

2022 AAMC Economic Impact Report Key Messages

Background:

The AAMC commissioned RTI International to conduct a study on the economic impact of the AAMC's 155 member medical schools and 400 teaching hospitals and health systems in 47 states, the District of Columbia, and Puerto Rico. This report presents the results of that study, which are based on data from the 154 medical schools and 258 teaching hospitals that met the criteria for the study.

Because the most recent data available was collected in 2019, the impact of COVID-19 on member institutions is not reflected in this report. While it is too early to accurately predict the specific economic impacts the COVID-19 pandemic had and continues to have on AAMC-member institutions and their communities, there are several data points that we will undoubtedly examine in future iterations of this AAMC report.

Primary Message:

The report, "Economic Impact of AAMC Medical Schools and Teaching Hospitals," found that the economic impact of AAMC member medical schools and teaching hospitals in 2019 represents about 3.2% of U.S. GDP and supports more than 7.1 million jobs nationwide. These institutions contributed more than \$728 billion to the U.S. economy, a figure that equates to roughly \$2,218 in economic impact per person.

Supporting Messages:

- a. **New analysis shows that medical schools and teaching hospitals are vital economic engines at the local, state, and national levels – generating jobs, paying wages, and supporting business and community development opportunities and collaborations.**
 - In addition to their economic impact, medical schools and teaching hospitals are important contributors to their communities, playing a crucial role in educating tomorrow's doctors and scientists, providing cutting-edge patient care, conducting groundbreaking research, and collaborating with their communities to improve health for patients and families.
- b. **In 2019, AAMC-member institutions added more than \$728 billion in value to the nation's economy, which represents about 3.2% of the U.S. GDP.**
 - These figures equate to roughly \$2,218 in economic impact per person in the U.S.
 - Medical schools and teaching hospitals are some of the largest employers in their communities. Their economic impact is comparable to that of other large sectors, such as transportation and warehousing, and food services industries.
 - Medical schools and teaching hospitals have sizable secondary economic and social impacts on their communities. These indirect impacts include the

economic value added when a medical school or teaching hospital buys equipment, services, or supplies, or when employees of one of these institutions spend their wages at clothing stores, movie theaters, or other local businesses, generating even more indirect impacts. Indirect and induced effects are considered secondary effects.

- Direct effects include money spent to run the institutions (such as staffing). An example of direct value added would be what U.S. medical schools and teaching hospitals represented by the AAMC spend to conduct their research, education, and patient care missions. This would include medical or lab supplies.
- For more detailed descriptions, visit the [report's main site](#) and click on the “Definitions and Sources” tab of the report.

c. The education, research, patient care, and community partnerships at U.S. medical schools and teaching hospitals represented by the AAMC in 2019 supported 4.4% of the U.S. workforce, totaling more than 7.1 million jobs across multiple industries nationwide.

- The wages, salaries, and benefits earned by these workers totaled \$488 billion, or an average of \$68,578 per job.

d. Medical research conducted at medical schools and teaching hospitals was responsible for 348,000 jobs and added \$33 billion to local economies in 2019.

- The jobs created by this research generated \$21 billion in salaries, wages, and benefits.
- Every dollar granted to AAMC teaching hospitals and medical centers for research contributes \$1.60 to the U.S. economy.
- Medical research serves as a beacon of hope for those who suffer from illnesses, and medical schools and teaching hospitals are crucial to the nation’s research enterprise to making scientific discoveries and medical breakthroughs.
 - Medical schools and teaching hospitals are a critical component of healthy communities and thriving economies, and their role is unparalleled in educating future doctors, scientists, and health care professionals and improving the health of patients and communities.
 - These new data underscore the important role these institutions play in driving our economy at the local, state, and national levels—providing jobs, paying wages, and supporting business and community development opportunities.
 - The profound research implications coming out of our member institutions is extraordinary, and results in lives saved, better health, economic growth, stronger local and regional economies, and U.S. global leadership in science and technology.