

SOUTHWESTERN NEWS

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UT SOUTHWESTERN LEADS UT SYSTEM IN LEVERAGING STATE REVENUES TO PROMOTE ECONOMIC DEVELOPMENT

DALLAS — January 6, 1995 — UT Southwestern Medical Center at Dallas leads The University of Texas System's 15 institutions in leveraging its state revenues, a newly completed statewide economic impact study shows.

With \$72 million in state general revenue appropriations in 1994, UT Southwestern produced \$402 million in increased economic activity that was generated by funds attracted from out-of-state sources, more than \$5.50 in added economic benefit to Texas for every state tax dollar received. The "imported" revenues came from federal and private research grants, private philanthropy and out-of-state students.

According to the report, commissioned by the UT System and conducted by the Bureau of Business Research at UT Austin, UT Southwestern's leverage ratio is by far the highest in the System. Second-ranking UT Austin had a leverage ratio of 3.9-1.

Among the UT System's six medical institutions, UT Southwestern's leverage ratio is more than double that of its closest counterpart. Reported leverage ratios of increased economic activity to state tax revenue for the six medical institutions in the UT System were: UT Southwestern, 5.58-1; UT Health Science Center at San Antonio, 2.41-1; UT Health Science Center at Houston, 1.86-1; UT M.D. Anderson Cancer Center, 1.42-1; UT Medical Branch at Galveston, 0.67-1; and UT Health Center at Tyler, 0.29-1.

UT Southwestern also leads the UT System medical institutions in total dollars brought into the state — \$130.1 million from research grants and \$7.3 million from expenditures by out-of-state students in 1994. The economic impact of this influx of funds generated by UT Southwestern is estimated to be \$402.5 million in total Texas business activity per year. Personal income generated by this business activity totals \$260.3 million annually, the study reported.

Overall, UT Southwestern is responsible directly and indirectly for an

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annual level of business activity in Texas amounting to nearly \$1.3 billion, 11,767 jobs and \$763.8 million in personal income, according to the UT System report.

"When corrected for inflation, state funding has decreased since 1985," said Dr. Kern Wildenthal, UT Southwestern president. "In 1994 state appropriations and student tuition fees accounted for only 19 percent of UT Southwestern's total budget, and only 5 percent of our research funding comes from state revenues. Yet we have been able to do more with less because we treat each state tax dollar as an investment."

The economic impact of the universities in the UT System goes far beyond the dollar value of their annual expenditures, the UT System report also pointed out. Education increases the productivity and income-earning potential of those who receive it, and the education of physicians, medical scientists and allied health professionals also improves and protects the productivity of many others: the people they treat and those helped by their research.

UT Southwestern faculty and residents annually provide inpatient hospital care to approximately 63,000 people and oversee more than 1.2 million outpatient visits. They provide more than \$145 million annually in unreimbursed professional services in Dallas and surrounding counties and deliver more than 15,000 babies at Parkland Memorial Hospital each year. UT Southwestern-affiliated residency programs produce more family-practice physicians than any other training program in the state.

Through its Clinical Referral Network, UT Southwestern also makes the expertise of its faculty physicians in dozens of medical specialties and subspecialties available to primary-care physicians throughout Texas and the United States.

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