

The Impact of Howard University on the District of Columbia Economy

Research Summary

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Howard University is a major source of economic activity within the District of Columbia. While Howard University impacts the District of Columbia 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 Howard University into the District of Columbia economy and calculates the total economic impacts of these flows that would not have occurred to the benefit of the District of Columbia in the absence of Howard University.

The spending flows reported here include Howard University's annual payroll and non-payroll expenditures, student spending, spending in the District of Columbia by out-of-town visitors and spending by retirees from Howard University who have continued to reside in the City. 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 District's workforce as a result of Howard University's presence in the District; the business attraction and interaction linked to the presence of Howard University and its faculty; the intellectual property generated at Howard University that contributes to the City's business base and competitiveness; the in-kind and voluntary services provided by Howard University and its staff and students to the betterment of the City; and there are many others. The operating outlays and capital spending by the Howard University Foundation also have been excluded from this analysis.

Research Findings

Howard University is an important source of economic activity within the District of Columbia, as employer, generator of personal income and business transactions, and as a source of direct and indirect spending that spans the breadth of the District of Columbia economy. In 2010 Howard University had a workforce totaling 6,934 full- and part-time employees (excluding students) of which approximately 28 percent (based on payroll disbursements) resided in the District of Columbia representing an annual payroll of \$103.8 million. Howard University also made an estimated \$94.5 million in non-payroll expenditures for goods and services to vendors and contractors located within the District. Additionally, Howard University undertakes capital projects that employ DC-based contractors and workers who reside in the City (data for these outlays in 2010 are not available). Combined, payroll and non-payroll in 2010 within the District of Columbia totaled \$198.3 million.

This direct spending was complemented by the spending of Howard's students in the City, the spending of retirees from Howard University residing in the City and by the spending in the City by non-local visitors to Howard University. This

spending—\$ 44.1 million—and combined with the direct outlays made by Howard University totaled \$242.4 million in 2010.

The total economic impact of this combined \$242.4 million in direct outlays on the City's economy, that is, the total contribution of this spending to the District of Columbia's gross city product (GCP), was 342.3 million in 2010. This direct spending supported a total of 1,198 non-university jobs of which 773 or 65 percent are estimated to have been held by District residents generating an additional \$42.5 million in new personal earnings for DC-resident workers.

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

- Howard University employed 6,934 full- and part-time workers in 2010 with 28.1 percent of these job holders estimated to be residing within the City;
- Payroll outlays by Howard University to its employees residing in the District of Columbia totaled \$103.8 million in 2010;
- Howard University's non-payroll outlays for the annual operations totaled an estimated \$369.3 million in 2010 with \$94.5 or 26.4 percent of these purchases being made from vendors located in the District of Columbia;
- Student enrollment during the 2009-2010 academic year, inclusive of summer programs, averaged 8,288 on a 12-month basis; annual student spending in the District of Columbia is estimated to total \$39.6 million in 2010;
- In 2010 it is estimated that 16,410 out-of-town visitors (not residing within the metropolitan area) were attracted to the Howard University campus spending an estimated \$717,609 on lodging, meals and other retail services in the City while on their visiting;
- The 750 retirees of Howard University living in the City are estimated to have spent \$3.375 million in 2010; and,
- The combined direct spending benefits accruing to the District of Columbia from Howard University (university spending and the spending of its students, visitors and retirees) totaled \$242.4 million in 2010 and contributed a total of \$342.3 million to the City's gross city product reflecting an aggregate multiplier of 1.4127, generated net personal earnings to the benefit of DC-resident workers totaling \$42.5 million, and supported a total of 1,198 non-university jobs with an estimated 733 or two-thirds of these jobs being held by DC residents.

Higher education is one of the District of Columbia's major growth sectors upon which its future economic vitality will depend. Howard University has been shown to be a major employer of City residents, supporting directly or indirectly a total of 2,681 jobs held by city residents (1,948 university workers and 733 workers employed by university vendors or generated by student, visitor, retiree and university employee spending in DC). These jobs in the District of Columbia generated direct and indirect personal earnings totaling \$146.3 million to the benefit of workers residing in the City (university payroll and personal earnings of other workers holding indirect or induced jobs). Howard University also made direct business expenditures to the benefit of City-based firms totaling \$94.5 million and local purchases by students, visitors and retirees totaling \$44.1 million. This spending and the earnings (and spending) of Howard University employees living in the City represent a major source of local tax revenues. The economic impacts reported here confirm that beyond its national and international reputation as a major academic institution, Howard University is also an important and continuing local force in the City's economy as an employer and source of income for City residents and businesses.

Table 1

Profile of the Howard University, 2010

Metrics	Number/Value
Number of Full and Part-Time Employees	6,934
Full-time	4,632
Part-time	2,302
Number of Employees Residing in	
District of Columbia	1,948
Maryland	4,251
Virginia	652
Other	83
Total	6,934
Total Payroll Outlays to DC residents	\$103,766,837
Total Non-Payroll Outlays to DC Firms	\$94,516,741
Total Capital Outlays to DC Vendors	not available
Total University Outlays in The District	\$198,283,578
Total Average Annual (12-month) Enrollment	8,288
Percent Undergraduate	n.a.
Percent Graduate Students	n.a.
Number of Retirees Residing in the District	750
Non-Local Visitors To Campus	16,410

Sources: Howard University, GMU Center for Regional Analysis

Table 2

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

Source	DC	Maryland	Virginia	Other
Payroll	28.1	61.3	9.4	1.2
Non-Payroll	26.4	13.6	12.9	47.1

Sources: Howard University, GMU Center for Regional Analysis.

Table 3

The Economic Impacts Generated by Howard University's Direct
and Associated Outlays in the District of Columbia, 2010
(dollars in millions)

Spending Sources	Direct Outlays	Total Output(1)	Personal Earnings(2)	Jobs Supported(3)
University \$s				
Payroll	\$103.8	\$147.0	\$18.2	537
Non-Payroll	94.5	133.8	16.6	488
Sub-total	\$198.3	\$280.8	\$34.8	1,025
Students	\$39.6	\$55.6	\$7.0	156
Retirees	3.8	5.0	0.6	13
Visitors*	0.7	0.9	0.1	4
Sub-total	\$44.1	\$61.5	\$7.7	173
Totals	\$242.4	\$342.3	\$42.5	1,198

Source: Howard 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 District of Columbia 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 District of Columbia economy.

*does not include Hospital patient or visitor spending

