

The Current Economic Benefits of  
The University of Texas Health Science  
Center at Tyler and  
UT Health East Texas and the Future  
Benefits of a Medical School and  
Expanded Residency Program

# Overview

- Through their joint mission of providing top-quality health care and training for medical professionals, The University of Texas Health Science Center at Tyler (UTHSCT) and UT Health East Texas (UTHET) generate a substantial increase in business activity and benefit the entire region in multiple ways.
- The Perryman Group (TPG) measured
  - Current economic and fiscal benefits of UTHSCT and UTHET
  - Future medical school and expanded residency program benefits

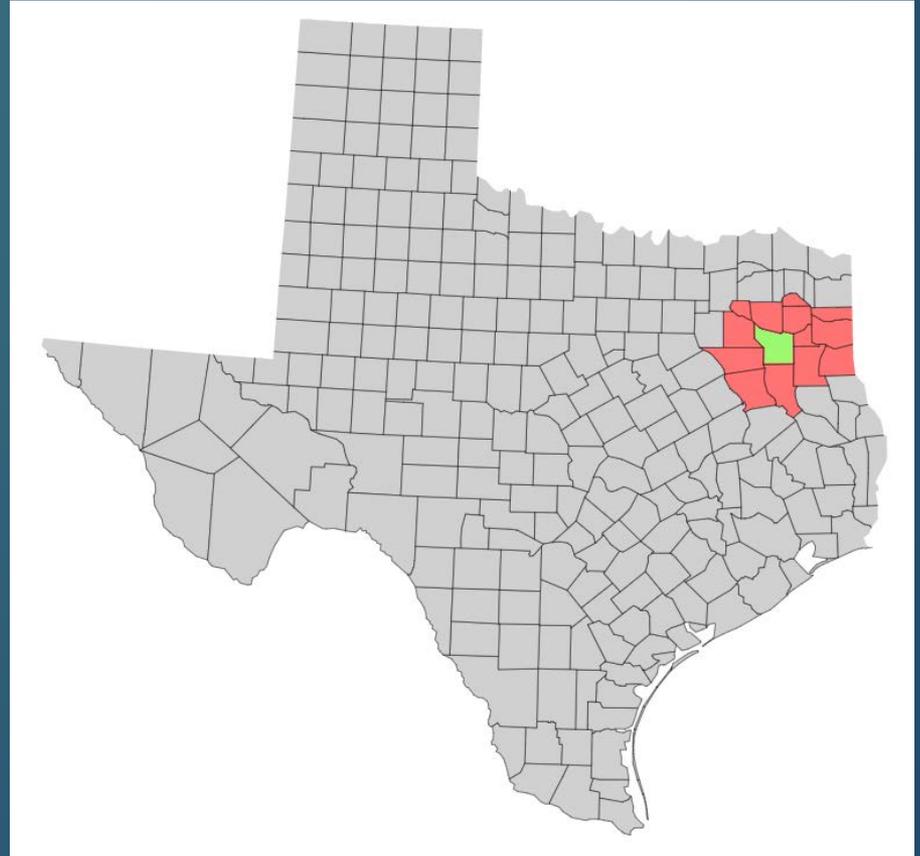
# Measuring Economic Impacts

- Any economic stimulus, whether positive or negative, generates multiplier effects throughout the economy.
  - The Perryman Group’s input-output assessment system, the US Multi-Regional Impact Assessment System, was developed by the firm about 40 years ago and has been consistently maintained and updated since that time. The model has been used in hundreds of analyses for clients ranging from major corporations to government agencies and has been peer reviewed on multiple occasions.
  - The impact system uses a variety of data (from surveys, industry information, and other sources) to describe the various goods and services (known as resources or inputs) required to produce another good/service. This process allows for estimation of total economic impacts (including multiplier effects).
  - The models used in the current analysis reflect the specific industrial composition and characteristics of each of the study areas.

# Study Areas

- Tyler Metropolitan Statistical Area  
(Smith County)
- East Texas Region  
(Anderson, Camp, Cherokee, Gregg, Harrison, Henderson, Marion, Panola, Rains, Rusk, Smith, Upshur, Van Zandt, and Wood counties)
- Texas

*Results for each geographic area include those within smaller study areas.*



# Current Benefits

# Sources of Direct Stimulus

- UTHSCT
  - almost 1,200 well-paying jobs
  - operational spending
  - out-of-area student spending
  - out-of-area patient spending
- UTHET
  - over 6,000 employees
  - operation of multiple hospitals and numerous clinics across the East Texas Region
  - out-of-area patient spending

# Total Current Impact

The Total Annual Impact of Operations, Student Spending, and Out-of-Area Patient Spending Associated with UTHSCT and UTHET Including Multiplier Effects

	Tyler MSA	East Texas Region	Texas
<b>Total Expenditures</b> (Millions of 2019 Dollars)	\$2,084.106 m	\$2,970.693 m	\$3,313.035 m
<b>Gross Product</b> (Millions of 2019 Dollars)	\$1,112.904 m	\$1,520.504 m	\$1,691.263 m
<b>Personal Income</b> (Millions of 2019 Dollars)	\$774.497 m	\$1,055.008 m	\$1,158.329 m
<b>Employment</b> (Jobs)	13,628	18,408	19,820

Note: Results for each geographic area include effects within smaller study areas.

Source: US Multi-Regional Impact Assessment System, The Perryman Group

# Additional Benefits

- **Graduates and residents** who remain in the area
- **Construction projects** for medical education planned for the Tyler area, including a Graduate Medical Education & Resident Teaching Facility at the UT Health Science Center at Tyler and an Advanced Nursing & Health Sciences Complex at UT Tyler
- **Research** jobs, operational spending, and spinoff benefits such as commercialization of discoveries and royalties

# Fiscal Benefits

- Business activity generates tax revenue. The economic stimulus associated with operations and out-of-area student and visitor spending at UTHSCT and UTHET leads to a notable increase in tax receipts to the State and local government entities including cities, counties, schools, and special districts
  - UT Health Science Center at Tyler **annual** fiscal benefits:
    - \$15.0 million to the State,
    - \$12.1 million to local governments in the Tyler area,
    - \$12.6 million to local governments East Texas Region, and
    - \$13.6 million to local governments across the state
  - UT Health East Texas **annual** fiscal benefits:
    - \$67.9 million to the State,
    - \$46.1 million to local entities in the Tyler area,
    - \$67.4 million to local government entities in the East Texas Region, and
    - \$73.1 million to local entities across the state
  - Planned construction projects at these entities generate millions more to the State and local governments during the construction period

# Future Benefits

# Medical School and Residency Program

- Approval has recently been given for
  - a medical school and
  - an expansion of the residency program associated with UTHSCT by more than 200 new positions, a significant gain from current levels
- This expansion will generate economic benefits through construction, ongoing operations, and additional graduates remaining in the area

# Medical School and Residency Program Benefits

## The Total Annual Impact of an Expanded Residency Program and Medical School at UTHSCT Including Multiplier Effects

	Tyler MSA	East Texas Region	Texas
<b>Total Expenditures</b> (Millions of 2019 Dollars)	\$499.174 m	\$544.615 m	\$597.361 m
<b>Gross Product</b> (Millions of 2019 Dollars)	\$265.530 m	\$279.714 m	\$305.478 m
<b>Personal Income</b> (Millions of 2019 Dollars)	\$180.091 m	\$189.034 m	\$204.128 m
<b>Employment</b> (Jobs)	3,093	3,214	3,429

Note: Includes effects of operations and student spending. Results for each geographic area include effects within smaller study areas.

Source: US Multi-Regional Impact Assessment System, The Perryman Group

# Conclusion

- The health care and medical education provided by the UT Health Science Center at Tyler and UT Health East Texas improve the lives of tens of thousands of individuals. These facilities also generate substantial economic benefits.
- The Perryman Group estimates that the total increase in business activity from operations and student and out-of-area patient spending associated with UTHSCT and UTHET (including multiplier effects) includes
  - more than \$1.1 billion in annual gross product and 13,628 jobs in Tyler,
  - over \$1.5 billion in gross product each year and 18,408 jobs in the East Texas Region (including effects within the Tyler MSA), and
  - almost \$1.7 billion in annual gross product and 19,820 jobs in Texas (including effects within the East Texas Region).
- Graduates and residents and research-related benefits further enhance the economic impact of these facilities, and potentially expanding the residency program and adding a graduate medical school involve additional notable positive effects for the economy.

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