tax revenues. The economic impacts reported here confirm that beyond its national and international reputation as a major academic and research institution, George Mason University is also an important and continuing force in the metropolitan area and state economies as an employer and source of income for the region's residents and businesses.

Table 1

Profile of the George Mason University, 2010

Metrics	Number/Value
Number of Full and Part-Time Employees	5,598
Full-time	3,545
Part-time	2,053
Number of Employees Residing in	
District of Columbia	269
Maryland	476
Virginia	4,825
Other	28
Total	5,598
Total Payroll Outlays to WMA* residents	\$374,591,226
Payroll Outlays to workers residing in Virginia	\$324,606,715
Total Non-Payroll Outlays to WMA* Firms	\$63,533,563
Total Outlays to Virginia-based vendors	\$2,618,780
Total Capital Outlays to WMA* Contractors	\$211,182,000
Total Capital Outlays to Virginia Contractors	\$141,491,940
Total Direct University Outlays in the WMA*	\$649,306,789
Total Direct University Outlays in Virginia	\$468,717,435
Total Average Semester Enrollment	31,631
Percent Undergraduate	61.5
Percent Graduate Students	38.5
Number of Retirees Residing in the WMA*	192
Non-Local Visitors To Campus	53,115

Sources: George Mason University, GMU Center for Regional Analysis

*Washington Metropolitan Area

Table 2

Distribution of George Mason University Spending
within the Washington Metropolitan Area, 2010
(percent)

Source	DC	Maryland	Virginia	Other
Payroll	4.8	8.5	86.2	0.5
Non-Payroll	43.9	5.9	2.1	48.1
Students	15.7	1.9	82.3	n.a.

Sources: George Mason University, GMU Center for Regional Analysis.

Table 3

The Economic Impacts Generated by George Mason University's Direct
and Associated Outlays within the Washington Metropolitan Area, 2010
(dollars in millions)

Spending Sources	Direct Outlays	Total Output(1)	Personal Earnings(2)	Jobs Supported(3)
University \$s				
Payroll	\$374.6	\$766.5	\$250.4	8,660
Non-Payroll	63.5	129.9	42.4	1,468
Construction	211.2	390.8	121.2	3,139
Sub-total	\$649.3	\$1,287.2	\$414.0	13,267
Students	\$134.6	\$246.9	\$68.8	3,015
Retirees	8.6	15.7	4.4	193
Visitors	6.4	11.9	3.1	137
Sub-total	\$149.6	\$274.5	\$76.3	3,345
Totals	\$798.9	\$1,561.7	\$490.3	16,612

Source: George Mason University and GMU Center for Regional Analysis.

Notes: (1) the total value of goods and services generated directly and indirectly as a result of direct spending; (2) the additional earnings generated within the Washington metropolitan area as a result of the direct outlays; (3) the additional new jobs supported nationwide by the spending and re-spending of direct outlays within the Washington metropolitan area economy.

Table 4

The Economic Impacts Generated by George Mason University's Direct
and Associated Outlays within the Commonwealth of Virginia, 2010
(dollars in millions)

Spending Sources	Direct Outlays	Total Output(1)	Personal Earnings(2)	Jobs Supported(3)
University \$s				
Payroll	\$324.6	\$633.6	\$171.8	6,265
Non-Payroll	2.6	5.7	1.9	59
Construction	141.5	310.8	94.7	2,571
Sub-total	\$468.7	\$950.1	\$268.4	8,895
Students	\$45.6	\$89.0	\$24.1	880
Retirees	7.4	14.4	3.9	143
Visitors	1.1	2.2	0.6	26
Sub-total	\$54.1	\$105.6	\$28.6	1,049
Totals	\$522.8	\$1,055.7	\$297.0	9,944

Source: George Mason University and GMU Center for Regional Analysis.

Notes: (1) the total value of goods and services generated directly and indirectly as a result of direct spending; (2) the additional earnings generated within the Commonwealth of Virginia as a result of the direct outlays; (3) the additional new jobs supported nationwide by the spending and re-spending of direct outlays within the Virginia economy.