

# Executive summary (2017)

Universities, as large organizations that are anchored in their communities, can potentially have significant economic and social impacts on the immediate community, the region, and even the state. Virginia Commonwealth University's economic impact on the Richmond region is significant. Within the metropolitan statistical area (Richmond MSA), VCU's spending on operations, maintenance and capital investment, and the spending of its employees, students and visitors generates:

- Total economic impact of \$4 billion
- 47,000 jobs
- A total Richmond regional multiplier of 3.7 — for every dollar that VCU spends in the metropolitan area, the region experiences a total economic impact of \$3.70.

VCU's impact on the economy of the commonwealth of Virginia is also significant. VCU's spending within the commonwealth generates:

- Total economic impact of \$5.9 billion
- 63,000 jobs
- A total commonwealth of Virginia multiplier of 3.2 — for every dollar that VCU spends in the state, the commonwealth experiences a total economic impact of \$3.20.

How is this impact achieved? As VCU and its employees, students and visitors spend money purchasing needed supplies, food and services, etc., the businesses that supply these goods and services must, in turn, purchase supplies and employ workers who, in turn, use their money to purchase goods and services. The size of the multiplier reflects the extent to which the dollars circulate in the economy.

But VCU's impact in the region and commonwealth extends well beyond what is captured in the numbers. Through descriptive data, as well as focus groups and interviews with businesses, government agencies, nonprofits and other regional stakeholders, we identified VCU's contributions in key areas that shape economic impact and the overall quality of life. These are:

- Talent: VCU produces graduates whose skills meet the needs of area businesses and other organizations. As one business leader stated in a focus group, "VCU is the leader in the region's talent pipeline."

- Within the Richmond metropolitan area, 67,000 VCU alumni live and work. Their degrees and skills lead to increases in the average wage, which enhances the economy overall.
- Businesses, nonprofits and government agencies alike seek the cutting-edge solutions that VCU faculty research creates.
- *Innovation and the entrepreneurial ecosystem:* VCU is a leader in innovation and creativity, with a profound impact on the economy that reverberates across the region, the state, the nation and the globe.
  - For example, Venture Creation University is a universitywide initiative focused on nurturing and guiding the entrepreneurial and innovative mindset in students. It offers students a broad array of programs and classes that expose them to this entrepreneurial mindset and culture. These include Vertically Integrated Projects (VIPs), housed in the School of Engineering, which provide undergraduate students the opportunity to participate in multiyear, multidisciplinary, team-based projects guided by faculty and graduate students.
  - The result of programs like these is that 51 percent of students are interested in entrepreneurship, and 30 percent of students want to start a company.
  - VCU Innovation Gateway facilitates the commercialization of both faculty and student research, supports university research through collaborative agreements and supports the creation of new business ventures.
  - To increase the impact of its entrepreneurship work and strengthen the regional entrepreneurial ecosystem in general, VCU engages in numerous partnerships, including those with the Virginia Biotechnology Research Park, Dominion Resources Innovation Center and Lighthouse Labs.
- *Regional stewardship:* VCU shows that it cares about the Richmond region by exercising leadership to address challenges and move forward. Its regional stewardship takes many forms, most of which can be grouped under the headings of community developer, convener, thought leader and moral leader.
  - *Community developer.* As a major property developer, VCU has helped to revitalize the neighborhoods surrounding its Monroe Park Campus in addition to downtown Richmond, in general. At the same time, the university is very conscious of its obligation to be a good neighbor, respecting the character of surrounding communities and sharing its resources. For example, residents of the Carver neighborhood may use VCU recreational sports facilities at no cost.

- *Convener:* VCU uses its regional footprint to help break down boundaries between local governments and other organizations to advance important regional goals. As focus group a participant put it, “VCU is able to take the politics out of some things.” For example, VCU recently helped to create the Metro Richmond Exports Initiative, which covers 19 independent political jurisdictions.
- *Thought leader:* VCU attracts more than \$200 million each year in sponsored research that powers innovative thinking on society’s toughest challenges. One local business owner stated, “The thought leaders in their fields are at VCU.”
- *Moral leader:* VCU takes principled stands and follows up with action. For example, the VCU Office of Multicultural Student Affairs plays an integral role in reducing cultural barriers through various events and projects. Also, VCU recently allocated \$28 million to develop the Children’s Hospital Foundation Heart Center. In 2015, U.S. News & World Report named VCU’s children’s hospital one of the best in the United States for the third year in a row.
- *Local culture:* VCU influences the local culture, the milieu of Richmond, creating both businesses that supply products and services, and a market that purchases distinctive products and services.
  - Many VCU students and alumni become entrepreneurs, creating businesses that help make Richmond not only an attractive place to visit, but also an attractive place to live after graduation.
  - VCU students, alumni and staff create a market that supports creative art, music, food, artisan products and sports.
  - VCU embraces diversity in its student body, faculty and staff, which has had lasting effects on the Richmond region. As one focus group participant expressed it:
    - “I think VCU has added to the diversity of Richmond. We had black and white issues and rich and poor. It needs a lot of work still, but with VCU’s students and openness and being more accepting, black and white and gender equality and diversity is there.”

The identities and the fates of VCU and of Richmond are inextricably linked. The city provides a supportive home to the university, and VCU, in turn, produces tremendous economic value and contributes in every conceivable way to the betterment and enhancement of the community.