

Monday, February 11, 2008 - 5:00 PM CST

Study: Austin med school would have \$2.9B impact on state

Austin Business Journal - by [Kate Harrington](#)

A university-backed medical school in Austin would generate \$2.38 billion in yearly spending locally, according to new study.

The report pegs the statewide economic impact of the school at \$2.9 billion, saying it would create 19,307 jobs in the Austin area. The study, released by the Austin Chamber of Commerce and conducted by The **Perryman Group**, concludes that a medical school would be a central factor in positioning Texas as a competitor for the bioscience cluster, as well as improving the overall health of state residents.

While Austin Chamber Chairman Joe Holt and Texas Sen. Kirk Watson both emphasized that the study is not in competition with Texas A&M University's plans to build an academic medical campus in Round Rock, the study specifically focuses on a medical school linked to the University of Texas. Holt said at the press conference that there is no top-tier research university and medical school joint campus in the state, and that the Perryman study focused on the effects of both institutions on a single campus.

Asked if there was any frustration on the part of the chamber or officials involved with the study, Holt and Watson said they understood the UT System's need to very carefully and deliberately consider its options for the future of academic medicine in the area. As reported by the Austin Business Journal on Dec. 21, 2007, the UT System has asked UT Southwestern's Medical School to complete a feasibility study on the possibility of building a medical school in Austin.

UT System officials have said that study is one of many options the system is exploring.

"My frustration is with the idea that we are having these debates in Texas at a time when we're already behind," Watson said at the event. "The only competition we're [facing] is between Texas and the rest of the globe."

Holt said it's important that the Central Texas business community becomes aware of the need to join a medical school with a research university and the economic impact that it could yield. While Holt said a source of funding for a potential medical school isn't clear yet, he says legislative approval could play an important role as well as support from the business community. Perryman says direct construction costs for a typical medical school are usually about \$500 million.

During the event, Perryman said Texas -- in particular Central Texas -- is nowhere close to keeping up with the rest of the country in terms of growth in the biomedical industry.

"A common denominator that's missing in Texas is a medical school a great university combined," Perryman says.

The ability to capitalize on the growing trend of convergence technology is also partly contingent on a medical school, he says.

"Austin has every piece, but we're not yet there in the biomedical piece," Perryman says.

Based on typical **National Institutes of Health** grant levels for major medical schools and established commercialization, the study says gains to the Austin area by 2020 would be about \$2.29 billion in annual outlays and 9,104 permanent jobs.

The study also says that if the proposed **University of Texas Medical School** in Austin led to even a 1 percent improvement in treatment results from major diseases, the overall social benefits to Texas in terms of longevity and productivity would be \$11.17 billion annually.

Courtesy of JB Goodwin