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Global Institutions and Local Economies: Measuring the Economic Impact of the United Nations in New York City

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ABSTRACT

The United Nations (UN) Headquarters represents a significant yet understudied economic contributor within New York City. Past literature has largely examined the organization's value through individual sectors, including employment, visitor spending, and operational costs. However, relatively little research has considered integrated channels such as foreign direct investment-related supply chains and sector-linked effects on local economies. This paper employs an input-output analysis to examine the significance of 3 channels: employee spending, tourism generated by events, and foreign direct investment-related supply chain activity. The data suggest strong employment-driven multipliers, industry-concentrated tourism effects, and structurally vital FDI linkages that connect the operations of the UN to global economic networks. Collectively, these results demonstrate that the United Nations generates considerable economic activity in New York City throughout many industries and contributes to the city's value in international business, investment flows, and information-intensive sectors. These findings provide evidence for policy decisions regarding the economic benefits and costs of hosting and supporting international institutions.

INTRODUCTION

The United Nations (UN) is a significant yet understudied economic actor in New York City (NYC). The organization, which employs over 15,000 workers in NYC, has an employment base comparable to that of the city's largest companies and plays a vital role in local economic activity. Among its diplomatic work, the UN hosts large-scale events, including the General Assembly (GA), which attracts over 7,000 delegates annually and generates large-scale demand for accommodation, transportation, food services, and other linked industries. In addition, the United Nations and its affiliated institutions are consistently ranked in the top 10 recipients of US funding among international organizations, emphasizing their significance within both domestic and global economic systems. However, in recent years, contribution reductions and the withholding of funds by member states[1] have raised questions surrounding the economic and political importance of international institutions like the UN. The United States has withdrawn from and reduced funding to 31 UN agencies, causing many to relocate to less expensive

[1] A UN member state is a sovereign nation that has been officially admitted into the United Nations (United Nations, n.d.).

locations, such as Nairobi. These shifts in support for the organization underscore the necessity of frameworks that assess the economic value of the United Nations to its host city (Lynch & Ayenat Mersie, 2025; Mishra, 2026).

Current relevant research includes both papers regarding the significance of international institutions and those that create frameworks for quantifying economic impact. Generally, researchers have typically employed cost-benefit and input-output analyses in such studies. When specifically examining the value of the United Nations, works have evaluated sectoral linkages, including employment and visitor spending. For instance, scholars such as Bram et al. (2025) and Oxford Economics (2024) emphasize the role of tourism, labor markets, and interdependence between sectors in shaping economic activity. However, relatively little research has considered foreign-direct investment-related supply chains or how global institutions are embedded within international investment networks.

This paper addresses the gap using an input-output model, which assesses three channels: employee spending, tourism generated by events, and foreign direct investment-related supply chain activity. The research outlines direct, indirect, and induced impacts across the NYC economy. The results indicate that of the three, employee spending has the greatest monetary effect, while tourism and FDI-related supply chains have more industry-specific impacts. The expenditures of UN employees generate the greatest widespread and persistent impact due to their continuous circulation across housing, healthcare, food services, and retail sectors. Tourism represents a secondary but highly concentrated channel, with short-term large spikes in economic activity during major events such as the General Assembly. Lastly, FDI-related supply chain effects in tech and information-related industries, although narrower in scope, are vital in connecting the United Nations to high-value, knowledge-intensive markets and global investment networks.

In terms of policy implications, the findings of this paper can be relevant for both local and national-level policy-makers. Within NYC, the UN is a key economic anchor that supports large-scale employment and consumption throughout the city. It creates a significant number of jobs, and both its employees and the tourism it generates through events stimulate many interconnected sectors. Industries such as healthcare, food services, transportation, technology, and information services are especially exposed to UN-related economic activity and benefit from indirect and induced effects. The incorporated FDI-related supply chain channel is especially important for officials determining whether to reduce UN contributions, as it emphasizes the significance of the United Nations in establishing New York City's value in international business, investment flows, and information-intensive sectors.

The rest of the paper is structured as follows: Section 2 provides a literature review of international institutions and economic impact modelling; Section 3 presents the contextual background; Section 4 applies the input-output model and empirical analysis; and Section 5 concludes with overall findings, policy implications, and limitations.

LITERATURE REVIEW

This paper is grounded within 2 branches of literature: 1) studies assessing the value and impacts of international institutions, including the United Nations, and 2) research on economic impact measurements. The first branch consists of work that aims to measure the value of institutions both qualitatively and quantitatively, and is thus vital to our understanding of how previous works assessed the economic and social value of international organizations. We focus on past papers examining the structure of such institutions in terms of employees, large events, and revenue, as well as their implications for their surrounding area. The second branch is necessary for gaining perspective on which economic models are typically used when determining economic and tourism impact, both generally and specifically within New York City (NYC). We focus on past data and models utilized, main channels examined, including labor supply and productivity, and the largest identified contributors to the NYC economy. Together, these two literary strands establish the theoretical and methodological framework allowing us to assess the UN not only as an institution but also as an economic contributor whose presence generates measurable impact on New York City's economy.

2.1: UNITED NATIONS

Within existing literature, several approaches have been employed to examine the value of the United Nations. Wainer and Goldman (2020) highlighted the economic benefits of the United Nations' events to local businesses by emphasizing losses realized when the General Assembly was held virtually. They found that the organization's largest yearly event brought in about 10,000 delegates who stayed in local hotels, which charged their highest rates during that time period. The study also considered non-monetary as well as non-tourism benefits that the UN contributed to, including the globalization of the city and its relevance in the political sphere.

Another approach can be seen in the work of Abeywardena (2016), who employed a more general cost-benefit analysis. To outline the structure of the UN, the study broke down the organization into sections with study-specific definitions, including UN[2], Agencies and Affiliates[3], Missions[4], Operating Expenditures, and Visitor Spending. Within these categories, researchers then analyzed the number of jobs and the corresponding earnings that are in each grouping and whether these jobs were direct employment or employment outside of the UN community. This categorical approach utilized by Abeywardena (2016) allowed researchers to gain an understanding of which UN divisions contribute the greatest to the local economy. In addition to the direct impacts of the organization's agencies,

[2] The UN, refers only to the UN Headquarters located in New York City.
[3] The separately administered funds and programmes, specialized agencies, research and training institutes, and other subsidiary bodies generally have their own leadership structure, governing bodies, and budgets.
[4] "Foreign governments establish Permanent Missions and Permanent Observer Missions headed by permanent representatives for the purpose of dealing with the work of the UN. Delegation members represent their countries in meetings at the UN and the UN General Assembly and engage in negotiations on a variety of issues and resolutions." (Abeywardena, 2016).

Abeywardena (2016) examined indirect economic impacts, including the various ways accredited visitors to the UN could spend money in the city's economy. The work also observed how employee salaries contributed to tax revenue, allowing for a fuller outlook on the many different channels through which the UN benefits the city.

A similar classification-based approach was employed by Balboa et al. (2024) when examining international non-governmental organization (INGO) structure. In this study, researchers split organizations into categories including International Understanding (IU), International Development and Assistance (IDA), International Affairs (IA), Uncategorized (UN), and within each grouping accounted for size (small, medium, and large), region specificity, spending on administration, revenue, expenses, and assets by city. This framework allowed researchers to compare organizations based on their different spending patterns and impact, which highlights the value of examining institutions from distinct categories rather than aggregately.

Together, these studies emphasize the importance of assessing international institutions beyond their direct expenditures, and instead through the diverse channels they generate economic and social value. They also illustrate how disaggregating institutions can help identify specific sources of economic activity. These frameworks are mirrored in the methodology of this study, which, in a similar manner, analyzes the United Nations' impact through multiple channels of economic activity.

2.2: ECONOMIC IMPACT

The second section of this literature review examines how researchers have used economic impact studies to quantify the value of industries, organizations, and projects as well as to assess the potential implications of proposed policies, investments, or development programs. These studies typically break down a specific sector, event, or project and either evaluate how it has altered an economy after implementation or forecast potential economic impacts before implementation through multiple channels. For instance, in Bram et al. (2025), a comparative analysis of the New York City economy before and after the COVID-19 pandemic is conducted to provide an overview of potential long-term trends and challenges regarding migration, real estate, tourism, etc. This work contextualizes the economic environment of NYC, where the United Nations operates and contributes.

Although studies often differ in methodology, the majority employ standardized input-output and open-economy Keynesian models that account for multiplier effects[5]. Common metrics include employment, fiscal impact, wages, and investment to quantify economic footprint as well as broader measurements including GDP and GVA (Oxford Economics, 2024a). The widespread use of these models emphasizes the importance of analyzing the ripple effects on economies through both indirect and induced channels, alongside direct economic contributions. The methodology employed in this study

[5] See Oxford Economics (2024a) and Oxford Economics (2024b).

draws from these same frameworks to analyze the economic contributions the United Nations makes to New York City.

Aside from traditional input-output analysis, economic impact studies often employ sector-specific approaches. A notable focus is the tourism sector, where a slightly different framework for measuring economic value is used. Tourism-focused papers are typically less driven by economic models and instead rely more on data analysis methods. For instance, Chapman and Goodger (2025) employ a regional analysis technique, comparing overall trends in each continent regarding tariffs, social media, cost pressure, etc., and their impact on each continent. In similar studies, researchers tracked visitor types, length of stays, hotel occupancy rates, and business revenue generated from tourists (Bram et al., 2025; Oxford Economics, 2024b). Such metrics are then used to determine potential inhibitors to tourism expansion, how a region can increase visitor numbers, and how enriching the industry impacts residents (Bram et al., 2024). However, some studies still incorporate traditional models, combining direct spending with input-output models. For instance, Oxford Economics (2024a) utilizes an input-output method that assumes the number of potential visitors a new stadium would cater to, as well as increased visitor spending, to determine direct economic impacts from the tourism sector. Combined, these methodologies demonstrate the value of accounting for visitor-related impacts in terms of both direct spending and multipliers. This idea creates the basis for our method of capturing the tourism-related impacts of the UN through direct measurements of visitor behavior and spending patterns as well as their greater ripple effects.

Labor market dynamics, specifically the implications of immigration on labor supply and productivity, are another key variable accounted for in economic impact research. Immigration studies often employ conventional economic models; however, many also conduct analyses by observing trends in specific metrics. For instance, Cohen (2024) focuses on the number of immigrants, job vacancy rates, and deceleration in mean hourly earnings growth rates, and compares these measurements between varying states and industries. Through this analysis, the study correlated employment growth coming from immigrant workers with a decrease in job vacancy rates, as well as wage growth with immigrant employment growth. Although these impacts can vary based on sector and location, the paper emphasizes how workforce composition is an important variable in regional economies. This idea is particularly relevant to the United Nations' globally diverse workforce, which facilitates broad economic activity beyond direct employment.

Because the UN operates within the greater New York City economy, understanding the city's largest contributors to economic growth is also essential for interpreting the institution's economic impact. While regional economies are typically made up of many sectors, there are often certain ones that tend to dominate in propelling economic growth. For instance, Bram *et al.* (2024) found that the main drivers of the city's economy included finance, business, and technology markets. When comparing how economically productive these sectors are to the city as a whole, Bram *et al*. (2025) measured two primary factors: how the U.S. economy performs and the extent to which New York over- or underperforms the rest of the country. The study also divided the labor market into wage sectors in terms

of high, middle, and low, which enabled them to recognize which experienced the greatest job creation levels within each yearly quarter. Using the data, researchers analyzed both long-term and cyclical trends within New York City relating to the labor market as a whole to find that historically, the city's economic expansion has been driven by international migration. This context is vital because it is the environment in which the UN's labor force and visitor-related activities generate economic spillovers.

Collectively, these works highlight that economic impact cannot be studied through a single measure and method. Instead, researchers tend to combine input-output models with examinations of labor market patterns, visitor spending, and region-specific trends to create a full assessment of economic value. While many existing studies have used this methodology for specific industries or infrastructure projects, relatively few have applied it to international institutions such as the UN. In an attempt to reduce this gap, this study builds on these existing frameworks to evaluate the United Nations' economic contributions to New York City through an input-output analysis of the following channels: employee spending, tourism generated by events, and foreign direct investment-related supply chain activity.

CONTEXT

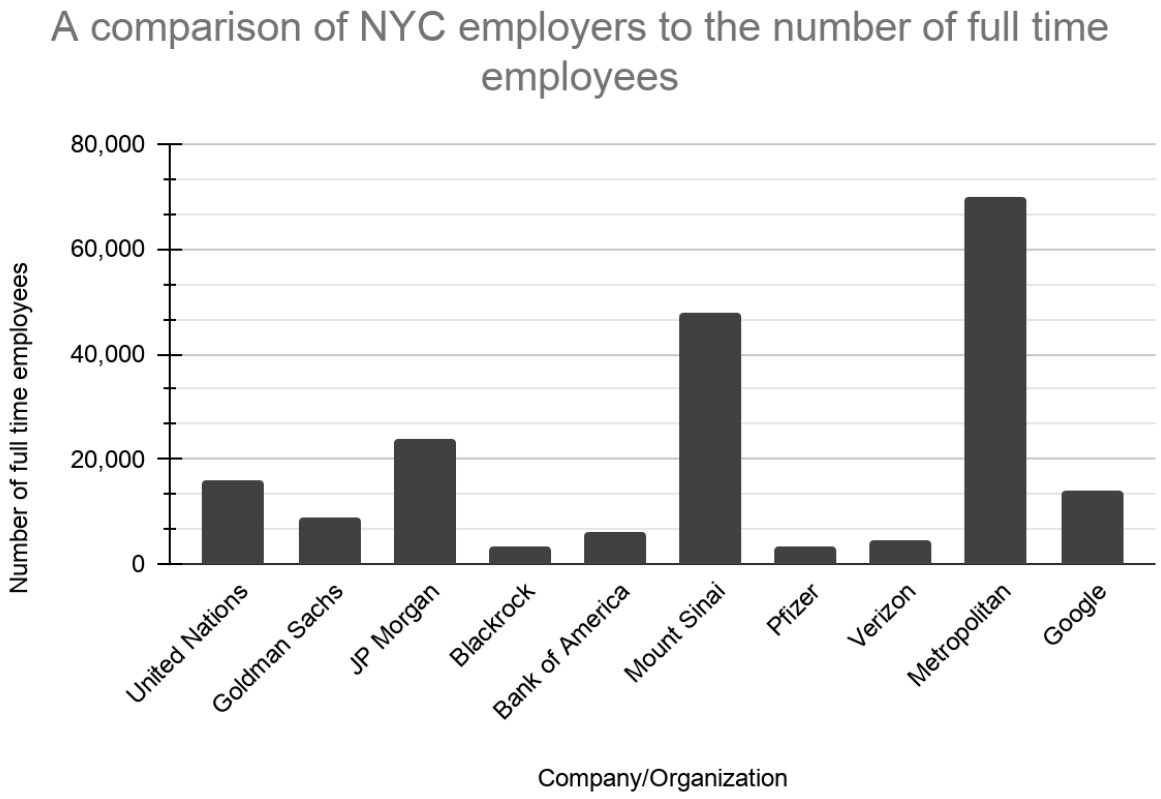
3.1: DATA SOURCES AND DESCRIPTION

The data used in this study were collected to support both the contextual analysis and input-output model. For the context section, information on employment figures, salaries, and event sizes was compiled from publicly available articles, reports, and industry rankings. For the section comparing U.S. contributions across various international organizations, data was collected from the 2024 US Department of State U.S. Contributions to International Organizations Report. The specific sources and corresponding years for each dataset are cited beneath their respective figures.

For the input-output model, data were obtained from the 2024 U.S. Bureau of Economic Analysis Input-Output Accounts, which provided information on the flow of goods and services and their relationship with economic outputs across US sectors. For the employment sector and tourism channels input-output analysis, the following sectors were chosen based on their relevance to household consumption and visitor expenditures: petroleum and coal products, food services and drinking places, other transportation and support activities, and hospitals. For the FDI-linkage input-output models, the following sectors were chosen based on their relevance to UN activity and the scale of foreign direct investment: Miscellaneous professional, scientific, and technical services, computers and electronic products, chemical products, and administrative and support services.

3.2: COMPARATIVE ANALYSIS

Figure 1: A comparison of NYC employers to the number of full-time employees



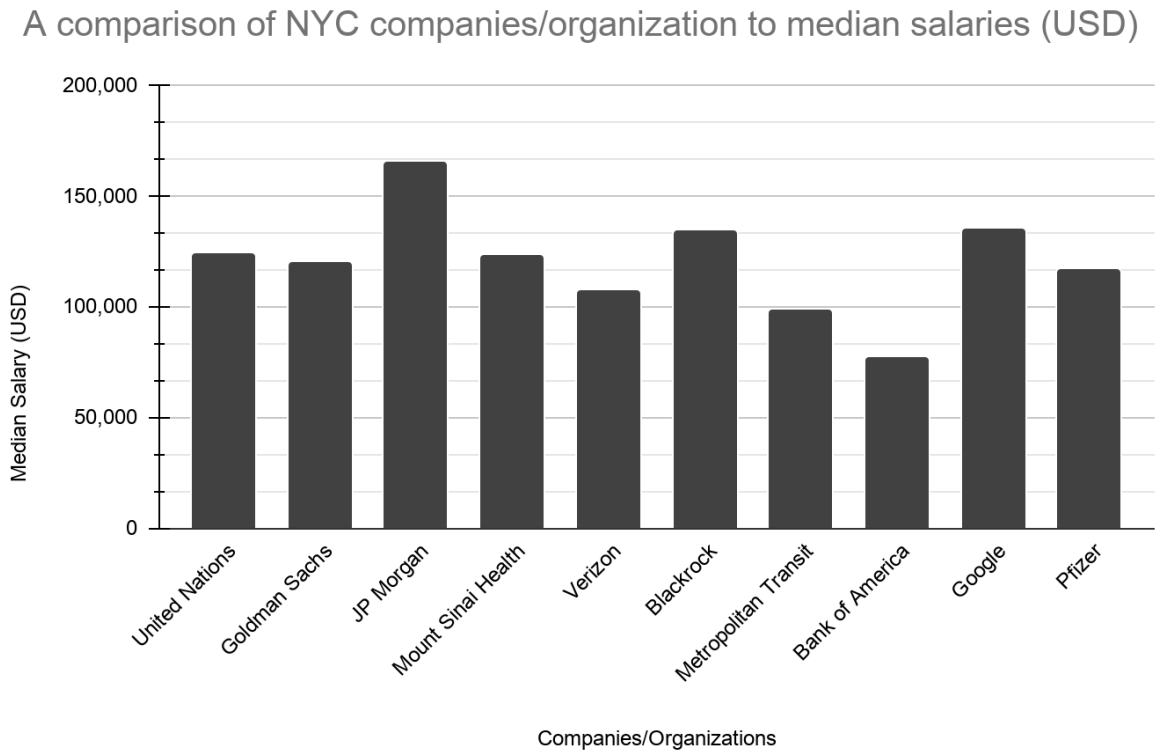
Note. Data compiled from Abeywardena (2016); Employee data and trends for Verizon (2025c); Mount Sinai Health System hospitals named in Newsweek's "Best-in-State Hospitals" 2024 (2023); New York-Based Organizations (n.d.); Employee data and trends for Pfizer (2025b); Employee data and trends for BlackRock (2023a); Choi (2024); Employee data and trends for Bank of America (2025a); Unifygtm.com (2026b); and Campanile (2025).

To understand the impact of the UN agencies in terms of their portion of the NYC labor market, Figure 1 compares the number of employees hired in several companies with headquarters/offices in New York City. The following 10 companies have been included as benchmarks for large employers within varying sectors, highlighting the United Nations' comparable employment rates. Among the listed employers, the Metropolitan Transit Authority (~70000), Mount Sinai Health (~48000), and JPMorgan (~24000) represent the largest. The United Nations follows closely behind the three, employing approximately 15,890 individuals in New York City, a workforce size comparable to that of Google, a major global corporation. Additionally, the UN has a significantly larger full-time employment base than several prominent financial companies, including Bank of America (~6117), BlackRock (3602), and Goldman

Sachs (~8784). These comparisons emphasize that beyond its diplomatic and political role, the United Nations is a significant contributor to the labor market and overall employment in New York City.

When comparing the institution to other corporations, it is important to recognize that the UN follows a unique quota for geographical representation and employs a specific number of internationals per member state (Bouayad-Agha and L. Hernández 1996). To support these expat employees, the organization provides a rental subsidy, among others, which contributes to activity in the NYC housing market (United Nations, n.d., Rule 3.7). Beyond its international employment base, the United Nations and its affiliates hire professionals with a wide range of backgrounds, including lawyers, economists, politicians, researchers, etc (United Nations Careers, n.d.). Therefore, along with supporting local economic markets, the institution increases demand for specialized professional labor within its various divisions.

Figure 2: A Comparison of NYC companies/organizations to median salaries (USD)

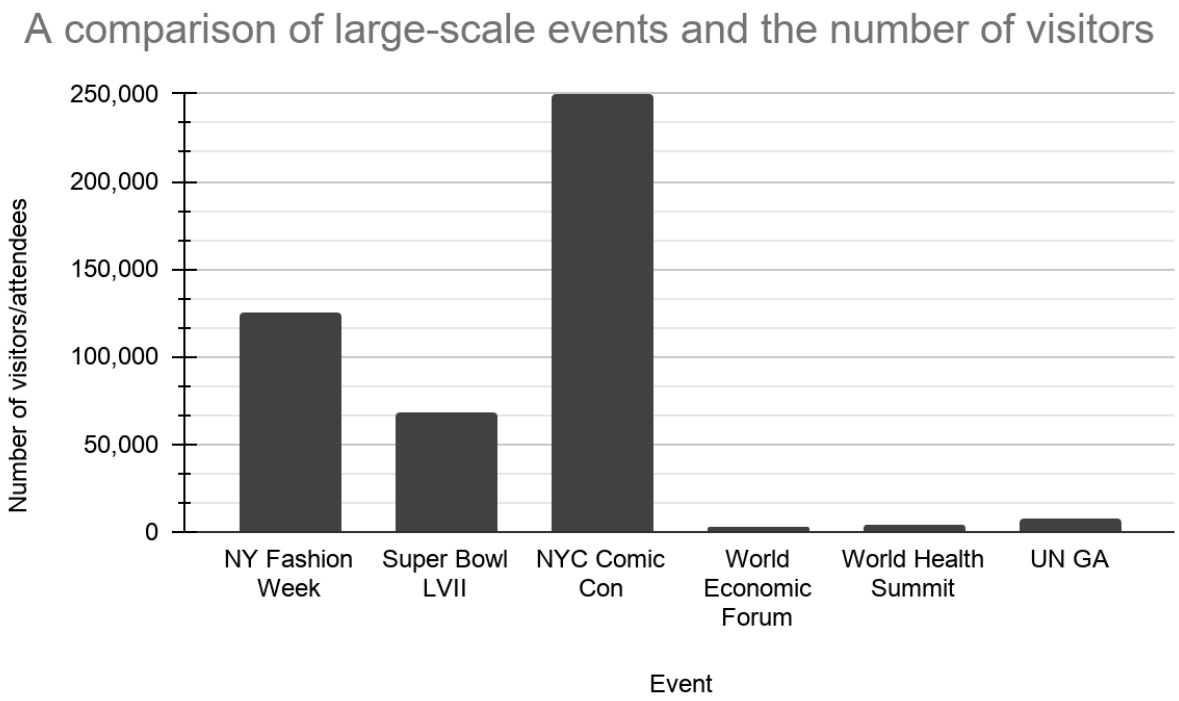


Note. Data compiled from multiple Comparably (n.d.) pages; Goldman Sachs (n.d.); Pfizer Salaries (n.d.); and Govsalaries.com (2024a).

In order to assess economic impacts in terms of real contribution to aggregate demand, Figure 3 depicts the median salaries of employees of the United Nations in reference to other large employers. In the chart, it is seen that the median salary for a UN employee is about $123,829, which is most comparable to those of major corporations, including Goldman Sachs (~$120,000) and Mount Sinai (~$123,264).

As the United Nations typically employs highly skilled and educated workers, salaries are considerably greater than the New York median household income of $85,974 (United Nations Careers, n.d.; U.S. Census Bureau, 2024). This concentration of high-income earners suggests that UN employees possess large amounts of disposable income, enabling higher consumption in the NYC economy, and thus increasing aggregate demand. However, it is important to consider that the UN median salary does not include benefits given to UN employees to reduce the costs of living in New York City, including rental subsidies and education grants (UN Policy Portal, n.d.). This may decrease the amount of income UN employees spend on major household expenses and can increase disposable income available to spend in local industries, including recreation, dining, etc.

Figure 3: A comparison of various large-scale events and their number of visitors



Note. Data compiled from 15 Facts You Never Knew About New York Fashion Week (2022); HVS.com (2023b); New York Comic Con (2025d); Vlcek (2023); Feingold (2026); and World Health Summit 2025 (n.d.). Reported event figures correspond to different years due to variations in source availability.

To understand the UN's impact on tourism in New York City, Figure 3 compares visitor numbers across various large-scale events. As the United Nations hosts several events throughout the year, this study selects the General Assembly for this graph as it is the largest and attracts the greatest number of high-profile visitors (Encyclopaedia Britannica, 2026).

Figure 3 is mainly comprised of two event types: diplomatic and recreational. When comparing three of the largest diplomatic events, the General Assembly, World Health Summit, and World Economic Forum, the United Nations has the greatest number of attendees, with 7,310 in 2016. This large attendance demonstrates the significance of the UN as a forum to discuss diplomatic, financial, supervisory, and elective functions and thus its ability to attract global decision-makers (Encyclopaedia Britannica, 2026).

Although the General Assembly may appear considerably smaller in comparison to recreational events, including New York Fashion Week (125000) and NYC Comic Con (250000), attendance alone may not be able to measure the organization's economic impact. Specifically, General Assembly attendees, including presidents, prime ministers, and monarchs, are more likely to have higher potential spending in the local economy. Such individuals often require increased security personnel, reside in luxury accommodations, and utilize premium transport services. In addition, this influx of political leaders into the city on a yearly basis increases the city's status in the diplomatic and political world, thus boosting its international visibility for other global events and its tourism value (Wainer and Goldman, 2020). The data depicted in the graph underscores that the economic contribution of the General Assembly to the NYC economy should not be evaluated solely based on attendance statistics, but rather on the nature of the event's participants and their potential spending.

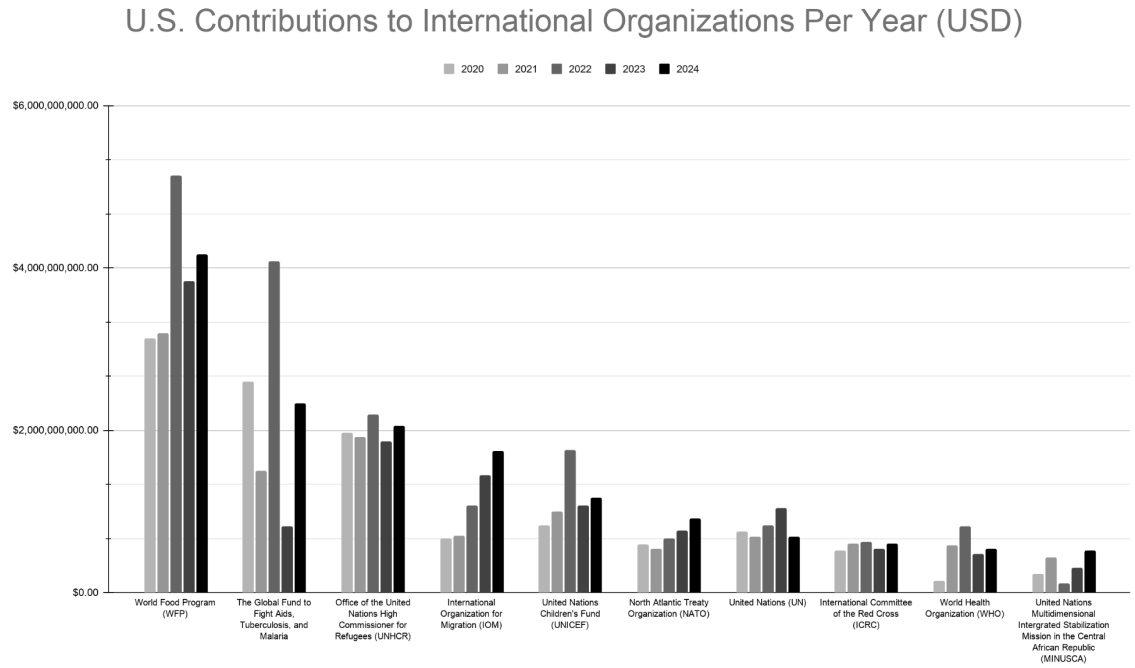
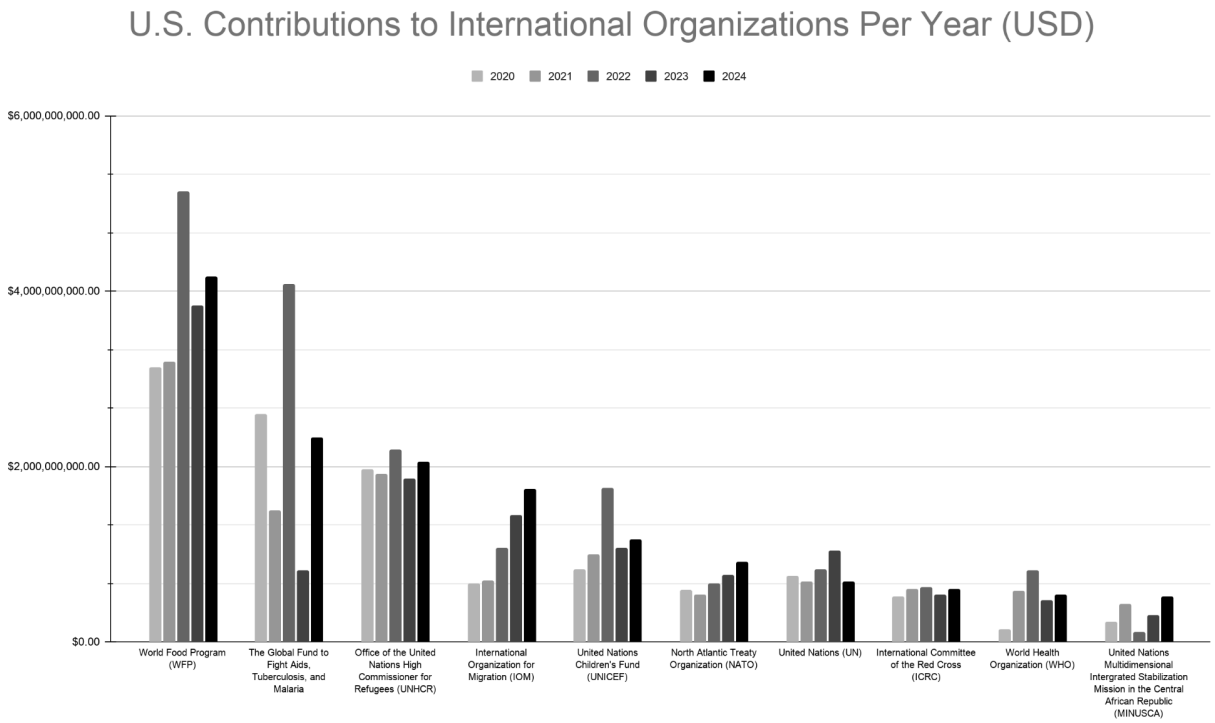


Figure 4: U.S. Contribution to International Organizations Per Year

Note. Data compiled from U.S. Contributions to International Organizations (n.d.). Data represents multiple reports from different years within the series.

To analyze the monetary contributions given to international organizations by the United States, Figure 4 depicts changes in funding to the top 10 organizations by contribution in 2024. The chart separates several organizations within the United Nations umbrella, including the World Food Programme (WFP), United Nations Children's Fund (UNICEF), the United Nations High Commissioner for Refugees[6] (UNHCR), the United Nations[7] (UN), and the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic[8] (MINUSCA). Out of the four UN-related bodies, the United States has consistently given the greatest monetary contribution to United Nations High Commissioner for Refugees with $1,971,070,878 in 2020, $1,918,004,682 in 2021, $2,190,648,509 in 2022, $1,863,352,004 in 2023, and $2,055,194,603 in 2024. Out of the listed organizations, the US has consistently given the largest contributions to the World Food Program from 2020 to 2024. However, such funding decisions often do



[6] UNHCR, the UN Refugee Agency, delivers life-saving aid and protection in emergencies, advocate for improved asylum laws and systems so displaced people can access their rights, and help find long-term solutions so they can return home once safe to do so or build a future in a new country (UNHCR, n.d.)

[7] The central United Nations international organization founded in 1945 to maintain international peace and security (United Nations, n.d.)

[8] An ongoing UN peacekeeping operation established in 2014 to protect civilians, facilitate humanitarian aid, and support peacebuilding and the rule of law in the Central African Republic (MINUSCA, n.d.).

not reflect the preferences of the American people. In 2024, the Pew Research Center reported that 73% of Americans' top priority was protecting the US from terrorist attacks, 31% was strengthening the UN, and only 18% was aiding foreign refugees. These priorities are not mirrored in the data from 2020-2024, as the US currently contributes the greatest sums to the World Food Program, the Global Fund to Fight AIDS, Tuberculosis, and Malaria, and the Office of the United Nations High Commissioner for Refugees.

One explanation for these funding patterns may be the relationship between domestic economic activity and international assistance. In 2026, the Under Secretary for Trade and Foreign Agricultural Affairs, Luke Lindberg, stated that USDA intends to enter into an agreement with the UN World Food Programme to deliver up to $452 million in fiscal year (FY) 2025 Food for Peace assistance. The funding allows American-grown food to be sent to undernourished populations in developing countries. Hence, support for organizations like the WFP in turn benefits key American sectors and may explain large monetary assistance differences within UN divisions. However, for the broader organization facing a budget deficit, funding reductions raise concerns about the future financial stability of international institutions. During the president’s first term, the U.S. withdrew from key international accords such as the Paris Climate Agreement and the Iran Nuclear Deal, and questioned the relevance of NATO, emphasizing a reduction in international commitments. Such past actions reflect an “America First” policy, which prioritizes a cost-benefit approach to international relations, including economic self-interest and trade imbalances. This continued reduction in financial support raises the possibility that the United States may increasingly prioritize funding for UN agencies that provide direct economic benefits to domestic industries. If this trend continues, concerns may increase regarding the long-term role of the United States within the United Nations system, as well as the possibility of certain UN operations relocating outside the country (Kenny, 2026). Such developments could produce broader economic consequences for cities that significantly benefit from UN activity, particularly New York City, where the organization contributes to employment, tourism, diplomatic activity, and international business.

4.1: EMPLOYEES

Figure 5: 2024 Consumer Spending by Sector in the U.S. Tourism Industry

Sector	Consumers
Petroleum and coal products	0.055
Food services and drinking places	0.077
Other transportation and support activities	0.020
Hospitals	0.078
Total Personal Consumption Expenditures	1.000

Note. Data compiled from the U.S. Bureau of Economic Analysis Input-Output Accounts (n.d.).

To understand how UN employees tend to spend their income in NYC, this input-output table models US consumers' spending in the following four sectors: petroleum and coal products, food services and drinking places, other transportation and support activities, and hospitals. These four sectors were selected based on their relevance to consumer spending patterns within New York City, along with their share of total American personal consumption expenditures. Using these coefficients, the model estimates that for every $1 of household income, approximately $0.078 is associated with spending on hospitals, $0.077 with food services and drinking places, $0.055 with petroleum and coal products, and $0.020 with other transportation and support activities. Although this data represents national-level consumption, it can provide an estimate for how income may be distributed throughout the NYC economy by UN employees.

Figure 5 highlights that the largest portion of expenditures is seen in hospitals as well as food services and drinking places, suggesting that UN workers are most likely to stimulate these two sectors within New York City. Healthcare services, by nature, are often characterized as a stable and necessary household expenditure. Meanwhile, spending on restaurants and food is more likely to reflect the consumption patterns of the UN's urbanized workforce. These expenditures can result not only in an increase in industry revenue but also in widespread supply-chain and labor force effects.

However, given the urban nature of New York City, expenditures relating to transportation may differ depending on where employees choose to reside. Those living in Manhattan, relatively close to the

headquarters, are less likely to spend their income on petroleum and transportation, while those living in outer boroughs may have increased expenditures in these sectors. Hence, although petroleum and coal products and transportation activities represent a relatively smaller portion of total expenditures, they still are vital to our analysis of the relationship between UN employees and the broader NYC economy.

4.2: EVENTS

Figure 6: Condensed input-output model of the 2024 US tourism sector

	Transit and ground passenger transportation sector	Air transportation sector	Accommodation	Food, beverage, and tobacco products
Petroleum and coal products	0.042	0.106	0.002	0.003
Food services and drinking places	0.002	0.039	0.036	0.001
Other transportation and support activities	0.014	0.111	0	0
Hospitals	0	0	0	0
Compensation of employees	0.214	0.294	0.313	0.129
Total industry output	1.000	1.000	1.000	1.000

Note. Data compiled from the U.S. Bureau of Economic Analysis Input-Output Accounts (n.d.).

Beyond direct consumer spending, a broader tourism sector input-output model has been employed to demonstrate how expenditures related to UN-hosted events circulate throughout the economy. To analyze the tourism channel within New York City, stimulated by large-scale events, four sectors have been

selected based on their relevance: transit and ground passenger transportation, air transportation, accommodation, and food, beverage, and tobacco products.

The transit and ground passenger transportation sector can be defined as "businesses engaged in operating urban transit and commuter rail systems and in providing chartered bus, school bus, and interurban bus transportation, and taxi and limousine service." During United Nations events, including the General Assembly, this sector is often stimulated by visitors traveling to and from accommodations. To make 1 unit of this sector, we require 0.042 units of petroleum and coal products, 0.002 units of food services and drinking places, 0.014 units of other transportation and support activities, and 0.214 units of labor.

The air transportation sector accounts for "businesses engaged in providing scheduled and non-scheduled air transportation of passengers and/or cargo using aircraft such as airplanes and helicopters. Similar to the previous sector, many event guests travel via air transportation. To produce 1 unit of this sector, we need 0.106 units of petroleum and coal products, 0.039 units of food services and drinking places, and 0.111 on other transportation and support activities. This sector also requires a large amount of labor, with 0.294 units required per unit.

The accommodation sector includes "businesses engaged in providing lodging or short-term accommodations for travelers, vacationers, and others." Examples include hotels, motels, and campgrounds. As UN events are typically multiple days long, many visitors require accommodation during their time in NYC. To produce 1 unit of this sector, we need 0.002 units of petroleum and coal products as well as 0.036 units of food services and drinking places. This sector is mostly dependent on labor, with 0.313 units required per unit.

The Food, Beverage, and Tobacco products sector is defined as businesses engaged in preparing meals, snacks, and beverages to customer order for immediate on-premises or off-premises consumption. Examples of businesses and products within this sector include cigarettes, beer, and grocery products. As the duration of many visitors' stays is multiple days during UN events, they require regular access to restaurants, grocery stores, and other food-related services, increasing demand within this sector. To produce 1 unit of the sector, we need 0.003 units of petroleum and coal products, 0.001 units of food services and drinking places, and 0.129 units of labor.

The input-output model highlights the supply-chain impacts generated by tourism-related spending. For instance, the air transportation industry relies heavily on petroleum and coal products as inputs. Petroleum inputs account for approximately 10.6% of total industry outputs in the sector. Hence, as demand increases in the air transportation sector during events like the General Assembly, demand will also increase for petroleum and coal products, which will then create indirect impacts throughout the rest of the supply chain. This supply-chain relationship holds true for other sectors within the New York City tourism economy, where increased activity creates demand for interconnected industries.

In addition to the indirect supply chain, these four sectors also hire many employees who spend their wages within the NYC economy. As seen in the input-output model, the total industry outputs of sectors including air transportation and accommodation are 29.4% and 31.3%, respectively, of employee compensation. With reference to section 4.1, these induced effects by employees in the supply chain of the tourism sector would most likely match those of UN employees. However, workers of the tourism supply chain may align more closely with the assumptions of the input-output model, since they are more representative of the general American public and therefore have a higher likelihood of matching average consumption patterns. Thus, as their expenditures recirculate into various sectors of the economy, further economic activity will be generated in New York City.

4.3: FOREIGN DIRECT INVESTMENT

Figure 7: Condensed table of FDI into the United States from 2010-2019 (Millions of dollars)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
All countries	198,049	229,862	199,034	201,393	201,733	467,625	459,419	308,957	203,234	242,519
Canada	7,357	18,790	17,326	14,933	23,479	58,887	65,140	71,025	29,132	38,251
Europe	151,055	128,687	156,994	114,304	93,768	338,691	301,860	173,688	100,014	103,974
Latin America and Other Western Hemisphere	13,424	21,137	-863	16,254	13,627	11,628	30,655	-4,083	41,147	38,792
Asia and Pacific	26,875	50,832	26,330	54,473	71,582	55,117	61,174	62,359	27,783	54,262

Note. Data compiled from the U.S. Bureau of Economic Analysis Input-Output Accounts (n.d.).

This table depicts foreign direct investment (millions of dollars) into the United States. From 2010 to 2019, the largest sum came consistently from Europe, with 103,974 in 2019, which accounted for 42.87% of all FDI in that year. Asia and the Pacific also contributed a large percentage of 22.37%. Despite fluctuations, the data illustrate sustained high levels of FDI and show that the United States remained a major recipient of global capital throughout the decade.

Within industries receiving foreign direct investment, several are especially relevant to the United Nations: data processing, internet publishing, and other information services; computers and electronic products; and professional, scientific, and technical services. These industries are particularly important for UN communications and technological equipment, research, and translation services.

Figure 8: Foreign Direct Investment in UN-Relevant Sectors with Significant Foreign Direct Investment Inflows

	Data processing, internet publishing, and other information services	Computer and electronic products	Professional, scientific, and technical services
Miscellaneous professional, scientific, and technical services	0.107	0.021	0.085
Computers and electronic products	0.013	0.113	0.007
Chemical products	0.003	0.005	0.045
Administrative and support services	0.047	0.006	0.031
Compensation of employees	0.267	0.455	0.430
Total industry output	1.000	1.000	1.000

Note. Data compiled from the U.S. Bureau of Economic Analysis Input-Output Accounts (n.d.).

The data processing, internet publishing, and other information services sector can be defined as "businesses engaged in providing computing infrastructure, data processing services, web hosting services (except software publishing), and related services, including streaming support services (except streaming distribution services)." Within the United Nations, electronic infrastructure, devices, and communication systems are in constant high demand. To make 1 unit of this sector, we require 0.107 units of data processing, internet publishing, and other information services, 0.013 units of computers and electronic products, 0.003 units of chemical products, and 0.047 units of administrative and support services. 0.267 units of labour are also required, demonstrating a demand for skilled labor within the industry.

The computers and electronic products sector accounts for "businesses engaged in the design and use of integrated circuits and the application of highly specialized miniaturization technologies in the manufacture of computers and electronic products." Similar to the previous sector, during United Nations events, including the General Assembly, this sector is often stimulated by increased communication and information exchange, facilitated by technology systems. To produce 1 unit of this sector, we need 0.021 units of data processing, internet publishing, and other information services, 0.113 units of computers and electronic products, 0.005 units of chemical products, and 0.006 units of administrative and support services. This sector also requires a large amount of labor, with 0.455 units required per unit, highlighting a great demand for human capital.

The professional, scientific, and technical services sector comprises businesses engaged in processes in which human capital is the major input." As UN operations involve large-scale coordination and analysis, the institution increases demand for these services. To produce 1 unit of this sector, we need 0.085 units of data processing, internet publishing, and other information services, 0.007 units of computers and electronic products, 0.045 units of chemical products, and 0.031 units of administrative and support services. This sector is highly labour-intensive, with 0.430 units of labour required per unit, which emphasizes how the UN supports the labour force beyond direct employment.

This table emphasizes the supply chain impact of general UN activity within the NYC and United States economy. For example, data processing, internet publishing, and other information services rely greatly on miscellaneous professional, scientific, and technical services as inputs. These inputs account for approximately 10.7% of total industry outputs. Hence, as demand is high for professional, scientific, and technical services due to the United Nations, demand will also be high for its supporting industries, which will then create indirect impacts throughout the rest of the supply chain. Certain sectors that the United Nations stimulates are also reliant on businesses within themselves. For instance, 11.3% of inputs for computers and electronic products come from within the sector. The presence of significant foreign investment in UN-relevant sectors emphasizes how international institutions, such as the United Nations, are deeply tied to economic sectors interconnected with global networks. Although the UN is not the only consumer of these goods and services, its day-to-day operations contribute to economic activity within sectors already interconnected in international investment networks. As foreign direct investment is carried out in industries relating to technology, professional services, and management infrastructure, it supports the economic systems that allow global organizations to operate. Beyond these operational linkages, the UN, its agencies, and permanent missions facilitate opportunities for cross-border collaboration and investment between governments, global corporations, and business leaders through conferences, legal frameworks, and policy analysis (United Nations, n.d.). Therefore, the UN is both a key contributor to the NYC economy and an actor integrated in a wide global economic network

CONCLUSION

In conclusion, this paper describes the economic impact of having the United Nations Headquarters in New York City through three channels: employee spending, tourism generated by events, and foreign

direct investment-related supply chain activity. To understand the significance of its contribution, this paper uses an input-output analysis commonly employed by economic impact studies to describe spending flows across direct, indirect, and induced effects. In existing literature, the economic impact of the UN and other international organizations has been measured through cost-benefit analyses. They have mainly examined the value of the organization through sectoral linkages, including employment and visitor spending. However, relatively little research has considered foreign-direct investment-related supply chains and the inter-industry connections of the General Assembly. By comparing employee spending and both tourism and foreign direct investment-related supply chains within one framework, this paper creates a more integrated analysis of the economic value of the United Nations to New York City.

When comparing the three channels, the spending of United Nations employees exhibited the strongest estimated association with economic activity across the analyzed New York City sectors. As most UN employees earn higher levels of income than the NYC median household income, their spending circulates broadly across multiple sectors. This creates significant long-term induced effects as expenditures repeatedly flow through industries, especially within hospitals and food and drinking places. Tourism linked to UN events, including the General Assembly, we found, is the second-largest source of economic activity. High-profile guests greatly contribute to the transportation, accommodation, food, beverage, and tobacco products sector, which then stimulates demand for petroleum and coal products. Unlike the more sustained economic activity associated with UN employee spending, General Assembly-related tourism is concentrated within a relatively short period, producing temporary but substantial increases in consumption. In contrast, the foreign direct investment (FDI)-related supply chain channel exhibits more structural linkages, particularly within the information services sector, and is associated with employee compensation across several industries. While the direct reach of this channel is more concentrated compared to employment, it is vital in supporting international capital flows, technological and information exchange, and inter-industry connections that shape the city's economic significance in the long term. Overall, our findings suggest that employment generates the broadest economy-wide effect, amongst the three analyzed channels, while tourism and FDI channels create more concentrated industry-specific effects.

The findings of this paper are relevant to both local and national-level policy-makers. As the United States continues to reduce financial support for the United Nations, the economic benefits identified in this study represent potential losses for New York City should UN agencies continue to relocate. Beyond its role as a key diplomatic institution, the paper finds that the UN serves as an economic anchor that supports large-scale employment and consumption throughout the city. It creates a significant number of jobs in NYC, and its employees and events stimulate many interconnected sectors. Industries such as healthcare, food services, transportation, and technology are especially exposed to UN-related economic activity and benefit from both direct and multiplier effects. Likewise, the FDI-related supply chain channel is particularly vital from a policy perspective, as it reflects the significance of global institutions in reinforcing international business connections, investment flows, and knowledge-intensive sectors within their host cities.

Nevertheless, this study has several limitations that should be considered when conducting further research on the topic. This paper mainly focuses on monetary impacts and does not consider the United Nations' relevance politically or socially. Specifically, it does not account for any inflationary pressure that may occur due to spending by employees, which may offset welfare benefits. Likewise, many UN employees do not reside in New York City, and their spending leaks outside of the local economy. As UN employees are a highly international workforce, employees may also send a portion of their income abroad, further resulting in leakages. Finally, the nature of the input-output approach does not capture how these spending patterns and effects may evolve in the future. While the input-output analysis describes relationships between various sectors and potential multiplier effects, it does not explicitly quantify the effects in relation to total additional economic output.

Despite these limitations, this paper still provides an effective framework for analyzing the United Nations' economic impact within New York City and reinforces the role of international institutions in generating economic activity. Collectively, the findings suggest that the value of international organizations extends beyond their daily operations and political influence. From an economic perspective, they serve as key actors in local economies and globally connected supply chains. As further research is conducted on the value of such institutions within their host cities, understanding their broad economic effects is important to comprehensively evaluate their costs and benefits.

ABOUT THE AUTHOR

Renee Sharapov is a high school senior at the United Nations International School in New York City. Her academic interests lie at the intersection of politics and economics, and she hopes to pursue a career in international economic development.

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