



Economist James V. Koch, PhD, talks with reporters and local economic development officials about his study of EVMS.

## REPORT: EVMS AMONG REGION'S *most powerful* ECONOMIC ENGINES

During a time of economic uncertainty, EVMS has bucked the trend and grown into one of the region's most powerful economic engines.

Since 2007, the school's annual economic impact has grown nearly three times as rapidly as the region's economy, surging 18 percent to \$823.6 million, according to a study conducted by leading regional economist James V. Koch, PhD. EVMS is now the 20th largest private-sector employer in Hampton Roads.

"EVMS has become one of the region's most reliable and important sources of economic growth," Dr. Koch wrote in his report, released Feb. 14.

The economic impact represents another measure of the value of the school's educational, research and clinical operations, says EVMS President Harry T. Lester.

"Our focus has always been on doing what's best for the people of this region. It's wonderful to know that our efforts have had such a profound impact on the local economy," President Lester says. "Hampton Roads is a healthier community — both physically and financially — because of EVMS." EVMS commissioned Dr. Koch, a highly respected economist and former university president, to take a comprehensive look at the school's fiscal impact from spending by the school, its employees and alumni, to a value assessment of research and charitable care undertaken by faculty and students.

EVMS alumni alone represent an important part of the school's economic influence. The approximately 950 medical and health professions graduates who reside in the region's largest cities combine for an economic impact of \$222 million annually. Then there are the faculty, many of whom also see patients, who are drawn to EVMS.

"The presence of EVMS continues to attract highly qualified medical personnel that provide a menu of high-quality medical care that otherwise would be beyond our regional grasp," Dr. Koch contends.

With 1,379 employees, EVMS ranked 20th among non-governmental employers in Hampton Roads in 2010. That translates into \$109 million in salaries and wages and another \$21 million in fringe benefits.

When these employees are taken together with students, residents and alumni, they generate an estimated \$25 million in sales tax revenue and support 3,752 "spin-off" jobs that are a direct result of their combined buying power. As a not-for-profit institution dedicated to the community, EVMS provides large amounts of charitable service and care to those unable to pay.

In 2011, the estimated value of the uncompensated health services provided by EVMS clinicians exceeded \$51 million. That does not include another \$2.8 million in estimated public service ventures, such as counseling, vaccinations and preventive care provided annually to 100,000

youths and 7,500 parents and teachers. Dr. Koch describes EVMS as "a good citizen in a fashion rarely matched in Hampton Roads." As he did in his 2007 study, Dr. Koch explored the consequences if EVMS did not exist. He predicts that scenario would cost the region \$220 million and would force 98,000 patients to travel outside Hampton Roads in search of appropriate medical care.

Without EVMS, Dr. Koch writes, the quality of care would decline because many providers would be missing, and the region would have to do without the medical advances that spring from EVMS research labs.

Also missing would be the 23 percent of local physicians who have graduated from EVMS. That would come at a time when a national shortage of 150,000 physicians is expected by 2025.

"The absence of EVMS would transform this shortage into disaster proportions in Hampton Roads," Dr. Koch wrote.

Then there are the other benefits that EVMS brings that are difficult to quantify.

"EVMS is a caring organization dedicated to doing good deeds and improving the human condition," Dr. Koch concludes.

"When EVMS restores faith, reduces pain, makes individuals more productive and, yes, saves lives, indisputably this has a positive impact not only on the affected individuals but also on the entire region."