



Economic Impact Report

► CONNECT ◀

A

Southeastern

Massachusetts

Public

Higher Education

Partnership

BRIDGEWATER STATE COLLEGE • BRISTOL COMMUNITY COLLEGE
MASSASOIT COMMUNITY COLLEGE • CAPE COD COMMUNITY COLLEGE
UNIVERSITY OF MASSACHUSETTS DARTMOUTH



ECONOMIC IMPACT REPORT

Objectives of the Study

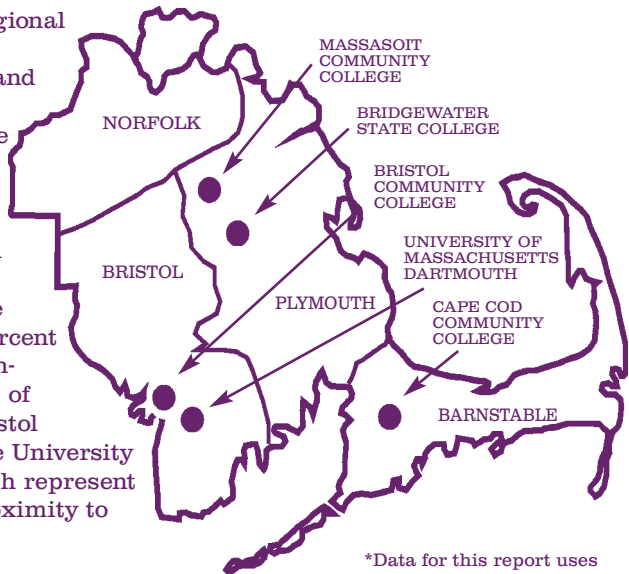
To understand the individual and collective economic impact of five public higher education institutions in Southeastern Massachusetts and the commonwealth

To identify the return on investment that is received by the commonwealth's annual appropriation

Impact Area

The target area of this regional economic impact project is Norfolk, Bristol, Plymouth and Barnstable counties.

Connect institutions serve residents of the region first and foremost. An impressive 83.1 percent of those who attend the colleges and university in Southeastern Massachusetts are from the region, while another 11 percent are residents of the commonwealth. Higher percentages of out-of-state students for Bristol Community College and the University of Massachusetts Dartmouth represent these institutions' close proximity to the state of Rhode Island.



*Data for this report uses Fiscal Year 2002 numbers

INTRODUCTION



An Economic Catalyst



Public institutions of higher education are among the greatest assets of the Commonwealth of Massachusetts: as educational and cultural resources and as economic engines.

This joint economic impact report has been prepared by **Connect: A Southeastern Massachusetts Public Higher Education Partnership**. It includes collective and individual data for Bridgewater State College, Bristol Community College, Cape Cod Community College, Massasoit Community College and the University of Massachusetts Dartmouth.

The study estimates the total economic impact of these five Connect campuses on the region's economy by examining financial and employment data* from the institutions.

Expenditures by the institutions have a multiplier effect because they are re-spent several times in the region's economy. This study uses multipliers specifically developed for colleges and universities by the U.S. Department of Commerce, Bureau of Labor Statistics.

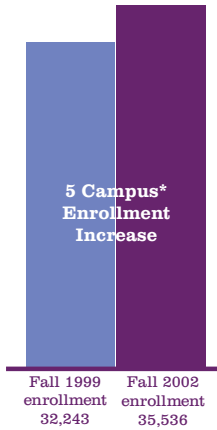
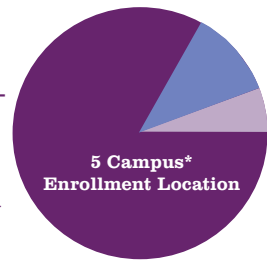
The bottom line about the state's return on investment in public higher education in Southeastern Massachusetts is one stunning fact ...

For each and every \$1 of state appropriation to public higher education institutions in Southeastern Massachusetts, \$4.50 in economic output is generated for the Commonwealth of Massachusetts.

*Data for this report uses fiscal year 2002 numbers

ENROLLMENT LOCATION PATTERNS

Not only do the public colleges and university in the region serve residents of the commonwealth, they are serving them in growing numbers. While it has been popular to claim that interest in general and enrollments in particular at public institutions of higher education in



Massachusetts are declining, the reality is that enrollments are on the rise in Southeastern Massachusetts. Connect institutions collaboratively serve more than a fifth of the total number of students enrolled at the 29 campuses of public higher education institutions in the state.

The campuses, over a three-year period (fall 1999 to fall 2002), experienced an overall 10 percent increase in enrollment, from 32,243 students to 35,536, while all public institutions in the commonwealth experienced a 4 percent increase.



Rewards by Degree



Economic health requires a well-educated, highly motivated workforce. Connect institutions awarded 21,956 degrees over a four-year period. Recipients of those degrees, mostly lifelong residents of the region, continue to live, raise their families and work in the area and the state, further invigorating the economy in Southeastern Massachusetts.

ADDITIONAL EARNINGS MADE POSSIBLE BY DEGREES AWARDED AT OUR INSTITUTIONS OVER THE PAST FIVE YEARS

Bridgewater State College	Bristol Community College	Cape Cod Community College	Massasoit Community College	University of Massachusetts Dartmouth	Five Campus* Total
\$128,606,778	\$22,977,762	\$14,671,278	\$23,840,004	\$91,747,188	\$281,843,010
					\$56,368,602 (annualized)

An individual's earning potential over a lifetime stands to increase significantly with attainment of a college degree. The differential between a high school diploma and an associate's degree is \$6,582 a year; with a bachelor's degree, the differential is \$17,469 a year.**

More highly educated workers tend to enter higher paid professions as a general rule. A pool of well-trained, skilled workers also attracts business and industry into the region's economy.

Additional earnings made possible by those 21,956 alumni of Connect institutions are an astonishing \$56,368,602 annually.

Over the course of their lives, which assumes a 45-year career, those Connect alumni could collectively return \$134.4 million to the commonwealth's revenue stream through state income tax paid on their earnings (at .053).

* "5 Campus" represents combined figures from the campuses of Bridgewater State College, Bristol Community College, Cape Cod Community College, Massasoit Community College and University of Massachusetts Dartmouth.
 ** According to the Bureau of the Census and Bureau of Labor Statistics.



Return on Investment

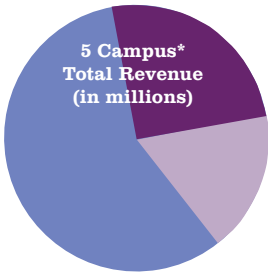
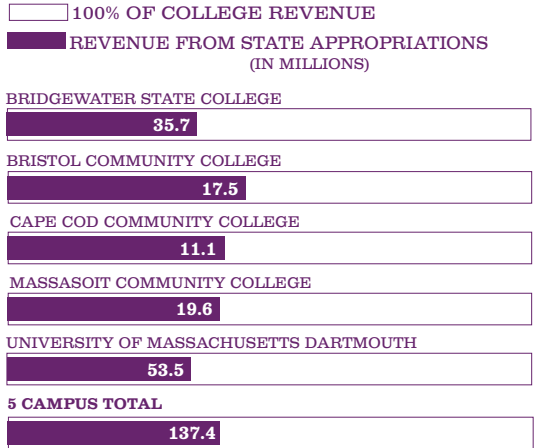


The Commonwealth of Massachusetts ranked 48th out of 50 states in the nation in terms of per capita spending on public higher education in fiscal year 2002. The commonwealth's appropriation, as a percentage of the total revenue of these Connect institutions, is 44 percent.

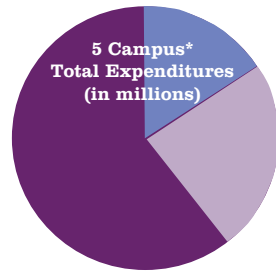
Each of these five Connect campuses generates dozens of millions of dollars in revenue annually, for a combined total of \$325.7 million. A whopping \$274.9 million – or 84.4 percent – of that revenue remains in the Commonwealth of Massachusetts.

Meanwhile, the public higher education sector enhances the business sector and its employees in Southeastern Massachusetts. Connect campuses expend \$192 million in the region – 61 percent of their total \$314.5 expenditures. (See Regional Economic Impact chart, Page 6.)

CAMPUS FY '02 STATE APPROPRIATIONS (unrestricted appropriations in millions)



- Within the SEMASS region
- Outside the region, but in the Commonwealth
- Outside the Commonwealth



- Two-thirds of Massachusetts residents attending college in state are enrolled at public colleges and the university.
- Seventy-five percent of higher education graduates enter the Massachusetts workforce after graduation.
- Public higher education is the primary postsecondary entry point for minority and low income students.

* "5 Campus" represents combined figures from the campuses of Bridgewater State College, Bristol Community College, Cape Cod Community College, Massasoit Community College and University of Massachusetts Dartmouth.

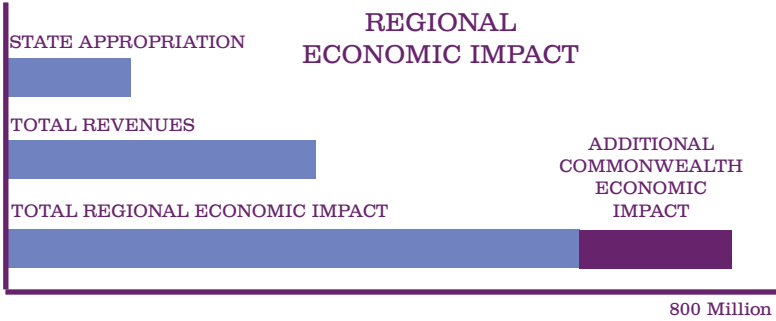
Economic Impact

Overall, the estimated regional economic impact of these five Connect institutions on the region and in the state is \$740 to \$760 million annually.

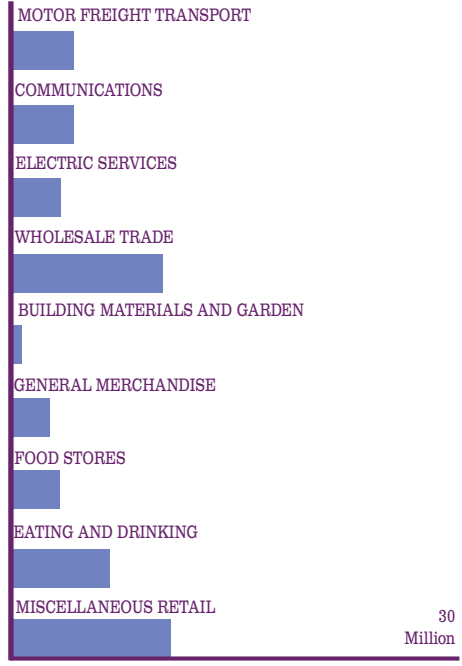
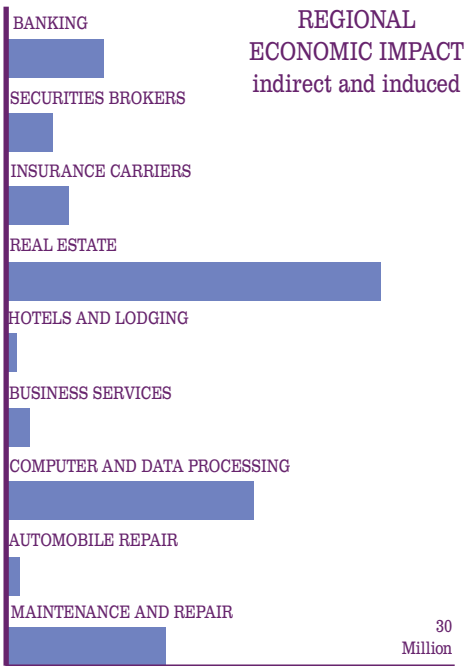
In terms of regional employment impact, the colleges and university employ 9,262 Massachusetts residents; 8,866 live, raise their families, pay taxes and contribute to the quality of life in Southeastern Massachusetts. Approximately a third of Connect employees are students working on campus.

The institutions provide full-time and part-time employment for working adults as well as part-time employment and work-study opportunities for thousands of students.

The bottom line of this regional economic impact report shows that for every \$1 in state appropriation, these Connect institutions collaboratively generate an additional \$3.33 in regional economic output and an additional \$1.17 elsewhere in the state for a total of \$4.50 return on the investment of a single dollar.



The expenditures of these Connect institutions generate business for virtually every type of enterprise in the region. The mere presence of the five institutions also serves as an important business attraction and retention factor in the region. Among the most important locational factors for the business sector are access to a well-trained workforce and proximity to higher education institutions.



Regional Economic Impact does not include: visitor spending (parents, friends, family), student spending (non-university income), foundation giving, spin-off companies by alumni.

Every \$1 in state funds generates an additional \$3.33 in regional economic output and an additional \$1.17 elsewhere in the state (\$4.50 total).



A Business Perspective



If these five Connect public higher education institutions in Southeastern Massachusetts collectively were...

A private company – Connect would rank third in the region in terms of revenue, only behind Cumberland Farms of Canton and Ocean Spray of Lakeville, and 33rd overall in the state.

A public company – Connect would rank fourth in the region in terms of revenue behind Talbots, Inc., of Hingham, Reebok of Canton and Quaker Fabric Corp. of Fall River, and 61st overall in the state.

An employer – Within the region, Connect would stand second to Stop & Shop of Quincy, which is the largest employer in the state, and rank 14th overall in the state, just behind Fleet Bank.

A nonprofit organization – Connect would rank number one, with revenue in excess of two and a half times the revenue of the Museum of Fine Arts in Boston.

A single college or university – Connect would rank number one with 28,827 full-time undergraduate students, far ahead of Boston University's top ranking.

Source: *Boston Business Journal Book of Lists 2003*.



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