From Recovery to Renewal

THE ECONOMIC IMPACT OF TULANE UNIVERSITY
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As one of New Orleans’s oldest institutions – its largest private employer – and its leading center of education and research, Tulane University has long had a major impact on the city’s economy, and that of the surrounding region. This report assesses the University’s impact on the economy of New Orleans, the Greater New Orleans area and Louisiana – both as a major enterprise in its own right and through its mission of education, research, health care, business development and civic engagement.

A major regional enterprise

- With 5,173 employees (excluding students) in the fall of 2008 – 52 percent of whom live in New Orleans – Tulane is the largest private employer in the city, and one of the largest in the Greater New Orleans area.

- The average salary for full-time, full-year employees at Tulane in fiscal year 2008 was $60,600 – 22 percent greater than the average for all full-time, full-year workers in New Orleans, and 38 percent greater than the average for Greater New Orleans.

- In addition to those who are directly employed by the University, Tulane Medical Center in 2009 employed 1,764; the Medical Center is also one of the city’s largest private employers.

- Tulane University spent $75.8 million during fiscal year 2008 on the purchase of goods and services from Louisiana companies, including $49.8 million paid to companies located in New Orleans. This spending directly supported more than 800 full-time-equivalent (FTE) jobs with companies throughout Louisiana, including more than 350 FTE jobs in New Orleans.

- Between fiscal years 2004 and 2008, Tulane invested a total of $390.5 million in construction and renovation of University facilities – including $200 million spent restoring the campus after Hurricane Katrina. During fiscal year 2008, Tulane’s investments in construction and renovation directly supported 450 FTE jobs with Louisiana contractors.

- In 2008, Tulane’s payroll of $262 million generated $9.9 million in Louisiana state income taxes. The University also paid more than $9 million in fees (for water and sewer services, building permits, etc.) to state and local governments.

- We estimate that off-campus spending by students who came to Tulane from outside of the City of New Orleans totaled $84.2 million during the 2008 academic year; and that this spending directly supported approximately 916 FTE jobs throughout New Orleans.

- We estimate that off-campus spending by visitors to Tulane from outside of New Orleans totaled approximately $68.8 million; and that this spending directly supported about 700 full-time-equivalent jobs within the city.

- Combining the impact of spending by the University, its students and visitors, and taking into account the multiplier effect of this combined spending, we estimate that in fiscal year 2008, Tulane accounted for:
• Approximately $694.6 million in economic activity and more than 8,300 FTE jobs in New Orleans; and
• Approximately $920 million in economic activity and nearly 10,600 FTE jobs throughout Louisiana (including New Orleans).

Developing human capital

• In the fall of 2008, a total of 11,157 students were enrolled at Tulane University, including 6,749 undergraduate students and 4,408 graduate and professional students. About 23 percent of all Tulane students are from New Orleans; and about 8 percent come to the University from elsewhere in Louisiana.

• Tulane offers its students opportunities for both undergraduate and graduate education in fields that are likely to be critical to the future of the city’s, the region’s and the state’s economy, with specializations in areas such as bioengineering, neuroscience, energy, and international business.

• Tulane’s School of Continuing Studies provides extensive opportunities for working adults and other non-traditional students in New Orleans and the surrounding area to earn degrees or to complete post-baccalaureate certificates in fields such as information technology, digital design, journalism and homeland security. In the fall of 2008, 1,480 students were enrolled in the School’s programs.

• As of 2009, approximately 24 percent of all Tulane alumni are Louisiana residents, including about 16 percent who are residents of New Orleans. The percentage of Tulane graduates living in the city has increased during the past decade.

• Based on data from the Census Bureau’s 2007 American Community Survey we estimate that approximately 30 percent of all New Orleans residents who have associate, bachelor’s or higher degrees are graduates of Tulane.

The impact of Tulane’s research

• In fiscal year 2008, research spending at Tulane totaled $146.1 million – an increase of 76 percent since 2002. From 2002 through 2008, research spending at Tulane grew by an average of 9.9 percent annually.

• Federal funding accounted for approximately 88 percent of Tulane’s research spending in fiscal year 2008; and other sources outside Louisiana for 7 percent. With so much of its funding derived from external sources – and with most of those funds spent locally – Tulane’s research spending has a particularly powerful effect on the region’s economy.

• Tulane’s research enterprise is particularly strong in several areas that could in the future contribute to the growth of the region’s economy, and the well-being of its people, including biomedical, environmental, energy and business research.
Partnerships with other Louisiana institutions help Tulane increase the impact of its research activities on the state’s economy. Notable examples of such partnerships include three state-funded research consortia:

- The Louisiana Cancer Research Consortium;
- The Louisiana Gene Therapy Research Center; and
- The Louisiana Clean Power and Energy Research Consortium.

Both undergraduate and graduate students at Tulane have the opportunity to participate in University research – either as members of faculty-led research teams or by initiating their own research projects. Involvement in research projects not only enriches students’ educational experiences; it helps them acquire skills and knowledge that can be useful in whatever careers they choose to pursue.

**Addressing health needs in the New Orleans area**

- Tulane University traces its origins back to 1834, and the efforts of several local doctors to protect New Orleans residents from the ravages of malaria and yellow fever; and today the University continues to help meet the health needs of the region’s residents.

- The Tulane School of Medicine is a leading educator of the region’s physician workforce. Of the 2,430 licensed MD’s practicing in New Orleans in October 2009, 380 (or 15.6 percent) were graduates of the School of Medicine.

- Faculty members at the School of Medicine are also deeply involved in providing health services to area residents – primarily through the University’s faculty practice plan. In fiscal year 2008, the plan generated more than $49 million in revenues, as its members treated more than 64,000 hospital inpatients and handled more than 109,000 clinic visits.

- Tulane’s graduate medical education program also brings talented physicians to New Orleans. In 2008, 363 Tulane residents and fellows worked in New Orleans-area hospitals, including Tulane Medical Center and University Hospital.

- Tulane Medical Center was originally created to serve as a teaching hospital for the Tulane School of Medicine. Although the University sold a majority stake in the Medical Center to HCA in 1995, it remains a part-owner and an active partner in the hospital’s operations. With 1,764 employees as of August 2009, the Medical Center is itself one of the city’s largest employers, a provider of high-quality medical care for the city’s residents – and a major contributor to the city’s role as a center for the delivery of health services to residents of the surrounding region and beyond.
Tulane’s role in the city’s recovery after Katrina

- By reopening in January 2006, Tulane put thousands of people back to work, and brought thousands of students back to New Orleans. Perhaps just as important, Tulane’s reopening was a sign of confidence in the City’s future. Since then, Tulane has been actively engaged in a wide range of efforts to help New Orleans recover from the impact of Hurricane Katrina.

- The Cowen Institute for Public Education Initiatives is an active participant in efforts to strengthen the city’s public schools. Its work includes applied research on what makes schools effective; advocating public policies aimed at strengthening the city’s schools; and programs that help high school students prepare for and succeed in college.

- The Tulane School of Medicine has been deeply involved in efforts to improve access to (and the quality of) health care in New Orleans. The School is partnering with other institutions and community organizations to develop new health centers in New Orleans East, Treme and Gentilly; and has been a partner in the expansion of school-based health services.

- Through the Tulane City Center, the School of Architecture has been engaged in designing and building new, more sustainable housing prototypes in several neighborhoods, and in the development of new neighborhood facilities.

- The University’s Renewal Plan, adopted in the fall of 2006, established a new public service requirement for undergraduate students, overseen by the new, university-wide Center for Public Service. The program has led to a significant increase in the number of students engaged in service learning and volunteer community service programs in the New Orleans area.

Building a more entrepreneurial economy

- During the past few years, New Orleans has benefited from the emergence of a still-small but growing cluster of highly innovative, entrepreneurial businesses. The continued growth of this sector is likely to be critical to the city’s and the region’s efforts to move beyond its traditional economic base, and create a new foundation for economic growth.

- Tulane is contributing to this process in several ways:
  - Through programs aimed at developing the next generation of entrepreneurs;
  - Through technology transfer – the use of new technologies first developed at Tulane to create new products, businesses and services;
  - Through partnerships with other institutions aimed at promoting commercial applications of university technologies, such as the New Orleans Bioinnovation Center; and
  - Through the involvement of Tulane alumni, students and faculty in the creation and growth of new businesses.
Tulane and the future of the New Orleans economy

During the next five to ten years, Tulane University’s impact on the economy of the city and the region could be even greater than it has been in the recent past. This is so for several reasons.

- As the University returns during the next two years to pre-Katrina enrollment levels, the New Orleans area will benefit from increased student spending, a growing number of students engaged in various types of public service, and an increase in the pool of talented students who might choose to stay in the city after graduation.

- As it has been for the past ten years, research at Tulane is likely to remain a growth enterprise – bringing federal funds and other external funding into the region, and creating new knowledge that will help drive future economic growth.

- Over time, the impact of Tulane’s renewed commitment to public service is likely to increase. Improving the city’s public schools, for example, will over time enhance the skills of its workforce, and make New Orleans a more attractive place to invest. Similarly, expanding community-based health care will make New Orleans neighborhoods more attractive places to live, work and invest.

- A growing emphasis on entrepreneurship at Tulane is likely to lead to an increase in the number of students, faculty members and graduates who get involved in the creation and growth of new ventures, both for-profit and non-profit, that can help build a new entrepreneurial economy in the region.

- As noted in Part Three, the number of Tulane graduates who are staying in New Orleans appears to have increased during the past decade. This could in part reflect an increase in the number of students who are developing stronger ties to the city during their time at Tulane – for example, as a result of their engagement in community service work – or who are choosing to start their careers here – for example, because they see New Orleans as an increasingly attractive place to start a business.

The concentration of well-educated young workers, innovators and entrepreneurs is perhaps the single most important factor in determining whether cities and regions falter or flourish economically. By creating an environment on-campus and building relationships off-campus that encourage students to stay in the New Orleans area after they graduate, Tulane is making an important contribution to the future of the New Orleans economy.

In many ways, the process of recovery from Hurricane Katrina – at Tulane, in New Orleans and in the surrounding region – is not yet complete. But even as this work continues, it is clear that recovery will not by itself be enough to ensure a more prosperous future. Both New Orleans and the Greater New Orleans area need to build a stronger foundation for – and to develop new sources of – economic growth. Tulane – which in the weeks after Katrina had already begun to confront the need not just for recovery but for renewal – can be a valuable partner in that process.
Introduction

Tulane University is one of New Orleans’s oldest institutions – its largest private employer – and its leading center of education and research. As a result, the University has long had a major impact on the city’s economy, and that of the surrounding region. Moreover, in the years since Hurricane Katrina devastated New Orleans and several other parishes in the Greater New Orleans area, Tulane has had an even greater impact on the region’s economy. Tulane students, faculty and administrators have been deeply involved in the process of recovery, and in building a foundation for sustained economic growth.

In order to understand more clearly Tulane’s role in the changing economy of New Orleans and the Greater New Orleans area, the University asked Appleseed – a New York City-based consulting firm – to analyze the University’s impact, both as a major enterprise in its own right and through its mission of education, research, health care, business development and public service. This report presents the results of Appleseed’s analysis.

Organization of the report

Part One of the report provides a brief overview of Tulane University; and to provide a context for our analysis, briefly discusses the economy of New Orleans and the Greater New Orleans area. Part Two assesses the impact of the University as an enterprise – a major employer, a buyer of goods and services and sponsor of construction projects – and analyzes the indirect and induced (or “multiplier”) effects of spending by the University, its students and visitors.

Part Three of the report discusses how Tulane, as a leading educational institution, contributes to the development of New Orleans’s human capital. Part Four examines the impact of University research; and Part Five discusses Tulane’s role in the provision of health care to residents of the New Orleans area.

Part Six of the report discusses Tulane’s role in New Orleans’s recovery from the devastation wrought by Hurricane Katrina, focusing in particular on revitalization of the city’s public schools; improving access to health care; housing and neighborhood development; and increased student involvement in public services programs in the New Orleans area. Part Seven discusses the University’s contribution to the creation of new businesses and the development of a more entrepreneurial economy in the city and the surrounding area.

Finally, Part Eight briefly highlights several reasons why Tulane’s impact on the economy of New Orleans and the Greater New Orleans area is likely to be even greater in the future than it has been during the past few years.

Acknowledgments

This report could not have been completed without the active support and assistance of many people at Tulane. We would particularly like to thank President Scott Cowen, Michael Bernstein, Debbie Grant, Yvette Jones, Anthony Lorino, Doug Harrell, Anne P. Banos, Earl Retif, Benjamin Sachs, Laura Levy, Sharon Courtney, Collette Creppell, James MacLaren, Richard Marksbury, Kenneth Schwartz, Shannon Jones, Vincent Illustre, Prescott Deininger, Dr. Sue Ellen Abdalian, John Elstrott, Andrew Lackner, Dr. Karen DeSalvo, Rick Dickson, Jacob Maczuga, John Christie, Peter Ricchuiti, John Trapani, Stephanie Barksdale, Arianna Gamble, Sally Asher, Paula Burch-Celentano, Mike Aertker, and Jason Chretien. We would also like to thank Robert Lynch at the Tulane Medical Center, Barbara Carey at the Communication Institute, and Tim Williamson and Emily Mitchell at The Idea Village.
Tulane’s purpose is to create, communicate and conserve knowledge in order to enrich the capacity of individuals, organizations and communities to think, to learn and to act and lead with integrity and wisdom.

Tulane University Mission Statement
Part One

OVERVIEW AND CONTEXT

Tulane’s impact is best understood when seen in the broader context of the city’s and the region’s economy. This part of our report provides a brief overview of the University, describes the region’s economy, and discusses how it has changed in the years since Hurricane Katrina.

Tulane University – an overview

Tulane University traces its origins back to the Medical College of Louisiana, the Deep South’s second-oldest medical school. The Medical College was founded in 1834 by seven young doctors seeking to better understand and prevent yellow fever, cholera, smallpox and malaria – diseases that were rampant throughout New Orleans at the time. By 1847, the College became part of a newly established public institution, the University of Louisiana. After a $1 million endowment by Paul Tulane in 1884, Tulane once again became a private university, named after its benefactor.

Today, Tulane is one of the most highly-regarded private research universities in the United States. Its 6,750 undergraduate students and 4,400 graduate students can obtain bachelor’s, master’s and doctoral degrees through ten schools and colleges:

- School of Architecture
- A. B. Freeman School of Business
- Newcomb-Tulane College
- School of Continuing Studies
- School of Law
- School of Liberal Arts
- School of Medicine
- School of Public Health and Tropical Medicine
- School of Science and Engineering
- School of Social Work

Tulane’s operations are generally located on three campuses. The University’s main campus is located in the Uptown neighborhood of New Orleans on St. Charles Avenue. The Health Sciences Campus is located downtown New Orleans in the medical district. The third campus, the Tulane National Primate Research Center, is located in St. Tammany Parish along the north shore of Lake Pontchartrain.

The School of Continuing Studies offers courses at three locations – the Tulane Uptown campus in New Orleans, the Elmwood Campus in Harahan, Louisiana and the Mississippi Coast Campus in Biloxi, Mississippi.

Tulane is consistently ranked as one of the nation’s most respected universities. In 2010, *U.S. News and World Report* once again ranked Tulane among the top 50 national universities in the U.S. The A. B. Freeman School of Business is ranked fourth in the Top Graduate Entrepreneurial College Programs in 2009 by *Entrepreneur* magazine. *U.S. News and World Report* also ranks the School of Law 45th overall while the environmental law and the clinical training programs are ranked 11th and 24th respectively. Tulane was also rated one of the 25 “Hottest Schools in America” by Kaplan/*Newsweek* in 2008, an acknowledgement earlier received in 2002 as well.

From its origins as a medical school dedicated to better understanding and protecting the New Orleans citizenry from malaria and yellow fever to its status today as one of the leading private research institutions in the country, Tulane continues to connect learning and public service. As part of the Renewal Plan that the University adopted in the aftermath of Hurricane Katrina, Tulane introduced a public service requirement to be fulfilled by all students – providing real-world experience to students.
while lending skills to the local community. In other ways as well Tulane has since 2005 taken an active role in the recovery process, both in New Orleans and elsewhere in Louisiana.

**Tulane in context – New Orleans and the Greater New Orleans area**

Few cities or regions in the United States have faced the kind of challenges New Orleans and the Greater New Orleans area have faced in the wake of Hurricane Katrina. The extent of physical devastation throughout the city and the region was almost unprecedented. About 80 percent of New Orleans was flooded – in some areas to a depth of 15 feet.

In February 2006, FEMA reported that nearly 79,000 housing units – about 56 percent of the city’s housing stock – had been destroyed or severely damaged. (In several nearby parishes the devastation was even worse; in St. Bernard Parish, for example, 78 percent of all housing units were destroyed or severely damaged.) Energy and telecommunications systems were crippled – some parts of the region remained without electric power for weeks after the flood waters had receded. Roads, bridges, schools, hospitals and other public facilities were severely damaged as well.

The hurricane and its aftermath left several parts of New Orleans (and parts of several other parishes) nearly uninhabitable. Between mid-2005 and mid-2006, the city’s population fell from 455,000 to 210,000 – a loss of 54 percent.

The city’s economy was severely disrupted as well. Between 2004 and 2006, payroll employment in New Orleans fell by 39 percent – a loss of 95,000 jobs. As Table 1 shows, several of the largest sectors of the New Orleans economy – hotels and restaurants, retailing, education, and health and social services – were hit especially hard, collectively losing 59,000 jobs.

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Job losses elsewhere in the Greater New Orleans area, while not as severe as those in the city, were still significant. Between 2004 and 2006, payroll employment in the region’s other parishes fell by 6 percent – a loss of about 25,000 jobs.

Since 2006, the region – and to a lesser extent, the city – have been gradually recovering from the effects of the hurricane. Although estimates vary, the population of Orleans Parish in 2008 was on the order of 300,000 – roughly two-thirds of the pre-Katrina level. In the same year, the population of the nine other parishes shown in Figure 1 totaled more than 1 million – thus matching the combined population of these parishes prior to the hurricane.

The city’s population has changed not only in terms of absolute numbers, but in terms of its characteristics. As Table 2 shows:

- White residents made up a larger share of the city’s total population in 2008 than they did in 2000; conversely, the African-American share of the population has declined somewhat.

Table 1: Decline in average annual employment in selected industries, Orleans Parish, 2004-2006

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<tbody>
<tr>
<td>Hotels and restaurants</td>
<td>35,328</td>
<td>19,166</td>
<td>16,162</td>
<td>45.8 %</td>
</tr>
<tr>
<td>Educational services</td>
<td>30,808</td>
<td>16,241</td>
<td>14,567</td>
<td>47.3 %</td>
</tr>
<tr>
<td>Retail</td>
<td>19,103</td>
<td>9,611</td>
<td>9,492</td>
<td>49.7 %</td>
</tr>
<tr>
<td>Health and social services</td>
<td>34,565</td>
<td>14,276</td>
<td>20,289</td>
<td>58.7 %</td>
</tr>
</tbody>
</table>

Source: Louisiana Workforce Commission, Quarterly Census of Wages and Employment
The median age of the city’s population has risen from 33 in 2000 to 41 – in part reflecting the gradual aging of the overall population, but also due to an especially sharp decline post-Katrina in the number of school-age children living in the city.

The percentage of all those age 25 and older who have at least a four-year college degree rose from 25.8 to 33.5 percent.

Since 2006, the region’s economy has gradually been recovering as well. Between 2006 and 2008, payroll employment in Orleans Parish grew by about 13 percent, to 171,000 – a gain of 20,000 jobs, putting the City back to about 70 percent of its pre-Katrina employment level. Sectors that have contributed most to the recovery include hotels and restaurants, arts and entertainment, health and social services, education, information services and retailing.

Collectively, the other nine parishes in the region added another 21,000 jobs during the same period. As a result, payroll employment in the nine parishes in 2008 averaged about 398,000 – 99 percent of the pre-Katrina level.

The advent of a severe national recession has since 2008 slowed the process of recovery. In terms of job losses, the New Orleans area has fared better than the U.S. as a whole. From January 2008 through September 2009, payroll employment in the New Orleans metropolitan area fell by 0.4 percent – a loss of 2,100 jobs – compared to a decline of 3.3 percent for the U.S. For residents of Orleans Parish, however, the recession’s impact has been more severe; resident unemployment in the city rose from 5.0 percent in January 2008 to 10.7 percent in September 2009.

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### Table 2: Orleans Parish – selected demographic characteristics, 2000/2008

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<tr>
<th></th>
<th>2000</th>
<th>2008</th>
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<tr>
<td>Population: percent white</td>
<td>28.0%</td>
<td>33.8%</td>
</tr>
<tr>
<td>Population: percent black</td>
<td>67.3%</td>
<td>61.7%</td>
</tr>
<tr>
<td>Median age</td>
<td>33</td>
<td>41</td>
</tr>
<tr>
<td>Percent over 25 with a four-year or higher degree</td>
<td>25.8%</td>
<td>33.5%</td>
</tr>
</tbody>
</table>

(Source: 2000 U.S. Census, DemographicsNow)

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**Figure 3: Total employment for Orleans Parish and the Greater New Orleans Area, 2003 – 2008**
The story of Tulane University’s economic impact is closely tied to its role in the city’s and the region’s recovery from the devastation caused by the hurricane. Tulane is itself a major enterprise – one of the region’s largest employers, and a major buyer of goods and services from businesses in the New Orleans area. It is a leading center of education and research. It has been an active partner in the process of recovery – and increasingly, in the process of creating a more sustainable, more prosperous future for the city and the region.

The next part of the report focuses on Tulane’s role as a major regional enterprise, and the direct and indirect impacts of University spending – in New Orleans, in the Greater New Orleans area, and throughout Louisiana.
Part Two
TULANE UNIVERSITY AS AN ENTERPRISE

As a major enterprise in its own right, Tulane University contributes to economic vitality of the City of New Orleans, Greater New Orleans and Louisiana economies in several ways – as a major employer, a buyer of goods and services from Louisiana companies, a sponsor of construction projects and a generator of tax revenues. This part of the report addresses the University’s impact in each of these areas.

In fiscal year 2008, Tulane’s revenues totaled $673.4 million. As Figure 4 shows:

- Tuition and fees (net of institutional scholarships and fellowships) totaled $209.2 million – 31 percent of all revenues;
- Gifts, grants and contracts ($237.1 million) accounted for 36 percent of all revenues;
- The School of Medicine’s medical group practice ($47.1 million) and affiliated hospital contracts ($30.1 million) together accounted for 11 percent. Investment income and auxiliary enterprises each generated $47.5 million – each accounting for 7 percent of all revenues; and
- Other sources accounted for the remaining 8 percent of revenues.

Overall, we estimate that approximately 83 percent of Tulane’s revenues were derived from sources outside New Orleans, reflecting higher education’s position as one of the city’s leading “export” industries.

Figure 4: Tulane University revenues, FY 2008 ($ millions)
Tulane as an employer

In the fall of 2008, Tulane employed 5,173 people, 74 percent of whom worked full-time. The University is the largest private employer in New Orleans, and one of the largest in the Greater New Orleans area.

In addition to the University’s regular full- and part-time employees, 3,109 students worked at Tulane in the fall of 2008 in a variety of part-time jobs across campus.

Like many other major employers in New Orleans, Tulane experienced a sharp drop in employment in the months following Hurricane Katrina. Since 2006, however, employment at the University has rebounded by 19 percent.

Though total employment remains slightly below pre-Katrina levels, annual payroll expenditures surpassed the pre-Katrina level in 2008. The University’s payroll in 2008 totaled $261.6 million, including $17.5 million paid to students – a 5.6 percent increase since 2003 and a 20 percent increase since 2006.
Where Tulane employees live

As Figure 6 shows, 52 percent of Tulane employees (excluding students) lived in the City of New Orleans in the fall of 2008. Salaries and wages paid to these employees totaled $136.7 million (55 percent of Tulane’s total payroll for non-student employees).

Another 1,770 Tulane employees (excluding students) lived elsewhere in the Greater New Orleans area – 34 percent of the University’s workforce. Wages and salaries paid to these employees totaled more than $84.4 million – 35 percent of the University’s total payroll.

Diversity and quality of Tulane employment

Tulane offers a wide variety of high-quality jobs for residents of the City of New Orleans and the Greater New Orleans area. Faculty and non-faculty researchers account for 35 percent of total employment; administrative and other professionals, 29 percent; and clerical and support staff, 36 percent.

Salaries and wages paid by Tulane are significantly higher than the average earnings of workers in both New Orleans and Greater New Orleans. In 2008, the average for full-time, full-year employees in New Orleans was $49,800, and in Greater New Orleans, $43,900. The average salary for full-time, full-year employees at Tulane was $60,600 – 22 percent greater than the New Orleans average and 38 percent greater than the average for Greater New Orleans.

Earnings are, of course, not the only factor that affects the quality of jobs. Tulane also provides a wide range of benefits to its employees. They include:

- Health, dental and vision insurance
- Flexible spending accounts
- Life, disability, and long-term care insurance
- Staff and tax-deferred retirement plans
- Travel accident insurance
- An employee assistance program

Tulane also provides its employees with opportunities for education. After completing an introductory term of service, employees receive exemption from payment of tuition for up to two courses or six hours, whichever is greater, at the undergraduate or graduate level each semester.

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Figure 7: Tulane full- and part-time employment by occupation, Fall 2008

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Number (Fall 2008)</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Faculty</td>
<td>1,432</td>
<td>28%</td>
</tr>
<tr>
<td>Support Staff</td>
<td>1,259</td>
<td>24%</td>
</tr>
<tr>
<td>Clerical</td>
<td>610</td>
<td>12%</td>
</tr>
<tr>
<td>Other Professionals</td>
<td>1,089</td>
<td>21%</td>
</tr>
<tr>
<td>Administrators</td>
<td>427</td>
<td>8%</td>
</tr>
<tr>
<td>Non-Faculty Research Staff</td>
<td>356</td>
<td>7%</td>
</tr>
</tbody>
</table>

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2 Average earnings for New Orleans and Greater New Orleans were calculated by Appleseed using the Quarterly Census of Employment and Wages Program from the Louisiana Labor Market Statistics.
Educational benefits are not limited to employees themselves. After three years of full-time employment, employee’s spouses and children are also eligible to receive the tuition waiver benefit at the undergraduate level. In addition to taking classes at Tulane, dependents are also allowed to take classes at certain other institutions nationwide through a tuition exchange program.

During the 2008 – 2009 academic year, 648 employees took advantage of these opportunities and Tulane provided tuition benefits for 567 spouses and dependents of University employees for a combined value of $8.8 million.

The impact of purchasing and construction

In addition to the people it employs directly, Tulane generates jobs in New Orleans, in Greater New Orleans and elsewhere in Louisiana through its purchases of goods and services from local companies, and through construction and renovation of University facilities.

Purchasing goods and services

Tulane University spent $255.6 million on the purchase of goods and services during fiscal year 2008. Thirty percent of this total – $75.8 million – was spent on goods and services provided by Louisiana companies, including:

- $49.8 million (19 percent of total spending) for goods and services bought from companies located in New Orleans;
- $19.5 million (8 percent) spent with companies located elsewhere in Greater New Orleans; and
- $6.5 million (3 percent) paid to companies throughout the rest of Louisiana.

Tulane purchases a wide variety of goods and services from businesses located in New Orleans and throughout the rest of the Greater New Orleans area. The leading categories of purchases from New Orleans companies include utilities, travel related services, advertising, legal services and consulting services.

Using the IMPLAN modeling system, we estimate that Tulane’s purchases of goods and services from local companies directly supported 357 full-time equivalent jobs with New Orleans businesses; and 270 additional FTE jobs with businesses located elsewhere in Greater New Orleans. Purchases from other Louisiana companies directly supported 186 additional FTE jobs elsewhere in the state.

Figure 8: Tulane purchasing by location of vendor, FY 2008 ($000s)
The impact of construction

In addition to generating jobs and economic activity through its purchases of goods and services, Tulane also does so through its investments in University facilities. Between fiscal years 2004 and 2008, Tulane invested a total of $390.5 million in facility construction and renovation, including $200 million invested in projects related to the university’s recovery from Hurricane Katrina. Other major projects completed or under way during this period include:

- **Tulane University Regional Biosafety Laboratory** – In the fall of 2009, the Tulane National Primate Research Center completed the Regional Biosafety Laboratory. The RBL, a biosafety level three lab, will conduct research on the development of treatments, vaccines and diagnostics for emerging infectious diseases that occur naturally, such as Severe Acute Respiratory Syndrome (SARS), and against biological agents that have the potential for misuse by terrorists. The 40,000 square-foot facility will consist of nonhuman primate research space, clinics, laboratory space, offices and support space. Funded by a successful Federal grant application, the total project cost is approximately $31 million.

- **Dinwiddie Hall** – The $13 million renovation of Dinwiddie Hall, which was originally constructed in 1923, will result in the first building on Tulane’s campus to achieve LEED designation (Leadership in Energy and Environmental Design). When the renovation is completed in the summer of 2010, Dinwiddie Hall will house the anthropology department, general purpose classrooms and the Middle America Research Institute.

In fiscal year 2008, Tulane spent $53.3 million on construction and renovation of campus facilities, of which 83 percent, or $44.3 million, was paid to contractors located in Louisiana:

- Payments to New Orleans contractors accounted for $24.2 million – 46 percent of total construction spending;
- Payments to contractors located elsewhere in Greater New Orleans accounted for $17.8 million – 33 percent of construction spending; and
- Payments to contractors located elsewhere in Louisiana accounted for $2.3 million – 4 percent of construction spending.

![Figure 9: Tulane construction spending by location of vendor, FY 2008](image-url)
We estimate that in fiscal year 2008, University construction directly generated 450 FTE jobs with Louisiana contractors in construction and related industries, including:

- 221 FTE jobs with New Orleans contractors;
- An additional 189 FTE jobs with other Greater New Orleans contractors; and
- 40 FTE jobs with contractors located elsewhere in Louisiana.

Over the next five years, from 2009 - 2013, Tulane estimates it will average approximately $40 million per year on new construction and major renovation.

The impact of Tulane’s construction spending goes beyond the opportunities it creates for contractors and construction workers in New Orleans, in Greater New Orleans and throughout Louisiana. Tulane’s investment in construction and renovation of campus facilities enhances its ability to fulfill its mission of education, research and public service, which in turn enhances its capacity to contribute to the ongoing development and redevelopment of New Orleans, the surrounding region and the state.

Indirect and induced effects

The jobs and economic activity generated by Tulane’s spending for payroll, purchasing, and construction are not limited to the direct impacts cited above. Some of the money that Tulane pays to its local suppliers and contractors is used to buy goods and services from other local companies; and the latter companies in turn buy goods and services from still other local businesses.

Tulane employees, and the employees of its suppliers and contractors, similarly use part of their earnings to buy a wide variety of goods and services – housing, utilities, food, personal services, and other household needs – from local businesses; and the employees of those businesses do the same.

Using a tool of economic analysis called an input-output model, we can measure these indirect and induced (or “multiplier”) effects of Tulane spending. We estimate that in New Orleans, Tulane’s spending on payroll, purchasing, and construction in fiscal year 2008 indirectly generated:

### Residential Colleges: Enhancing the Live-Learn Experience

In order to both accommodate the growing demand for undergraduate housing on Tulane’s campus and to enhance the student’s residential life experience, Tulane created a new undergraduate housing plan centered around “residential colleges.” Residential colleges are differs from traditional student housing; in addition to undergraduate students, a faculty member and his or her family also reside in the college. The residential college creates a community in which students can more easily engage with faculty, staff, and other students outside the classroom.

Tulane’s first residential college, Wall Residential College, opened in the fall of 2005. The University planned to start construction on its second residential college the week Hurricane Katrina made landfall on New Orleans. Continuing with its commitment to on-campus housing in the years following Katrina, Tulane updated its undergraduate housing plan to reflect a new building code and new flood elevation requirements, as well as Tulane’s requirement that all new buildings be LEED-certified.

In early 2010, construction started on Residential College II, on Tulane’s Uptown campus. The College will open in August 2011. The $21 million construction project will add 265 beds, and help relieve the shortage of on-campus housing for undergraduates.

Over the next ten years Tulane plans to construct up to five new residential colleges, each consisting of two to four houses of 750 beds. The new colleges will replace older residential halls, improving the live-work environment for students, as well as adding 800 beds to Tulane’s supply of on-campus housing.
Table 3: Direct, indirect, and induced impacts of Tulane’s spending, FY 2008 ($ millions)

<table>
<thead>
<tr>
<th></th>
<th>Direct university spending</th>
<th>Indirect and induced impact of spending by vendors, contractors and employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Payroll</td>
<td>Impact of vendor and contractor spending</td>
</tr>
<tr>
<td>New Orleans</td>
<td>$250.7 million</td>
<td>$26.7 million</td>
</tr>
<tr>
<td></td>
<td>4,908 jobs</td>
<td>193 jobs</td>
</tr>
<tr>
<td>Greater New Orleans</td>
<td>$261.6 million</td>
<td>$73.0 million</td>
</tr>
<tr>
<td></td>
<td>5,173 jobs</td>
<td>596 jobs</td>
</tr>
<tr>
<td>Louisiana</td>
<td>$261.6 million</td>
<td>$85.2 million</td>
</tr>
<tr>
<td></td>
<td>5,173 jobs</td>
<td>777 jobs</td>
</tr>
</tbody>
</table>

- More than $160.3 million in economic activity throughout the city;
- 856 full-time-equivalent jobs; and
- $40.2 million in employee compensation.

In Greater New Orleans (including New Orleans), Tulane’s spending generated:

- Approximately $301.4 million in economic activity;
- 1,975 FTE jobs; and
- $78.9 million in employee compensation.

Statewide (including New Orleans and Greater New Orleans), Tulane’s spending generated:

- Approximately $332.1 million in economic activity;
- 2,467 FTE jobs; and
- $82.5 million in employee compensation.

Table 3 summarizes the direct, indirect, and induced impacts of Tulane’s spending in the City of New Orleans, in Greater New Orleans and throughout Louisiana. In addition to the 4,908 people it employed directly in New Orleans, Tulane spending directly and indirectly generated 1,434 full-time equivalent jobs with other employers in New Orleans, and generated nearly $485 million in economic activity throughout the city.\(^3\)

In Greater New Orleans (including the city), Tulane’s spending on payroll, purchasing, and construction generated $674.2 million in economic activity and 3,012 FTE jobs with other employers throughout the area. Statewide (including New Orleans and Greater New Orleans), Tulane’s spending on payroll, purchasing, and construction generated $713.8 million in economic activity.

\(^3\) Direct employment by Tulane in the City of New Orleans excludes the 265 employees at the Tulane National Primate Center, located in St. Tammany Parish.

Table 4: Fees paid to state and local governments, FY 2008

<table>
<thead>
<tr>
<th>Recipient</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of Louisiana</td>
<td>$5,882,045</td>
</tr>
<tr>
<td>Orleans Parish</td>
<td>$1,630,127</td>
</tr>
<tr>
<td>Sewer and Water Board of New Orleans</td>
<td>$1,516,119</td>
</tr>
<tr>
<td>St. Tammany Parish</td>
<td>$28,898</td>
</tr>
<tr>
<td>Jefferson Parish</td>
<td>$970</td>
</tr>
<tr>
<td>City of Bogalusa</td>
<td>$524</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$9,058,683</strong></td>
</tr>
</tbody>
</table>
and generated 3,730 FTE jobs with other Louisiana employers.

Contributing to local and state revenues

Despite its tax-exempt status, Tulane’s operations generate tax revenues for state and local government in several ways.

- In 2008, Tulane withheld $9.9 million in state income taxes from the wages and salaries paid to University employees.
- The University paid $181,240 in unemployment insurance taxes.

Tulane also pays an assortment of fees to state and local governments for services such as water and sewer and for building permits. Table 4 summarizes fees paid by Tulane by government recipient.

Student and visitor spending

In addition to the impact of spending on payroll, purchasing, and construction by Tulane, the University attracts students, faculty, and visitors to New Orleans. These people also spend money within the local economy, producing jobs and economic activity.

Table 5: Annual off-campus student spending based on place of residency, 2008 – 2009

<table>
<thead>
<tr>
<th></th>
<th>New Orleans</th>
<th>Louisiana</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Undergraduate</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of students</td>
<td>2,674</td>
<td>2,522</td>
</tr>
<tr>
<td>Per student spending</td>
<td>$6,696</td>
<td>$12,906</td>
</tr>
<tr>
<td>Total spending</td>
<td>$17,902,853</td>
<td>$32,548,994</td>
</tr>
<tr>
<td><strong>Graduate</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of students</td>
<td>10</td>
<td>3,109</td>
</tr>
<tr>
<td>Per student spending</td>
<td>$8,717</td>
<td>$16,450</td>
</tr>
<tr>
<td>Total spending</td>
<td>$87,371</td>
<td>$51,140,028</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>$17,990,224</td>
<td>$83,689,022</td>
</tr>
</tbody>
</table>
The impact of student spending

In the fall of 2008, 6,749 undergraduate students and 4,045 graduate students were enrolled at Tulane. Approximately 77 percent of undergraduates and graduate students came to Tulane from outside the City of New Orleans; and 68 percent of undergraduates and 70 percent of graduate students came to Tulane from outside of Louisiana.\(^4\)

The impact of student spending is determined in part by whether students live on campus or elsewhere in New Orleans and the surrounding communities. During the 2008 – 2009 academic year, approximately 51 percent of all undergraduate students lived on the Tulane campus. Among graduate students, less than one percent lived on campus.

Using the average cost of living per student provided by the university (Table 5), we estimate that in fiscal year 2008, off-campus spending by students coming to Tulane from outside of the City of New Orleans totaled $101.7 million. We estimate spending by students from outside of Louisiana totaled $91 million.

After netting out wages paid to students by Tulane (which are already included in our analysis of the impact of Tulane’s payroll), we estimate that off-campus spending by students who came to Tulane from outside of the City of New Orleans totaled $84.2 million during the 2008 – 2009 academic year.

Using the IMPLAN economic modeling system, we estimate that this spending directly supported approximately 916 full-time equivalent (FTE) jobs throughout New Orleans and $27.4 million in employee compensation. Through the multiplier effect, off-campus student spending generated an additional $30.4 million in economic activity in New Orleans, 200 FTE jobs, and $10.4 million in employee compensation.

Off-campus spending by students who come to Tulane from outside Louisiana totaled $73.5 million and generated 711 FTE statewide. In Louisiana, the multiplier effect generated an additional $43.1 million in economic output, 258 FTE jobs, and $21.3 million in employee compensation.

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\(^4\) Because data on the origins of Louisiana students was not available at the parish level outside Orleans Parish, the impact of student spending is only calculated for the City of New Orleans and Louisiana.
The impact of visitor spending

Tulane attracts visitors to the area, who also spend money within the local economy. Tulane estimates the number of people visiting its campus during the 2008–2009 academic year – for athletic events, commencement, freshman orientation, prospective student tours, and conferences at the Goldring Institute – totaled approximately 180,000. Of these visitors, approximately 91,750 came from outside of the City of New Orleans and 88,600 from outside of Louisiana.5

We estimate off-campus spending by visitors to New Orleans totaled approximately $68.8 million and most of this visitor spending consists of payments to restaurants, hotels, and shops within New Orleans. Using IMPLAN, we estimate that spending by visitors from outside of New Orleans directly supported about 700 full-time-equivalent jobs within the region and $27.3 million in employee compensation. Through the multiplier effect, visitor spending generated an additional $26.2 million in economic output, 174 FTE jobs, and $9.1 million in employee compensation throughout the city.

At the state level, we estimate that off-campus spending by visitors coming from outside Louisiana totaled $54.9 million during the 2008–2009 academic year. These expenditures directly supported 511 FTE jobs and $20 million in employee compensation; and through the multiplier effect, generated $34.7 million in additional economic activity, 212 additional FTE jobs, and $10.5 million in employee compensation throughout the state.

Summary of total impact

Table 8 summarizes the total direct, indirect and induced economic impact of Tulane’s spending on operations, off-campus spending by Tulane students and spending by visitors as a result of Tulane events and activities. During fiscal year 2008, the total economic impact of Tulane University generated:

- $694.6 million in total economic output and 8,331 full-time equivalent jobs in New Orleans, and
- $920.1 million in total economic output and 10,595 FTE jobs in Louisiana.

NCAA Final Four: Bringing the Big Dance to New Orleans

With Tulane serving as the host institution, the University and its local partners successfully bid to host the 2012 National Collegiate Athletic Association Men’s Basketball Final Four tournament. The organizers estimate that the Final Four will bring approximately 150,000 visitors to New Orleans for the weekend of the tournament – spending money at local hotels, restaurants, shops and entertainment venues. Prior to the Final Four in 2012, as part of the agreement with the NCAA, the City will host the first and second rounds of the men’s college basketball tournament in 2010 and the Elite Eight in 2011 – bringing 18,000 – 20,000 visitors in 2010 and 75,000 visitors in 2011 to New Orleans. Tulane and its fellow organizers estimate the total economic impact of the three years of NCAA tournament games will generate $100 million in economic activity in New Orleans.

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5 The impact of visitor spending is only calculated for the City of New Orleans and Louisiana, it does not include those impacts for Greater New Orleans.
Table 8: Total Impact of Tulane, student and visitor spending, FY 2008 ($ millions)

<table>
<thead>
<tr>
<th></th>
<th>New Orleans</th>
<th></th>
<th>Louisiana</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Direct</td>
<td>Indirect/ induced</td>
<td>Total</td>
<td>Direct</td>
</tr>
<tr>
<td>University spending</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output</td>
<td>$324.7 m</td>
<td>$160.3 m</td>
<td>$485.0 m</td>
<td>$381.7 m</td>
</tr>
<tr>
<td>Employment (FTEs)</td>
<td>5,486</td>
<td>856</td>
<td>6,342</td>
<td>6,436</td>
</tr>
<tr>
<td>Student spending</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output</td>
<td>$84.2 m</td>
<td>$30.4 m</td>
<td>$114.7 m</td>
<td>$73.5 m</td>
</tr>
<tr>
<td>Employment (FTEs)</td>
<td>916</td>
<td>200</td>
<td>1,116</td>
<td>711</td>
</tr>
<tr>
<td>Visitor spending</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output</td>
<td>$68.8 m</td>
<td>$26.3 m</td>
<td>$95.0 m</td>
<td>$54.9 m</td>
</tr>
<tr>
<td>Employment (FTEs)</td>
<td>699</td>
<td>174</td>
<td>873</td>
<td>511</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output</td>
<td>$477.6 m</td>
<td>$217.0 m</td>
<td>$694.6 m</td>
<td>$510.2 m</td>
</tr>
<tr>
<td>Employment (FTEs)</td>
<td>7,101</td>
<td>1,230</td>
<td>8,331</td>
<td>7,658</td>
</tr>
</tbody>
</table>
Part Three
TULANE’S CONTRIBUTIONS TO LOUISIANA’S HUMAN CAPITAL

During the past 20 years, a growing body of research has confirmed the role of human capital – the accumulated knowledge, skills, and experience of a nation’s, a region’s or a city’s people – as perhaps the single most important contributor to economic growth. At the individual level, of course, the impact of education on earnings is widely understood. In 2007, as Figure 10 shows, the median income of adult Orleans Parish residents who had four-year college degrees was nearly double the median income of those who had only a high school diploma.

But the benefits of higher education are not limited to those who earn degrees. For example, Edward Glaeser has found that between 1960 and 1990, population and income growth in U.S. cities was closely correlated with levels of human capital, as measured by the percentage of the cities’ residents who were college graduates in 1960. The relationship between human capital and urban economic growth persisted through the 1990s.6

In a recent paper published by the New York Federal Reserve Bank, Jaison Abel and Todd Gabe similarly found that “a one percentage point increase in the proportion of residents with a college degree is associated with a 2.3 percent increase in metropolitan-area GDP per capita.” Summarizing the results of previous studies, Abel and Gabe cite two explanations for the powerful link between human capital and economic growth.

First, human capital increases individual-level productivity and idea generation. Second, the concentration of human capital within a region facilitates knowledge spillovers, which further enhance productivity and fuel innovation. Indeed, Glaeser suggests that human capital is a key predictor of urban success because “high skilled people in high skilled industries may come up with more new ideas.” In addition, a region’s stock of human capital has been shown to lead to more rapid reinvention and increases in the long-term economic vitality of cities.7

Abel and Gabe’s work echoes that of other economists who have found similar spillover effects. Even non-college educated workers benefit from this effect; other research has shown that a 1 percentage-point increase in the percentage of workers with college degrees is associated with a 1.6 percent increase in the earnings of workers who only have high school diplomas.8

This part of our report examines Tulane University’s contributions to the development of human capital in New Orleans, the surrounding area and throughout Louisiana.

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Enrollment by school – trends in enrollment

In the fall of 2008, a total of 11,157 students were enrolled at Tulane University, including 6,749 undergraduate students and 4,408 graduate and professional students. Table 9 shows undergraduate and graduate enrollment for each of the University’s schools and colleges.

Tulane’s student enrollment increased annually between years 2000 and 2004; and collectively by almost nine percent. After Hurricane Katrina forced the campus to close during the fall semester of 2005, Tulane reopened in January 2006 with about 93 percent of its student body returning.

Table 9: Tulane Undergraduate and Graduate Enrollment by School, Fall 2008

<table>
<thead>
<tr>
<th>Undergraduate school/college</th>
<th>Undergraduate Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newcomb-Tulane College</td>
<td>509</td>
</tr>
<tr>
<td>School of Architecture</td>
<td>293</td>
</tr>
<tr>
<td>A.B. Freeman School of Business</td>
<td>1,245</td>
</tr>
<tr>
<td>School of Liberal Arts</td>
<td>1,787</td>
</tr>
<tr>
<td>School of Public Health and Tropical Medicine</td>
<td>777</td>
</tr>
<tr>
<td>School of Science and Engineering</td>
<td>1,260</td>
</tr>
<tr>
<td>School of Continuing Studies</td>
<td>1,421</td>
</tr>
<tr>
<td>Cross Enrollment/ROTC</td>
<td>57</td>
</tr>
<tr>
<td><strong>Total Undergraduate</strong></td>
<td><strong>6,749</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Graduate school</th>
<th>Graduate Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>School of Architecture</td>
<td>48</td>
</tr>
<tr>
<td>A.B. Freeman School of Business</td>
<td>650</td>
</tr>
<tr>
<td>School of Law</td>
<td>883</td>
</tr>
<tr>
<td>School of Liberal Arts</td>
<td>298</td>
</tr>
<tr>
<td>School of Medicine</td>
<td>1,171</td>
</tr>
<tr>
<td>School of Public Health and Tropical Medicine</td>
<td>734</td>
</tr>
<tr>
<td>School of Science and Engineering</td>
<td>378</td>
</tr>
<tr>
<td>School of Social Work</td>
<td>187</td>
</tr>
<tr>
<td>School of Continuing Studies</td>
<td>59</td>
</tr>
<tr>
<td><strong>Total Graduate</strong></td>
<td><strong>4,408</strong></td>
</tr>
</tbody>
</table>

**Total School Enrollment**

11,157
However, in the aftermath of Hurricane Katrina, the incoming freshman class in the fall of 2006 was less than 60 percent of the Tulane freshman class in preceding years – approximately 880 students compared to an average of 1,500 freshmen. Total enrollment declined by 20 percent between the fall of 2004 and 2006.

Despite the sharp decrease in 2006, Tulane’s incoming freshman class rebounded quickly. In the fall of 2007, enrollment grew to 1,300 and in the fall of 2008, the incoming freshman class returned to over 1,500 students. Interest in Tulane is at an all time high as nearly 40,000 high school students applied for admission to the University for the fall of 2009 – the largest number ever.

Tulane students and alumni

In the fall of 2008, about 23 percent of both undergraduate and graduate students came from New Orleans, with an additional nine percent of undergraduates and seven percent of graduate students from elsewhere in Louisiana. About 65 percent of undergraduate students came from elsewhere in the U.S. and 3 percent of undergraduate enrollment was international students. As is common at other research universities, international students are particularly attracted to Tulane’s graduate programs – in the fall of 2008, they accounted for 17 percent of all graduate-level enrollment.

As shown in Figure 12, as of the summer of 2009, about 24 percent of Tulane alumni live in Louisiana, including:

- 16 percent who are residents of the City of New Orleans;
- An additional 3 percent who live elsewhere in Greater New Orleans; and
- 5 percent who live elsewhere in Louisiana.

Since the 1980s, the absolute number of Tulane graduates has increased; and the percentage of those who choose to stay in New Orleans after they graduate appears to have increased as well. As of 2009, about 14.5 percent of those who graduated from Tulane during the 1980s and 1990s were still living in New Orleans. Among those who have graduated since 2000, about 18 percent were living in the city. Since 2000, an average of 470 graduates per year have chosen to remain in New Orleans.

The 2007 American Community Survey states 52,400 residents of New Orleans have an associate’s degree or higher. Based on this data, we estimate that approximately 30 percent of all such degree holders are graduates of Tulane University.
Preparing students to succeed in tomorrow’s economy

Tulane offers undergraduate, graduate and professional degrees in architecture, business, law, liberal arts, medicine, public health and tropical medicine, science and engineering and social work. In all of these areas, the University offers programs that are preparing students to succeed in a changing economy – both in the New Orleans area and throughout the nation and world. The following are just a few of the notable programs offered at Tulane.

- As part of its Plan for Renewal, Tulane created a new School of Science and Engineering, one of the first to place scientists and engineers in the same environment. In the new school, those conducting the cutting edge science interact with the engineers who do the design – creating collaborations that ultimately decrease the length of time for innovation.

- Founded in 1977, Tulane’s Department of Biomedical Engineering offers both undergraduate and graduate programs, in which students learn to develop and apply engineering methods to confront health science challenges. As part of the program, undergraduate students participate in a one-year group design project to develop devices to aid individuals with disabilities in the New Orleans community.

- The Neuroscience Program educates students about the role of the nervous system in regulating physiological processes - ranging from the cellular and molecular control of brain cells to the regulation of responses in whole organisms. Since the program began graduating students in the spring of 2001, over 325 undergraduates completed the program. Students are then eligible to continue for an additional year to earn a master’s degree and move on to the PhD program or admission into medical school.

- Tulane introduced a new Engineering Physics program in the School of Science and Engineering that will grant its first degrees in the Spring of 2011. The program emphasizes integration between modern physics and technology.

<table>
<thead>
<tr>
<th>City of New Orleans</th>
<th>17,361</th>
<th>16%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outside U.S.</td>
<td>4,850</td>
<td>4%</td>
</tr>
<tr>
<td>Other U.S.</td>
<td>77,894</td>
<td>72%</td>
</tr>
<tr>
<td>Rest of Greater New Orleans</td>
<td>3,527</td>
<td>3%</td>
</tr>
<tr>
<td>Rest of Louisiana</td>
<td>5,017</td>
<td>5%</td>
</tr>
<tr>
<td>Other U.S.</td>
<td>4,850</td>
<td>4%</td>
</tr>
</tbody>
</table>

Figure 12: Tulane alumni by place of residence, Summer 2009
with a focus on nanotechnology and 21st century materials and was designed to meet the criteria of Accreditation Board of Engineering and Technology. Since the program’s inception, new courses such as Computational Physics Engineering and Electrical Properties of Materials have been added to the curriculum.

- To prepare students for careers in an increasingly integrated world, the Freeman School of Business offers a dual MBA/Master of Global Management degree. The program is an international joint venture between Tulane; ITAM in Mexico City, Mexico; IESA in Caracas, Venezuela; and Universidad de los Andes in Bogota, Colombia. The MBA/MGM curriculum includes an international module of six courses in which students from the four universities take courses in Europe, Asia, North America and South America to gain exposure and experience in global business leadership.

- The Freeman School also offers an Energy Specialization for both undergraduate and graduate students, aimed at helping them understand “the integration of energy markets, policy, technology and the environment.” Students are required to complete a sequence of courses under the guidance of faculty members associated with the Tulane Energy Institute. The program also provides students with the opportunity to get hands-on experience in energy trading at the Institute’s trading center; and provides internships with energy companies in the New Orleans area.

- The Department of Tropical Medicine within the School of Public Health and Tropical Medicine is an international leader in parasitology and tropical medicine. The Department’s courses and research programs focus on tropical diseases such as malaria, HIV/AIDS, West Nile, and tuberculosis and provide students with experiences ranging from New Orleans to the developing world.

- Undergraduate students can enroll in the Social Policy and Practice Coordinate Major, a program born out of recognizing the need for civic engagement and community building in New Orleans following Hurricane Katrina. The only program of its kind in the country, the Social Policy and Practice Major exposes students to ideas and issues related to social justice, and provides opportunities for applied learning and engagement in New Orleans communities.

The Enhanced Undergraduate Experience

A central focus of Tulane’s Renewal Plan was to enhance the undergraduate experience. Through the creation of Newcomb-Tulane College, all undergraduate students can matriculate into one college. Here students can more effectively and efficiently receive assistance and mentoring from faculty and staff, both academic and career-oriented. Another component is the transition from part-time or adjunct faculty to most undergraduate courses being taught by full-time faculty, improving the student’s learning experience.

Tulane’s commitment to being an integral participant in the rebuilding of New Orleans and its desire to graduate engaged and civic-minded individuals led to the creation of the public service requirement as part of the core curriculum. Undergraduate students must complete two public service requirements, including opportunities in services learning courses, community service, community-based research projects and internships at government agencies and nonprofit organizations.
Continuing education

Through the School of Continuing Studies, Tulane offers lifelong learning to residents of New Orleans, the Greater New Orleans area and other Gulf Coast communities. The University began offering community education programs in 1890; and in 1942 Tulane formally established University College, the mission of which was to provide all residents of New Orleans with access to a Tulane education regardless of financial resources, age or time constraints. Over the years, the College grew substantially; and now, as the School of Continuing Studies, represents one of the largest divisions at Tulane University.

The School maintains its own admissions office, tuition levels and curriculum, but grants Tulane degrees and utilizes courses and faculty from across the University. It awards bachelor and associate degrees as well as pre- and post-baccalaureate certificates geared toward the schedule of working professionals. The School also offers a Master of Liberal Arts and the newly created Master of Professional Studies in Homeland Security.

Students can obtain degrees and certificates through the School of Continuing Studies in traditional liberal arts fields or applied programs such as journalism, paralegal studies, computer technology, applications development, digital design, graphics and small business development. Students can also pursue programs offered by other schools at Tulane University.

The School has several locations throughout the Gulf Coast – Tulane’s Uptown campus in New Orleans, the Elmwood campus in Harahan and the Mississippi campus in Biloxi, Mississippi. Courses are also offered online.

In the summer of 2010, the School of Continuing Studies will open a new campus in Madison, Mississippi. The city of Madison is renovating a wing of a former elementary school into office and classroom space for Tulane. Based on survey results of Madison-area residents, the School will offer courses in business, journalism and liberal arts.

In the fall of 2008, 1,480 students were enrolled in the School of Continuing Studies – about 13 percent of total enrollment at Tulane. A majority of these students were enrolled part-time. Approximately one quarter of the students have a college degree, while 55 percent have completed some college and 20 percent have had no college experience at all.

The School’s programs and its flexibility expand the educational opportunities available to both non-traditional students and working professionals in New Orleans and throughout the Gulf Coast region. Through these programs, Tulane helps residents of the city and the region advance their careers – and by enhancing the skills of the region’s workforce, helps to build its economy as well.
As the region’s leading research university, Tulane directly contributes to the economic growth of the city of New Orleans, the Greater New Orleans area and the state of Louisiana in several ways.

- Each year, Tulane attracts tens of millions of dollars in research funding from sources outside the region – most of which is spent locally.
- Research conducted by Tulane’s faculty, staff and students expands the boundaries of knowledge in areas that in the years ahead are likely to be continuing sources of innovation and economic growth.
- Through partnerships with other Louisiana institutions, Tulane is able to achieve results – and provide benefits to the state – that neither partner could achieve individually.
- The “intellectual capital” created by University researchers provides a foundation for the creation of new products and services, new businesses, and new jobs.
- Participating in significant research projects enhances the education of Tulane students – and the ability of Tulane graduates to participate in the continued development of the city’s and the state’s economy.

Trends in research spending

Tulane steadily increased research spending between fiscal years 2002 and 2005 – a cumulative increase of 48 percent. In the fall of 2005, as Hurricane Katrina caused more than $650 million in damages on Tulane’s campuses, years’ worth of research and materials were lost or destroyed. Though some research was recovered, some faculty members were forced to recreate what had been lost or to move in new directions.

After an initial decline following the hurricane, the University rebounded quickly and surpassed its previous record for research spending. In fiscal year 2008, total research spending was $146.1 million – nearly 20 percent greater than 2005 and 76 percent greater than 2002. From 2002 through 2008, research spending at Tulane grew by an average of 9.9 percent annually.

The federal government is the largest source of research funding at Tulane, accounting for 88 percent of total expenditures in fiscal year 2008. Tulane’s research spending in 2008 also included $7.7 million funded from state and local governments, $4.2 million from foundations, $3.5 million from internal funding and $2.2 million from corporate sources.
Major research centers, programs and initiatives

In the long run, however, the year-to-year impact of research spending on the local economy is less important than the role Tulane plays in developing the new knowledge that provides the foundation for future growth. Research centers and programs at Tulane are today conducting research in a number of areas that could in the future have—and in some cases are already having—a significant impact on the economy. For example:

- The **Tulane Cancer Center** conducts basic research in fields such as molecular genetics, immunology, and molecular signaling, as well as clinical research in prostate, breast and liver cancers. During 2009, the Cancer Center conducted $13.9 million worth of grant-funded research.

- The **Tulane Center for Gene Therapy**, established in 2000, is developing new therapies for a variety of diseases and disabilities, including Parkinsonism, spinal cord injury, Alzheimer’s disease and diabetes. Much of the Center’s work – funded by the National institutes of Health, the state-funded Louisiana Gene Therapy Research Consortium and private sources – focuses on the use of adult stem cells to treat these and other diseases.

- The **Tulane National Primate Research Center** is one of only eight centers in the National Primate Research Center Program funded by the National Institute of Health. The primary areas of research at the TNPRC are infectious diseases, including biodefense-related work, and gene therapy.

- The **Division of Microbiology** conducts basic infectious disease research with an emphasis on AIDS, microsporidial infections, vaccine development and retrovirology. The success of a series of experiments by researchers at TNPRC on an AIDS vaccine approach is now resulting in the development of clinical trials for humans.

- The **Division of Gene Therapy** conducts research in regenerative medicine that utilizes vector-based gene therapies and cell-based interventions for genetic and acquired diseases.
The Division focuses on the development of gene and cell-based therapies for diseases of the central nervous and pulmonary systems and is starting new research that assesses the therapeutic benefits provided by various types of stem cells in a model of stroke.

- Established in 2007, the **Tulane Center for Aging** is a university-wide center specializing in research, education and service on behalf of the graying population. The Center aims to strengthen research, training and service in the areas of geriatric medicine and gerontology in cooperation with the Department of Medicine and the School of Social Work, respectively.

- Researchers at the **Tulane Cancer Center** and the **Tulane Center for Aging** are investigating the influence of age upon cancer risk. As people get older, they are exposed to more environmental insults and genetic mutations that may increase the risk of cancer. Tulane researchers are specifically looking at the impact of genetic mutations caused by LINE1, a repetitive element present in DNA, and how that DNA damage could lead to the formation of cancer and other conditions of aging.

- The **Center for Infectious Disease** is a matrix center within Tulane University, not geographically bound to any location, but with a membership from almost every school at Tulane. The CID promotes infectious disease research throughout the University, establishes mentoring programs for junior faculty, facilitates the submission of program project and training grants, and increases infectious disease funding at the University.

- The **Center for Computational Sciences**, located in the School of Science and Engineering, is one of the first centers established in the Gulf region to focus on multidisciplinary computational science research projects. Researchers are involved in multidisciplinary research projects in areas of mathematical biology, fluid dynamics, molecular dynamics, epidemiology, biosensors, economics, and more.

- Tulane’s **Center for Polymer Reaction Monitoring and Characterization** works closely with Industrial collaborators to help solve complex problems in various polymer manufacturing processes. Researchers at PolyRMC have developed unique instrumentation and methods for comprehensive monitoring of polymerization reactions, allowing

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**The clinical dimension of biomedical research**

The Tulane University School of Medicine’s role as a center for biomedical research is in part a product of the School’s partnership with Tulane Medical Center (described in the next part of the report). The opportunity to combine academic and clinical work – and to combine basic and clinical research – is central to Tulane’s strength in cancer, infectious diseases, genetics and other areas. The following are just a few examples of research at Tulane that has an important clinical dimension.

- Participation in the “Sister Study,” a nationwide project that is seeking to identify through clinical research the genetic and environmental causes of breast cancer.
- Clinical trials of Alpharadin – a new injectable treatment for late-stage prostate cancer.
- Clinical trials for several new treatments for HIV/AIDS
process optimization, accelerating R&D of new polymeric materials, and potentially allowing full-scale reactor control. The latest focus of PolyRMC is to help diminish the carbon footprint and total energy consumption of the polymer manufacturing industry as a whole.

- The **Tulane University Museum of Natural History** is a zoological research museum comprising collections of invertebrates, fishes, amphibians and reptiles, birds, mammals and vertebrate fossils. Research at the Museum is centered on the freshwater and marine fishes of the Gulf-South. Located in Belle Chasse, Louisiana, the collections are not open to the general public, but are available for school tours.

**Partnerships with other Louisiana institutions and companies**

Tulane’s research enterprise extends beyond its own campus, further contributing to economic growth of the region through partnerships with other Louisiana-based institutions and companies. These partnerships benefit the region by building on complementary strengths, enabling the participating institutions to attract even more research dollars into Louisiana, and facilitating the transfer of critical knowledge between institutions and companies.

**Tulane/Xavier Partnership**

Tulane University and Xavier University have for the past 30 years worked together in an alliance centered on academic excellence, cutting-edge research and community service. The Tulane/Xavier Partnership officially began in 1975 with the creation of the Xavier/MBA at Freeman School of Business – a program enabling Xavier undergraduate business students to enter the Tulane MBA program. In the years following, additional programs in science, technology, engineering and mathematics were added to connect Xavier’s undergraduate programs with Tulane’s graduate programs. The Partnership addresses the shortage of African Americans with advanced degrees in business, engineering, mathematics, and the sciences.

The **Tulane/Xavier Center for Bioenvironmental Research**, started in 1988, was the first joint research program between Tulane University and Xavier University. With its main research facility located in the Tulane Health Sciences complex, the CBR conducts interdisciplinary research to enhance global understanding of environmental issues, provide innovative solutions, and inform policy and practice.

**Louisiana Cancer Research Consortium**

Tulane University, along with LSU Health Sciences Center of New Orleans and Xavier University, belong to the Louisiana Cancer Research Consortium. Building on the strengths of the three institutions, LCRC’s mission is to develop a coordinated cancer research and education program, leading to new opportunities for early detection, treatment, and prevention of cancer. LCRC has research programs in molecular genetics; molecular signaling; immunology, infection and inflammation; population sciences and clinical research.

Construction began in the spring of 2009 on a new 175,000 square foot research facility to house the LCRC. The $90 million facility is expected to open in the fall of 2011 and will provide space for cancer investigators from the three institutions to work with state-of-the-art equipment and technologies.

The LCRC is working to become the first National Cancer Institute-designated Cancer Center in Louisiana and neighboring states Mississippi and Arkansas. The NCI designation would greatly increase the LCRC’s ability to attract research dollars into the state with the highest rate of cancer mortality in the nation.
Clean Power and Energy Research Consortium

Tulane University is a member of the Clean Power and Energy Research Consortium, along with five other Louisiana universities – Louisiana State University, Nicholls State University, Southern University – Baton Rouge, the University of Louisiana – Lafayette, and the University of New Orleans.

Building on the strengths of each institution, together the members conduct research and development that addresses critical scientific, engineering and economic issues associated with energy generation and related areas. CPERC focuses on research that will result in more efficient and cleaner utilization of existing energy sources as well as new methods for energy generation. Improving existing technologies and developing new ones have the potential to benefit the State of Louisiana both economically and environmentally.

Through the Consortium, researchers from the School of Science and Engineering and the Freeman School of Business have conducted research on a variety of topics, including new technologies for the production of hydrogen, production of fuel from sugar cane waste, and the economic impact of increasing Louisiana’s LNG import capacity.

Developing analytical skills – and spotlighting the region’s companies

One of the best-known student research programs at Tulane – the *Burkenroad Reports* – allows students at the Freeman School of Business to gain hands-on experience in equities analysis, and also benefits Louisiana businesses. Each year, students follow about 40 small-cap and undervalued public companies headquartered in Louisiana and throughout the Gulf Coast that are not followed by Wall Street firms. Students then prepare a 20 – 30 page report about the firm and present at an annual Tulane-hosted conference attended by 500 – 600 individual and institutional investors.

The students benefit by acquiring marketable skills and experience, and an in-depth understanding of the issues that many mid-sized companies face. The companies benefit by increasing their visibility in the investment community.

Student participation in research at Tulane

Both undergraduate and graduate students have the opportunity to participate in research at Tulane. Students can work as part of a team of researchers under the direction of a faculty member; or can develop and carry out their own research projects, with guidance from faculty members. Hands-on experience in research benefits students in several ways. It enhances their understanding of their chosen field of study – and it also helps them develop skills in project planning and management, teamwork and communication that can be of real value in the workplace.

The Center for Research – Education Activities at Tulane (CREAtE) encourages and facilitates student participation in research. Several grant programs provide funds to support student research projects. For example, the George Lucy Grants provide funds in the range of $200 - $1,500 to students of Newcomb-Tulane College for term-time research or other special project under the direction of a faculty member.
Part Five
MEETING HEALTH CARE NEEDS IN THE NEW ORLEANS AREA

Since its founding in 1834, Tulane University has been deeply involved in protecting the health of – and providing health care to – residents of New Orleans and the surrounding area. The Tulane School of Medicine fulfills this mission in three ways – through the education of physicians, through its research and through direct patient care. Tulane’s School of Public Health and Tropical Medicine – the oldest school of its kind in the U.S. – helps achieve the same goal through research on public health problems, by training its students to address those problems, and through partnerships aimed at improving the health of local communities.

Health care is critically important to the New Orleans economy, for several reasons. Health care is one of the city’s largest industries; and New Orleans’s role as a major regional health center is one of the strengths on which it can build for the future. Moreover, health care access and quality are critical to maintaining the health of the city’s residents and the productivity of its work force – and for attracting and retaining the kind of talent on which its future prosperity depends.

Part Four of the report highlighted Tulane’s strengths in biomedical research; this part focuses on the University’s role in educating physicians and public health professionals, and in providing health care services to New Orleans-area residents.

Educating physicians and public health professionals

The Tulane School of Medicine is one of the oldest in the South, and today is still a leading center of medical education. In the fall of 2008, 808 students were enrolled in the School of Medicine. In addition to the MD degree, the school offers:

- A four-year MD/MPH degree, in collaboration with the School of Public Health and Tropical Medicine;
- A five-year MD/MBA program, in collaboration with the Freeman School of Business; and
- An MD/PhD program that prepares students to pursue careers as both physicians and biomedical research scientists.

Of all those who have earned MD degrees at Tulane, a significant number have stayed in the New Orleans area. As of August 2009, 1,093 graduates of the Tulane School of Medicine lived in New Orleans – about 9.6 percent of the School’s alumni – and another 236 lived elsewhere in the greater New Orleans area.

The significance of this concentration of Tulane School of Medicine alumni in New Orleans becomes clear when we compare it to the size of the city’s physician workforce. In October 2009, according to the Louisiana State Board of Medical Examiners, there were 2,430 licensed physicians practicing in Orleans Parish, of whom 380 – 15.6 percent of the total – were graduates of the Tulane School of Medicine.¹⁰

¹⁰ Louisiana State Board of Medical Examiners
In addition to its role in undergraduate medical education, the School of Medicine also supervises the training of residents and fellows. In August 2008, 363 residents and fellows were enrolled in graduate medical education programs at the Tulane School of Medicine. As Table 10 shows, nearly half worked at Tulane Medical Center and its affiliated Lakeside Hospital (described below); and about one-quarter at University Hospital in New Orleans.

Participants in Tulane’s graduate medical education programs play an important role in the delivery of health care services in New Orleans, by adding significantly to the city’s total physician workforce. They play an especially important role in serving the city’s low-income people – in particular because of the latter group’s dependence on emergency rooms and clinics for basic medical care.

Tulane also helps New Orleans-area physicians maintain and update their skills through its Continuing Medical Education (CME) program. In the fall of 2008, the School of Medicine offered eight CME courses in New Orleans on topics such as brain and behavior, gender differences in medicine and abdominal surgery. A total of 420 MD’s and 285 other professionals participated in these programs. (The School also conducted CME programs at a variety of other locations throughout the U.S.)

The School of Public Health and Tropical Medicine

Hurricane Katrina provided a stark reminder that the environment in which people live – physical, social, cultural and economic – can have a profound impact on their health. Tulane’s School of Public Health and Tropical Medicine seeks to address these broader challenges at local, national and global levels through the education of public health professionals, research and community engagement. The School offers undergraduate, master’s and doctoral degrees in public health, as well as a combined, five-year BSPH/MPH program. Students can choose among a number of areas of specialization, such as biostatistics, epidemiology, environmental health and tropical medicine.

Several programs at the School have focused on the health needs of New Orleans residents. For example, the Tulane Prevention Research Center – one of 33 such centers funded by the Centers for Disease Control and Prevention – seeks to understand neighborhood-level behavioral and environmental factors affecting health, with a particular focus on the problem of obesity. In addition to its research, the Center is engaged in a five-year collaboration with neighborhood groups in the Upper Ninth Ward, aimed at educating local residents, improving school playgrounds and other spaces for active recreation, and improving access to healthy food.

Table 10: Residents in Tulane’s graduate medical education program by institution, August 2008

<table>
<thead>
<tr>
<th>Institution</th>
<th>Location</th>
<th>Number of residents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tulane Medical Center/Lakeside Hospital</td>
<td>New Orleans/Metairie</td>
<td>178</td>
</tr>
<tr>
<td>University Hospital</td>
<td>New Orleans</td>
<td>89</td>
</tr>
<tr>
<td>VA Hospital</td>
<td>New Orleans</td>
<td>35</td>
</tr>
<tr>
<td>Ochsner Health System</td>
<td>Jefferson</td>
<td>27</td>
</tr>
<tr>
<td>Children’s Hospital</td>
<td>New Orleans</td>
<td>9</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>26</td>
</tr>
</tbody>
</table>
Caring for patients – Tulane’s Faculty Practice Plan

In addition to playing a central role in the education of physicians, Tulane faculty members are also directly involved in caring for patients. The University’s faculty practice plan provides a vehicle for delivery of services provided by more than 300 Tulane faculty physicians, and for managing payment for those services.

In 2008, the faculty practice plan’s revenues totaled more than $58 million. This total includes more than $25.7 million in payment for services provided to patients at the Tulane Medical Center (described below) and its affiliated clinics. In fiscal year 2008, Tulane faculty treated nearly 64,000 inpatients and handled more than 109,000 outpatient visits at these facilities.

In addition to these patients, Tulane faculty members treat thousands of others at other affiliated hospitals and clinics, and at several community health centers. (Tulane’s role since Hurricane Katrina in the development and operation of community health centers is discussed in Part Six of the report.)

Data on where patients live highlight the dual role (from an economic perspective) of medical care provided by Tulane faculty members.

- About 44 percent of all inpatients served through the faculty practice plan in fiscal year 2008, and 45 percent of all outpatients, were New Orleans residents.
- Another 31 percent of all inpatients, and 41 percent of all outpatients, lived elsewhere in the Greater New Orleans area.
- About 25 percent of all inpatients, however, and 14 percent of all outpatients came from outside the region.
- While Tulane faculty members are thus a major source of health care for residents of the city and the surrounding region, they also attract patients from beyond the Greater New Orleans area. In doing so, they help reinforce the city’s role as a center for high-quality medical care – in the region, in the rest of Louisiana and beyond.

As noted above, Tulane – through education, research and patient care – has been helping to meet the health care needs of New Orleans residents since 1834. But just as it did in so many other areas, Hurricane Katrina highlighted some serious flaws in the city’s health care system. The next part of our report – which deals with the University’s role in the city’s recovery from the hurricane and its aftermath – highlights how Tulane has been working in partnership with others to change that system.
Tulane Medical Center – a major asset for New Orleans

Tulane Medical Center – a tertiary care facility with 235 inpatient beds and 24 outpatient clinics, located in downtown New Orleans – is the School of Medicine’s primary teaching hospital. Although designed primarily for teaching and the provision of specialized medical care, the Medical Center has since 2005 also been deeply involved in the delivery of basic health services to New Orleans residents – especially as a result of the post-Katrina closure of Charity Hospital, which had traditionally been the primary provider of hospital care to the city’s low-income residents.

Throughout most of its history, the Medical Center was owned and operated by the University. In 1995, however, Hospital Corporation of America (HCA) acquired a majority interest in the Medical Center. In 2005, Lakeside Hospital – a 119-bed facility in Metairie, Louisiana that specializes in women’s health services – merged with the Medical Center, and is now known as Tulane-Lakeside. The University retains a 17.5 percent stake in the combined operation.

The University’s position as a minority owner, however, is not an accurate reflection of its role in the delivery of health care at the Medical Center. More than 90 percent of the physicians who work at the Medical Center are Tulane faculty members, and most of the physician services provided at the hospital and its affiliated clinics are delivered through the University’s faculty practice plan. The University also provides a variety of routine services to the Medical Center, such as security and telephone service. Moreover, the University is a full partner with HCA in all strategic decisions about the operations and future development of the Medical Center.

Over and above the contributions of the University, the Medical Center is in several ways a major contributor to the economic vitality of the New Orleans area.

- As of August 2009, Tulane Medical Center had 1,764 full-time-equivalent employees, and a payroll of nearly $124 million, making it one of the city’s largest private employers.
- The Medical Center also spends tens of millions of dollars annually on purchases of goods and services from local vendors, further stimulating the city’s economy.
- The partnership between the University and the Medical Center enhances the capacity of both to attract faculty members, researchers and clinicians of the highest quality. They in turn enhance the quality of care available to residents of the New Orleans area, and make it easier for the city to attract and retain the talented people on whom its continued recovery and future growth depend.
- Even as it provides vital medical services for residents of the city and surrounding communities, the Medical Center also attracts patients from outside the New Orleans area. As noted above, about 25 percent of the inpatients treated at the Medical Center by Tulane faculty come from outside the Greater New Orleans area. Spending by these patients – and by family members and friends who come to New Orleans – generates additional economic activity in the city.
Just as Tulane University has changed since 2005, so has its relationship with New Orleans. The University’s Plan for Renewal stated that:

*Tulane University and its faculty and students will play an important role in the rebuilding of the City of New Orleans.*

The University’s contribution to the ongoing process of recovery begins with its role as the City’s largest private employer, and one of its leading institutions. By reopening in January 2006, Tulane put thousands of people back to work, and brought thousands of students back to New Orleans. Perhaps just as important, Tulane’s reopening was a sign of confidence in the City’s future.

Since it reopened, Tulane has followed through on its commitment through active engagement in a wide range of efforts to help New Orleans recover from the impact of Hurricane Katrina. This part of our report briefly describes the University’s involvement in three areas of recovery – education, health care and housing and community development – as well as the involvement of University students in the provision of public services.

**Rebuilding public education in New Orleans**

Before Hurricane Katrina struck, New Orleans was widely cited as having one of the most troubled urban school systems in the nation. Between 1998 and 2005, the Orleans Parish School District had had eight different superintendents – many of its schools, after years of deferred maintenance, were in poor condition – and the district was nearly bankrupt. In 2004-05, the Louisiana Department of Education rated 63 percent of Orleans Parish schools as “academically unacceptable.”

In the wake of the Hurricane, the entire school system was shut down. New Orleans Mayor Ray Nagin asked Tulane’s President, Scott Cowen, to lead a task force on reform of the City’s schools. Cowen committed not only his own time and energy to the task force, but the resources of the university as well. While many urban universities have in recent years collaborated in efforts to improve local public schools, Tulane was unusual both for the extent and high level of its participation, and for the fact that it does not have a School of Education.

Late in 2005, 112 of the parish’s 129 public schools were taken over by the state’s Recovery School District, which had been created by the Louisiana legislature in 2003 and charged with taking over and turning around failing schools. Over the course of the next year, University faculty and administrators worked with state and local officials on two levels – planning the reorganization of the city’s system of public education, and helping to incubate and launch new schools.

In March 2007 the University formalized its engagement with New Orleans public schools by establishing the Cowen Institute for Public Education Initiatives. The Institute’s mission encompasses:

- Research aimed at understanding what makes public schools successful, and helping local schools apply the lessons of that research;
- Improving performance measurement;
- Identifying, analyzing and advocating for policies that strengthen public schools and address the needs of students;
• Providing a conduit through which district officials and school leaders can get access to University resources, as well as a focal point for University initiatives that support public education; and
• Developing and implementing college-readiness programs for New Orleans high school students.

Helping to heal New Orleans communities

Just as it devastated the city’s schools, Hurricane Katrina devastated the delivery of health care in New Orleans. Low-income residents of the city were especially hard-hit. More than other New Orleans residents, they tended to rely on the city’s hospitals for basic medical care; and when the Medical Center of Louisiana at New Orleans (formerly Charity Hospital) and three other facilities closed, their problems multiplied.

In the days after the hurricane, faculty members and residents from the Tulane School of Medicine responded to the critical need for health services by setting up free health care stations at six sites around New Orleans. Beyond such emergency measures, however, the health problems that many New Orleans residents confronted during and after the deluge were clearly made worse by – and in turn highlighted – longstanding weaknesses in city’s health care system.

A survey conducted for the Kaiser Family Foundation in 2006 found that 31 percent of all non-elderly adults in the city had no health care coverage; and 54 percent of the uninsured relied on emergency rooms as their principal source of health care. The same survey found that bringing health care services back on line was a high priority for more than 80 percent of the city’s residents; and more than 70 percent strongly supported an expansion of community-based health services.11 Two years later, a report issued by the Tulane School of Medicine found that access to primary care was still a critical issue in many parts of New Orleans.

Many geographical areas of the city have few or no health facilities to this day, making it difficult for low-income individuals to access quality health care for routine or acute visits and underscoring the great need for expansion of community-based health care services.12

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11 Kaiser Family Foundation: Testimony of Diane Rowland, Executive Vice President, before the U.S. House of Representatives Committee on Commerce and Energy, Subcommittee on Oversight, August 1, 2007.
12 Tulane School of Medicine, Tulane University’s Plan to Advance the Development of Community-Based Health Centers in New Orleans, February 14, 2008, p. 8
The Tulane University School of Medicine has responded to this critical need by expanding its commitment to community-based health care.

- In September 2005 Tulane opened a community health center at Covenant House – a site where the University had been providing adolescent medical services since the late 1990’s. By 2008, the facility was handling about 1,200 clinic visits per month for patients of all ages.

- In collaboration with Mary Queen of Vietnam Community Development Corporation, Tulane operates a community health center in a largely Vietnamese neighborhood in New Orleans East. The center opened in August 2008 in temporarily-leased space; a permanent location is now being developed.

- In July 2009, Tulane unveiled plans to move the community health center currently sharing space at Covenant House into a newly renovated 9,200 square-foot building in the Mid-City neighborhood that was once occupied by the original Ruth’s Chris Steak House. The Ruth U. Fertel/Tulane Community Health Center, which is scheduled to open in the summer of 2010, will have a staff of 25, and will allow the University to expand the services it provides to residents of Mid-City and Treme.

- Tulane is also collaborating with Dillard University on the development of a new health center in Gentilly – a primarily African-American community that was severely damaged by the hurricane, and where its impact is still evident.

All of these health centers are or will be organized around the concept of a “medical home,” a place where community residents can maintain a long-term relationship with a primary care physician and a supporting team – where they have access to preventive and diagnostic services, primary medical care and selected specialties – and through which they can get access to inpatient or other specialized services. They are also designed to function more broadly as community centers, working with community groups on:

... other renewal programs such as job training, after-school education programs for children, a food kitchen and space for people to meet. In our supportive role, we hope to advance the health of the social fabric of communities as much as we seek to improve the health of individuals.\(^\text{13}\)

In addition to these projects, Tulane – in partnership with the Children’s Health Fund – also operates the New Orleans Children’s Health Project. Started in the months after the hurricane, the project provides health and mental health services to children. The project uses two vans, financed by the Children’s Health Fund, to reach children in several of the city’s underserved neighborhoods.

In addition to the projects cited above, the School of Medicine has since 2005 become a strong advocate for the expansion of school health services. In 2009, Tulane opened a school-based health center at Walter Cohen High School – a school with 483 students, 98 percent of whom are African-American, and most of whom are from low-income families.

### Housing and community development

Since 2005 the Tulane School of Architecture, like the School of Medicine, has greatly increased its involvement in New Orleans-area communities. The principal vehicle for the School’s engagement in post-Katrina recovery efforts has been the Tulane City Center – a center for applied research and community outreach that was established in January 2006. We briefly cite here just a few examples of the Center’s role in helping to rebuild New Orleans.

- Each year since 2005, teams of Tulane students participating in the Urbanbuild program have designed and built a

\(^\text{13}\) Ibid., p. 1.
“prototypical affordable house” in one of the neighborhoods most affected by the hurricane. To date the program – a partnership between the Tulane City Center and Neighborhood Housing Services of New Orleans – has completed four houses.

- The Center has worked with the Carrollton-Hollygrove Community Development Corporation and the New Orleans Food and Farm Network on the design and development of the Hollygrove Growers Market and Farm, a storefront retail center designed to bring fresh, healthy, locally-grown food to residents of a low-income neighborhood.
- A team from the Tulane City Center has provided research, data and analysis to support planning for revitalization of the St. Roch neighborhood.
- Working with Idea Village – a local non-profit that promotes entrepreneurial development – a Tulane City Center team helped design the Entergy Innovation Center, a hub for entrepreneurial businesses that opened in the upper Ninth Ward in 2009.
- A Tulane City Center team has worked with the School of Medicine and the Mary Queen of Vietnam CDC to design a new community health center in New Orleans East (described above).
- Project Sprout, a partnership with the Food and Farm Network, seeks to reclaim blighted properties by using them to grow plants such as sunflowers that naturally help remediate contaminated soil, and that can also be used to produce bio-fuel.

Engaging Tulane students

Among the many changes that have occurred at Tulane since 2005, few have been as visible as the University’s commitment to making service to the community an integral part of undergraduate education.

As of 2006, Tulane requires all undergraduates to complete at least one service learning course before the end of their second year; and during their third and fourth years, either a second course or another service learning project, such as an internship, a capstone project or an honors thesis. Service learning courses typically require 20 to 40 hours of service per semester; internships and other projects, 60 to 100 hours per semester.

To oversee the new requirement, and to promote engagement with the community more broadly, Tulane also created a university-wide Center for Public Service. The Center assists faculty members in the development of service learning courses and projects, connects students to opportunities for volunteer work in the community, provides transportation to work sites in the community, and provides a gateway through which community organizations can access University resources.
Tulane’s commitment is reflected in the continuing growth of student engagement in the community during the past three years.

- Between the fall of 2006 and the spring of 2009, the number of service learning courses offered grew from 44 to 114, and the number of students enrolled in these courses rose from 532 to 1,292;
- Between 2006-07 and 2008-09, total hours of public service work by Tulane students rose from 94,000 to more than 124,000.

Since 2006, many students have chosen to fulfill the public service requirement by participating in some aspect of the city’s recovery efforts – working to repair damaged houses or build new ones (as in the Urbanbuild program, described above), assisting in the restoration of city parks, and working as tutors in local public schools. Using estimates from independent sector on the per-hour value of volunteer work, the Center for Public Service estimates that Tulane undergraduate students provided services valued at more than $2.5 million at about 120 sites throughout the city.
As shown in Part Six of this report, Tulane University has been an active participant in the New Orleans area’s recovery from the devastation caused by Hurricane Katrina. But if the city and the surrounding region are to prosper in the years ahead, simply recovering from the effects of the hurricane will not be enough. New Orleans needs to find new sources of economic growth. The creation and development of new businesses is thus vital to the city’s and the region’s future.

In the immediate aftermath of the hurricane, few would have seen this as a way for New Orleans to move forward. Unlike some other mid-sized U.S. cities, New Orleans did not have a reputation as place for innovation and entrepreneurship. Yet in just a few short years, a new entrepreneurial economy has begun to emerge in New Orleans – and has begun to attract national attention. New businesses are being started – and young companies started elsewhere are moving to New Orleans. In August 2009 the Wall Street Journal noted that:

"Four years after Hurricane Katrina’s devastation, New Orleans is experiencing a rebirth of entrepreneurship. Small-business owners who left are coming back... Young professionals have moved to the Big Easy to help with its recovery, enjoy its cultural offerings and start businesses."  

A cover story in Entrepreneur magazine also highlighted the trend:

"In the midst of one of the worst national economies in decades, New Orleans is recreating itself as a hive of entrepreneurial initiative, and demonstrating to other cities how to recover from even the worst disaster."

Universities cannot by themselves create the kind of entrepreneurial spirit that is helping to revitalize New Orleans – but they can nurture it, and can help to create an environment in which that spirit can flourish. This part of our report describes several ways in which Tulane University contributes to entrepreneurial development in New Orleans, including:

- Preparing Tulane students to work as entrepreneurs;
- Supporting the commercialization of technologies first developed at Tulane; and
- Creation of new businesses by Tulane faculty members and graduates.

### Educating tomorrow’s entrepreneurs

Tulane supports entrepreneurial development in New Orleans and elsewhere by helping students acquire the knowledge and skills they need to succeed in creating and growing their own businesses. The focal point for entrepreneurship education at Tulane is the A. B. Freeman School of Business’s *Levy-Rosenblum Institute*. Undergraduates in the Freeman School can choose a major in “strategy and entrepreneurship,” with courses on topics such as:

- Management of technology and innovation;
- Managing new venture creation; and

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Using entrepreneurship to address social needs

Building on its expanded commitment to student engagement in public service (described in Part Six), Tulane in September 2009 unveiled a new University-wide initiative on social entrepreneurship – the use of entrepreneurial thinking, methods and resources to develop innovative solutions to societal problems such as poverty, illness, lack of education and environmental degradation. “No matter what their career aspirations,” Tulane President Scott Cowen said in announcing the initiative, “we want every Tulane student to embrace and become engaged in social entrepreneurship.”

Elements of the new initiative include:

- Creation of the Sacks Chair in Civic Engagement and Social Entrepreneurship – an endowed chair to be filled by a scholar who will be responsible for developing and leading a new undergraduate program in social entrepreneurship.
- Raising funds to support five professorships in social entrepreneurship – two-year appointments for faculty members from any school in the University, who will function as an interdisciplinary team offering courses, conducting research and otherwise supporting the University’s efforts in this area.
- The New Day Challenge – a new business plan competition for social ventures developed by Tulane students whose primary goal is to effect social change in New Orleans. The program is beginning in the fall of 2009, in partnership with the Tulane Entrepreneurs Association, offering workshops and mentorships for participating students. The results of the New Day Challenge will be announced in April 2010, with awards of $20,000 in seed funding for the winners.
- Participation in the Ashoka U Changemaker Consortium, sponsored by Ashoka, a leading organization in the field of social enterprise. A team of eight Tulane undergraduate and graduate students will work with teams from other members of the Consortium (including Babson College, the College of the Atlantic, the University of Colorado and the New School) to share best practices and develop new initiatives.

Even as the new initiative gets under way, Tulane students are being recognized for their engagement in social entrepreneurship. In November 2009, two teams of Tulane student entrepreneurs presented business plans in the final round of the “Movers and Changers” competition sponsored by MTV and the New York Stock Exchange Euronext. Three finalist teams – two from Tulane and one team from the University of California, Berkeley – competed for $25,000 in start-up money.

The winner of the business plan competition was **WET Tea**, a venture created by Tulane students to raise social awareness and provide monetary support for the preservation and reconstruction of the gulf coast wetlands by selling artisan tea. For each box sold, one cypress tree will be planted to restore the coast. **SafeSnip**, runner up and recipient of $20,000, is a device created by Tulane students to clamp, cut and disinfect the umbilical cord during a baby’s birth in developing countries.

- Venture capital and private equity.

MBA students may also choose a concentration in entrepreneurship. The quality of Tulane’s program has been recognized by *Entrepreneur* magazine and the Princeton Review, which in 2009 ranked the Freeman School fourth among all graduate business schools in the U.S. in entrepreneurship education.

Entrepreneurship education at Tulane is not limited to formal coursework, however. For example:

- **The Tulane Entrepreneurs Association** (TEA) is a student-run organization whose mission is “to promote entrepreneurship within Tulane and throughout the greater New Orleans community.” TEA sponsors workshops and a speaker series aimed at helping prepare students to succeed as entrepreneurs, and helps connect them with entrepreneurial networks in the New Orleans area. In 2008-09, 65 Tulane students were members of TEA.
- TEA and the Levy-Rosenblum Institute sponsor the annual **Tulane Business Plan Competition**, which draws aspiring entrepreneurs not only from Tulane but from universities across the country and overseas. The program was started in 2000, and in 2007 was expanded to include a separate track for
social entrepreneurship. The 2008-09 competition drew a record 86 entries.

- Through the Levy-Rosenblum institute’s **TABA Community Service Program**, teams of Freeman School students, working with alumni advisors, provide pro bono consulting services to non-profit organizations and small businesses in the New Orleans area.

- **IDEAcorps** – created in 2006 by Tulane and Idea Village (described below) – brings teams of MBA students from leading universities to New Orleans for an intensive, weeklong experience in helping “high-impact entrepreneurs” address challenges that are critical to their businesses.

**Technology transfer**

Tulane also contributes to the growth of the New Orleans-area economy by making available for commercial use technologies first developed at the University. Between 2003 and 2008, Tulane:

- Filed 67 patent applications, based on research conducted at the University;
- Was awarded 24 patents;
- Entered into 13 licensing or option agreements for commercial use of technology first developed at the University; and
- Collected $43.9 million in licensing revenues from companies that had licensed technology from Tulane.

While Tulane’s absolute numbers on patents awarded and licenses executed are small relative to those reported by leading technology institutions such as MIT and Stanford, the University scores well on measures of the relative productivity of its tech transfer program. A report published by the Milken Institute in 2006, for example, ranked Tulane seventh among U.S. and Canadian research universities when measured by licensing income per patent awarded.\(^\text{16}\) Putting it another way – the number of technologies patented by Tulane is relatively small, but the University’s success rate in moving those technologies into the marketplace, and deriving revenues from them, is relatively high. Moreover, part of the income that the University receives from its licensing agreements is plowed back into research – which in turn leads to further innovation.

Start-up companies provide another measure of the impact of a university’s technology transfer activities. There are currently two companies working in New Orleans on further development and commercial application of technologies licensed from Tulane.

- **Autoimmune Technologies** – a company that studies disease mechanisms, develops diagnostics and explores potential therapies for autoimmune and other disorders.

- **Repair Technologies, Inc.** – a company that is working with Tulane on the development and production of adult stem cells from bone marrow. Although Repair Technologies is based in California, its work on this project will be conducted in Tulane’s Good Manufacturing Practices Facility, located on the University’s Downtown health science campus.

Tulane has also collaborated with other institutions in efforts to accelerate the commercialization of technologies developed at Louisiana universities. For example:

- Tulane is a partner – along with Louisiana State, Xavier and Tulane Medical Center – in the **New Orleans BioInnovation Center**, a 65,000 square-foot building in downtown New Orleans that will include research facilities, an incubator for biomedical start-up companies and

space for other tenants (such as venture capital funds) involved in technology-based development. The Center is scheduled to open in late 2009.

- Tulane is an investor in **Louisiana Fund I**, an early-stage venture capital fund launched in 2005 that focuses on technology companies that have emerged from universities and other institutions in Louisiana.

### Alumni and faculty members as entrepreneurs

Tulane’s contribution to the entrepreneurial vitality of the New Orleans area can also be measured by the role its alumni and faculty have played in creating and growing new ventures in the New Orleans area. These ventures include both for-profit businesses and non-profit organizations that are helping to rebuild New Orleans, and reinvent its economy.

Examples of for-profit businesses and non-profit ventures started by Tulane alumni include:

- **Brian Gibbs Development LLC**, founded in 1996, is a New Orleans-based residential and commercial real estate development firm. Since 2005, Gibbs has undertaken several major projects in downtown New Orleans, with more than 300 condo units completed or in construction. In partnership with Greater New Orleans Inc. and Idea Village, Gibbs also redeveloped an 85,000 square-foot downtown office building. Rechristened “the IP” when it opened in 2009, (for “intellectual property”) the building caters to start-up companies, and has already become one of the City’s most visible hubs of entrepreneurial activity.

- **Redmellon**, founded in 2000 by Tulane graduate Neal Morris, has during the past few years developed approximately 150 units of moderately-priced housing in several New Orleans neighborhoods.

- Although based in New York City, the **Domain Companies** – founded in January 2005 by Chris Papamichael and Matthew Schwartz – has an office in New Orleans and has been active in the redevelopment of the downtown area, with more than 500 units of mixed-income housing completed or under development.

- **Phoenix of New Orleans (PNOLA)**, a non-profit community organization founded in 2005 by a Tulane medical student, Paul Ikemire, focuses on recovery and revitalization in the Lower Mid-City neighborhood. Working with neighborhood residents and Americorps volunteers, PNOLA has since 2006 rehabilitated 50 hurricane-damaged homes, as well as a church and a popular local café.

- **Longuevue Capital**, founded by Tulane graduate Rick Rees in 2001, is a private equity firm based in Metairie.

- **Couhig Partners**, founded by Tulane Law School graduate Rob Couhig in 2003, specializes in intellectual property law (and was, fittingly enough, one of the first tenants to move into the IP).

- **South Coast Solar**, founded in 2008 by Tucker Crawford, is Louisiana’s largest solar energy company.

- **The Savvy Gourmet** is a combination cooking school, catering service and retail store co-founded in 2005 by Tulane graduate Peter Menge.
• **Hernandez Consulting LLC**, founded in 2006 by Alex Hernandez, provides environmental consulting, project management, security and other professional services to federal, state and local government clients.

• **Elympus Wireless Medicine**, founded in 2006 by Neel Sus, is a medical informatics company; its technology enables physicians to use smart phones or other mobile devices to obtain patient information from hospital computers.

• **The Receivables Exchange**, co-founded in 2007 by Nicolas Perkin, provides an online market in which small and mid-sized companies can raise cash by selling receivables.

• **IN Exchange**, started in 2007 by Tulane student Erica Trani, sells works by New Orleans-area artists and artists from developing countries. The IN Exchange store is located on the Tulane campus.

• **Policypitch.com**, co-founded in 2008 by Tulane graduate Zach Kupperman, is an online platform that allows individual citizens to propose, share, collaborate on and promote innovative state and local policy proposals.

• **Noelie Harmon**, a retailer co-founded in 2008 by Tulane graduate Jennifer Gatz Fowler, sells “eco-friendly” products and goods made by local artisans, both online and at a boutique in Baton Rouge.

• **Launch Pad**, co-founded in 2009 by Will Donaldson, a Tulane MBA student, provides shared office space, equipment – and a mutually supportive environment – for start-ups, other small businesses and independent professionals. The venture is located in the IP.

• **playNOLA**, co-founded in 2009 by Ishaneka Williams (also a Tulane MBA student), combines a year-round series of recreational sports leagues and other recreational events with social networking for young New Orleans professionals.

Several Tulane faculty members have also started businesses that are participating in the city’s recovery, and in the rebuilding of its economy. For example:

• **Green Coast Enterprises**, co-founded in 2007 by Will Bradshaw, an adjunct professor at the School of Architecture, specializes in the sustainable design and construction of new homes. Its first project was building homes for displaced Gentilly residents, funded by Project Home Again.

• **BILD Design**, founded in 1998 by Byron Mouton – also on the faculty at the School of Architecture – provides architectural and design services on a wide range of residential projects.

Not all significant innovations, of course, are patentable, or lead to the creation of new businesses. At the Tulane School of Medicine, for example, Drs. Ernest Chiu and Paul Friedlander have developed a new, less-invasive surgical technique for use in treating certain types of head and neck cancers. Even when they don't lead to creation of tangible products or new businesses, innovations in health care can produce substantial economic benefits – and substantial benefits for patients as well.
Innovations in medical care also highlight (once again) the importance of the partnership between the University and Tulane Medical Center. Just as this partnership is essential to the education of physicians and to a substantial part of the University’s biomedical research, many of the innovations in medical care that occur at Tulane would be unlikely to arise outside the context of an institution at which high-quality medical care is integrally related to leading-edge medical research.

Although the city’s emergence as a place that can attract, grow and nurture entrepreneurs is one of most promising developments to occur in New Orleans since 2005, the process is still in its infancy. Entrepreneurial companies such as those cited above are still just a small part of the New Orleans area economy; and they still face serious obstacles to success, such as high crime rates and a shortage of skilled workers.

As New Orleans’s largest private enterprise, its leading educational institution and its leading center of research and innovation, Tulane is especially well-positioned to help create the conditions that will allow the city’s fledgling entrepreneurial economy to grow and flourish.

Building a network of entrepreneurs

Founded in 2000 by five New Orleans-area entrepreneurs, the Idea Village is a non-profit organization whose mission is “to identify, support and retain entrepreneurial talent in New Orleans by providing business resources to high-impact ventures.” The organization works with entrepreneurs whose businesses have significant growth potential to help them identify challenges they need to overcome, set goals and devise strategies for meeting them. It also provides access to innovative work space, and an extensive network of New Orleans-area entrepreneurs and business professionals.

In the years before Hurricane Katrina, says Idea Village co-founder and president (and Tulane graduate) Tim Williamson, “New Orleans was failing by just about every metric you could imagine. We started with the belief that if you could attract and retain entrepreneurial people, they could not only reverse the city’s economic decline – they could also help drive social change.”

In the spring of 2006, the Idea Village collaborated with John Elstrott, director of Tulane’s Levy-Rosenblum Institute, in a course at the Freeman School of Business on “rebuilding New Orleans,” in which 25 MBA students worked with local businesses to address specific problems they faced in the wake of the hurricane. The course quickly grew into IDEAcorps – an ongoing program that to date has brought students and faculty from some of the nation’s leading business schools – including Harvard, MIT, Columbia, Stanford and the University of Chicago – to provide consulting services to New Orleans-area businesses. During the past three years, 272 students from 11 universities have worked with 104 local entrepreneurs.

As noted in Part Six, the Tulane City Center also worked with the Idea Village on the development of a new entrepreneurial hub in the Upper Ninth Ward.

As of June 2009, the Idea Village has worked with 255 New Orleans-area entrepreneurs; together, their businesses had nearly 950 employees and $69 million in revenues. Through IDEAcorps and other volunteer efforts, the organization had provided these companies with more than 34,000 hours of consulting services, and $2.2 million in financial assistance.
Part Eight
TULANE AND THE FUTURE OF NEW ORLEANS

Tulane University has long had a significant impact on the economy of New Orleans and the Greater New Orleans area, both as a major regional enterprise and through its mission of education, research, health care and service to the community. In the years since Hurricane Katrina, its contribution to the city’s recovery has been particularly significant. During the next five to ten years, however, the University’s impact on the economy of the city and the region could be even greater than it has been in the recent past. This is so for several reasons.

1) A return to full enrollment

Although Tulane was able to reopen only a few months after Hurricane Katrina struck, its enrollment has not yet returned to its pre-Katrina level. As noted in Part Three, total enrollment at Tulane fell from more than 13,200 in the fall of 2004 to 10,500 in the fall of 2007 – a decline of more than 20 percent, due in part to some students not returning in the spring of 2006, and in part to a decline in the number of incoming students in 2006 and 2007. Since then, enrollment has been growing at both the undergraduate and graduate levels, to a total of more than 11,900 in the fall of 2009. During the next two years, the number of students at Tulane is likely to surpass 13,000 once again.

Increased enrollment will affect Tulane’s impact of the New Orleans area economy in several ways.

- It will result in a higher level of aggregate spending by Tulane students in the New Orleans area – and increase the jobs and economic activity such spending supports.

- It will result in a modest increase total spending by the University.

- It will increase the number of students engaged in various forms of public service.

- It will increase the pool of talented students who might choose to stay in the New Orleans area after graduation.

2) A growing research enterprise

Between 2002 and 2008, research spending at Tulane increased by 76 percent – an average annual increase of 9.9 percent. And while trends in federal research funding are difficult to predict, for the next several years research at Tulane is likely to remain a growth enterprise. The University is particularly strong in several areas that have significant potential for growth, including biomedical research, bio-safety and security, energy and environmental research.

3) Greater engagement with New Orleans communities

In a variety of ways, the University-wide commitment to public services described in Part Six provides immediate practical benefits to residents in New Orleans communities. These benefits include, for example:

- The health services provided to low-income people for whom they might not otherwise be accessible or affordable;

- Tutoring that helps elementary school students improve their reading skills; and

- Construction of new housing and community facilities in storm-damaged neighborhoods.
It is important to recognize, however, that in the long term, Tulane’s engagement with New Orleans-area communities can have cumulative impacts as well.

- More effective public schools will provide the city and the region with better-educated, more skilled workers – and more engaged, more effective citizens – and make it easier to attract highly skilled workers, talented entrepreneurs and business investment from outside the New Orleans area.
- Expanding access to high-quality health care will similarly strengthen the city’s workforce – improving productivity and reducing time lost to illness.
- Assisting in the development of new community institutions – such as new health centers in New Orleans East, Treme and Gentilly, the Hollygrove Market and the Entergy Innovation Center in the Upper Ninth Ward – will help build social capital these communities, and make them more attractive places to live and work.

Over time, the cumulative effects of Tulane’s engagement with and investments in these communities could have a significant impact on the strength of the New Orleans-area economy.

4) A greater emphasis on entrepreneurship

As discussed in Part Seven, Tulane as an institution has in recent years increased its emphasis on – and Tulane students have shown increased interest in – entrepreneurship. This heightened interest is manifested in a variety of ways – for example, the growing number of students joining the Tulane Entrepreneurs Association; increased participation in programs sponsored by the Freeman School’s Levy-Rosenblum Institute; and the recently-announced University-wide initiative in social entrepreneurship.

This growing emphasis on entrepreneurship is likely to lead over time to an increase in the number of Tulane students, graduates (and faculty) who choose to get involved in creating and growing new ventures (whether for-profit or non-profit). The New Orleans area is likely to be a direct beneficiary of this trend: research conducted by the Kauffman Foundation indicates that nearly half of all entrepreneurs start their businesses in the state where they attended college.

5) Staying in New Orleans

The percentage of Tulane graduates who are staying in New Orleans appears to have increased in recent years. About 14 percent of all those who graduated from Tulane in 1988 were still living in the city as of August 2009; 15 percent of those who graduated in 1998; and 19 percent of those who graduated in 2008. Some of that increase may reflect students who are staying in New Orleans to pursue graduate or professional studies. But it could also reflect an increase in the number of students who are developing stronger ties to the city during their time at Tulane – for example, as a result of their engagement in community service work – or who are choosing to start their careers here – for example, because they see New Orleans as an increasingly attractive place to start a business.

As noted in other parts of this report, the concentration of well-educated young workers, innovators and entrepreneurs is perhaps the single most important factor in determining whether cities and regions falter or flourish economically. By creating an environment on-campus and building relationships off-campus that encourage students to stay in the New Orleans area after the graduate Tulane is making an important contribution to the future of the New Orleans economy.
From recovery to renewal

In many ways, the process of recovery from Hurricane Katrina – at Tulane, in New Orleans and in the surrounding region – is not yet complete. But even as this work continues, it is clear that recovery will not by itself be enough to ensure a more prosperous future. Both New Orleans and the Greater New Orleans area need to build a stronger foundation for – and to develop new sources of – economic growth. Tulane – which in the weeks after Katrina had already begun to confront the need not just for recovery but for renewal – can be a valuable partner in that process.