



The New Hampshire
Forum on the Future
An alliance of higher education, business, and policy leaders

**Impacts and Trends of New Hampshire's
Colleges and Universities**

2007

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Executive Summary

“Measuring Up 2006”, a national ‘report card’ on higher education, gives New Hampshire good grades in some areas of performance. New Hampshire received good grades in preparing students to succeed in college, stability and excellence in the proportion of student earning a certificate or degree in a timely manner, and the state receives considerable benefit from having a more highly educated population. However, we receive failing grades for Affordability and barely passing grades in enrolling students to participate in college level training. Clearly, in order to build the workforce for New Hampshire’s future, we have more to do. We must increase access to higher education for New Hampshire students and we must make postsecondary education more affordable.

What is the significance of this report for New Hampshire?

This report describes the “industry” of higher education in our state and the contributions higher education makes to our economy, to our quality of life and to the lives of our citizens. We also measure the current status of postsecondary education in New Hampshire, and identify emerging trends that have profound repercussions for New Hampshire’s future.

Economic Impact for NH’s Colleges & Universities	
• Enrollment	69,900
• Degrees awarded	16,700
• Jobs Supported	31,000
• Annual Impact	\$4.5 Billion

When was it compiled and how?

The New Hampshire Forum on the Future, using the latest available data on New Hampshire higher education statistics and investments, compiled this report in the summer of 2006.

Of the information on economic impact, what should we remember the most?

Higher education in New Hampshire has a \$4.5 billion economic impact (about 8 percent of New Hampshire’s Gross State Product), sustaining more than 18,000 jobs, with an enrollment of 69,900 students. When the indirect jobs are included, about 31,000 owe their employment to New Hampshire’s higher education industry, supporting \$1.5 billion in Granite State earnings.

More importantly, postsecondary education improves the skill sets, and the earnings, of the New Hampshire workforce. According to national estimates, the economic return on an

Skills Based Benefit of a College Education (Lifetime Earnings):	
• High School	\$1 million +
• College Grad	\$2.1 million +

additional year of education has been rising. Wages for those with a postsecondary degree or better have been increasing faster than wages for those with just a High School

degree, and this trend is likely to continue into the future. The best estimates now are that a year of college today yields the graduate at least a 10 percent rate of return after inflation. At today's inflation rate that is equivalent to having funds in a savings account that pays 13 percent.

Lifetime incomes of college grads in today's dollars average nearly \$1,000,000 more than high school graduates over a 40-year career. And that is the net benefit, after deducting an average cost of more than \$100,000 in tuition, room and board and potential income lost while attending college. New Hampshire postsecondary education adds \$3.2 billion each year in lifetime earnings potential to New Hampshire residents who receive degrees from New Hampshire institutions.

Of the information on the status of higher education in NH, what should we take away from this report more than anything else?

Jobs that require education beyond high school will increase faster than jobs that do not require postsecondary education. Wages for jobs that require higher education are higher, and will also increase faster than average. But access to affordable higher education is a worsening problem in New Hampshire, and New Hampshire state support for higher education is one of the lowest in the country. New Hampshire's future is dependent upon a skilled and knowledgeable workforce, and therefore dependent upon a vibrant postsecondary education system.

Status of NH Higher Education

- NH 4th highest population in US with college degrees
- NH public 4-year tuition 3rd highest in the US
- NH state appropriations for postsecondary education 50th lowest (as % of personal income)

What are the two or three biggest challenges facing the State of NH that are directly related to higher education?

1. Continuation rates for New Hampshire high school graduates that move on to college are stagnant and, because there will be fewer New Hampshire high school graduates in the future, the number of New Hampshire college freshmen is likely to decline;
2. Fewer college freshman are migrating into New Hampshire from other states and more New Hampshire high school graduates are leaving the Granite State for college elsewhere;
3. The highly educated older workforce is retiring, even as jobs that will require higher education will increase faster than average.

Migration of College Bound Students in & Out of NH:

1991-92 3,000 HS grads left NH & 4,900 came to NH
2003-04 3,800 HS grads left NH & 4,100 came to NH

What increased role should the business community be playing with higher education?

The predominant interests of business in higher education are an educated workforce and R&D. Thus, the increased role of the business community in higher education ought to be directly related to those interests, with more “involvement” by company executives and technical personnel in specific programs at university engineering and business schools, in specific R&D programs that relate to a company's interests, and on the boards of those institutions. For example, the UNH Nanotechnology Program has set up a Business and Industry Advisory Board to create a place where the ideas of academia and the needs of the marketplace can come together. Higher education offers businesses a competitive edge in a global economy through collaboration on products and services. Business offers higher education a taste of the current marketplace, funding for R&D, and a funnel for transferring that R&D specific uses. It's a win-win scenario that increasingly pays dividends to both, and especially to the students who benefit from rubbing elbows with successful businesses and could end up working in some of them.

Where can the public get a copy of this report?

New Hampshire Forum on the Future website; <http://www.nhfuture.org/>

SCORECARD

<u>Economic Impacts of New Hampshire Postsecondary Education (2004/05)</u>	
Enrollment	69,900
Degrees Awarded*	16,700
Number of Jobs supported	31,000
Hours Volunteering	704,781
Total Annual Economic Impact (\$billions)	\$4.5
Annual gain in lifetime earnings potential to NH residents (\$billions)	\$3.2

* Includes certificate programs

<u>Selected Education Statistics</u>	<u>New Hampshire</u>	<u>United States</u>
Percent of adults in 2004 with a Bachelor's Degree or Higher	32.1	27.0
2005 Per Capita Income	\$38,408	\$34,586
2004 Poverty Rate (%)	5.4	12.7
Public High School Graduation Rate (2002-2003)	77.7	69.6
Resident Undergrad Tuition & Fees, Flagship U. (2005-06)	\$9,778	\$6,172
Resident Undergrad Tuition & Fees, Comprehensive (2005-06)	\$7,190	\$4,862
Resident Undergrad Tuition & Fees, Community Coll (2005-06)	\$5,689	\$2,481
2004 college participation rate for 19 year olds (%)*	41.9	38.1
NH State appropriations per \$1,000 personal income	\$2.34	\$6.56

*includes both Associates and Bachelors degree programs (www.postsecondary.org)

Economic Impact of New Hampshire Higher Education

Higher Education in New Hampshire has a \$4.5 billion impact on the state economy.

That economic value does not include the estimated 700,000 hours volunteer service given freely to the Granite State communities by students, faculty and staff. The \$4.5 billion estimate also does not include the return to the community in terms of the extra value provided by a postsecondary education (detailed below). Not only do people with higher educational attainment make more money than those with only a High School degree, college graduates are more likely to volunteer in their communities, participate in politics, require less health care, not smoke, experience lower levels of unemployment, be in the labor force, and not require public assistance at some point in their lives

New Hampshire institutions of higher learning employ more than 18,000 people, making postsecondary education one of the largest 'industries' in the Granite State. If the secondary impacts of the presence of higher education institutions are included, approximately 31,000 Granite State jobholders owe their livelihood to New Hampshire's postsecondary educational institutions.

Almost 70,000 people were enrolled in postsecondary education programs in the 2003/04 school year. New Hampshire's higher learning institutions award about 16,000 degrees each year, including postsecondary certificate programs.

Education, especially higher education, has an additional spillover effect on the level and quality of technology and human capital in a region. By increasing the skills of the workforce, higher education also impacts long term growth prospects for a regional economy. Using a very conservative methodology, it is estimated that New Hampshire postsecondary education adds **\$3.2 billion each year** in lifetime earnings potential to New Hampshire residents who receive degrees from New Hampshire institutions. This estimated amount does not include the public economic benefits, (which would be manifested in forms of higher taxes paid to state and local government, less need for supportive services like TANF, etc.), nor does it include the non-economic returns, (improved quality of life, higher voter participation, etc.).

Annual Operating Revenues

Of the total \$1.9 billion in revenues collected by state postsecondary institutions in fiscal year 2004, about one third (\$570 million) of the revenues accruing to the Granite State postsecondary educational institutions come from tuition and fees. State appropriations make up less than six percent of total revenue. Private gifts, and federal grants, each exceed the amount of state support to postsecondary education in New Hampshire.

Total FY2004 Revenues and Investment Return for NH Institutions	
	FY2004
Total All New Hampshire Institutions(\$)	
Tuition and Fees	572,156,144
State Appropriations	111,246,222
Federal Appropriations	26,681,945
State Grants & Contracts	29,963,234
Federal Grants & Contracts	222,049,750
Local Grants & Contracts	17,999,317
Private gifts, grants, and contracts	202,906,106
Sales & Service of Educ Activities	84,867,622
Sales & Service Auxiliary	244,240,991
Other sources	25,061,180
Investment Income	383,380,098
Other Non- Operating Revenue	-15,931,465
Capital Appropriations	22,660,038
Capital Grants & Gifts	547,129
Additions to Permanent Endowment	19,589,889
Total Revenue	1,947,418,200

Source: Compiled from IPEDS 2005 Finance Survey

Impact and Trends of New Hampshire's Colleges and Universities: 2007

Capital Investment

In the last two reporting years New Hampshire's postsecondary educational institutions created capital investment of nearly \$300 million. The University of New Hampshire had the largest capital expenditure program, followed by Keene State College, Dartmouth College, and Plymouth State University.

Capital Expenditures by NH Institutions, 2003-05		
Institution Name	2003-04	2004-05
Chester College of New England	2,600,820	54,968
Colby-Sawyer College	0	1,298,653
Daniel Webster College	0	
Dartmouth College	36,653,755	
Franklin Pierce College	0	10,007,844
Franklin Pierce Law Center	2,443,842	250,900
Granite State College	0	0
Hesser College	0	
Keene State College	25,218,650	23,098,183
Lebanon College	169,645	6,992
Magdalen College		38,303
McIntosh College		
New England College		1,327,947
New Hampshire Community Technical College-Berlin/Laconia		
New Hampshire Community Technical College-Manchester/Stratham		
New Hampshire Community Technical College-Nashua/Claremont		
New Hampshire Institute of Art		1,942,721
New Hampshire Technical Institute		
Plymouth State University	31,060,494	3,972,773
Rivier College		
Saint Anselm College	8,164,360	2,525,270
Southern New Hampshire University		4,381,000
Thomas More College of Liberal Arts		49,325
University of New Hampshire-Main Campus	88,534,844	53,851,517
University of New Hampshire-Manchester		182,090
Total All NH Institutions	194,846,410	102,988,486

Source: Compiled from data provided by the institutions, NH Postsecondary Education Commission

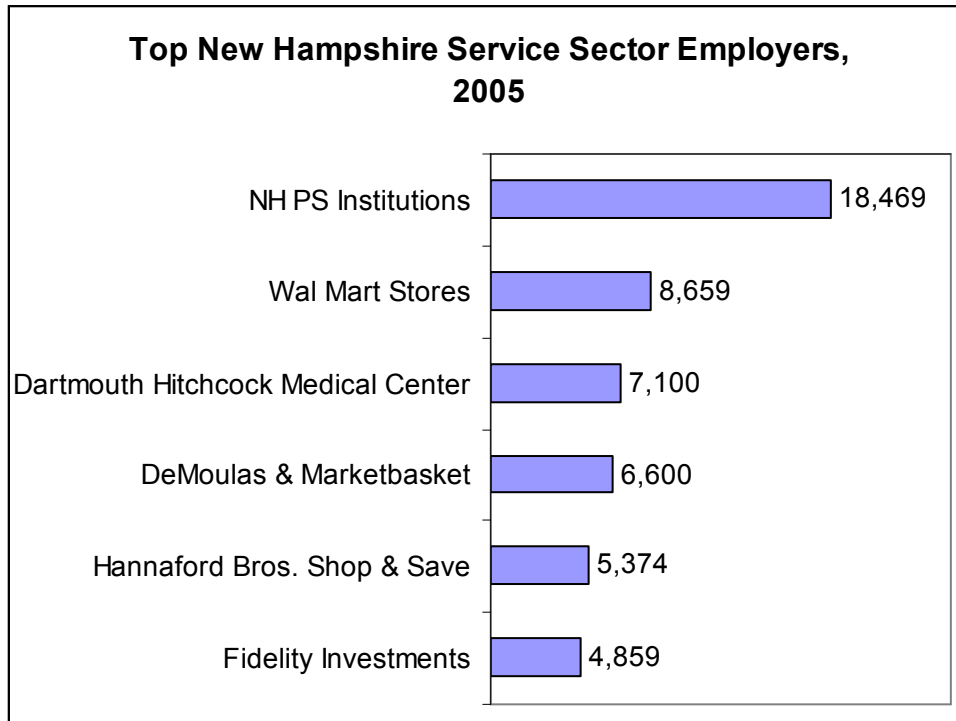
Employment (and comparison to other employers)

Over 18,000 part time and full time workers were employed in New Hampshire's postsecondary institutions in the latest reporting period. The University of New Hampshire and Dartmouth each had close to 5,000 employees.

NH Faculty and Staff, by Institution, 2005	Staff
Antioch New England Graduate School	204
Chester College of New England	63
Colby-Sawyer College	313
Daniel Webster College	344
Dartmouth College	4,815
Franklin Pierce College	523
Franklin Pierce Law Center	87
Granite State College	296
Hesser College	405
Keene State College	884
Lebanon College	66
Magdalen College	25
McIntosh College	215
New England College	301
NH Community Technical College-Berlin/Laconia	460
NH Community Technical College-Manchester/Stratham	625
NH Community Technical College-Nashua/Claremont	642
New Hampshire Institute of Art	123
New Hampshire Technical Institute	617
Plymouth State University	928
Rivier College	284
Saint Anselm College	632
Southern New Hampshire University	910
Thomas More College of Liberal Arts	13
University of New Hampshire-Main Campus	4,519
University of New Hampshire-Manchester	175
GRAND TOTAL FACULTY AND STAFF	18,469

Source: Compiled from IPEDS 2005 Human Resources Survey

The almost 18,500 employees that work in New Hampshire's postsecondary institutions make it one of the Granite State's largest employers. This employment levels exceeds the number of people working at other large employers like Wal-Mart, the Dartmouth/Hitchcock Medical Center, DeMoulas Marketbasket and Fidelity Investments.



Source: NH Business Review 2006 Book of Lists

Jobs in New Hampshire's postsecondary institutions create other jobs in the New Hampshire economy. Although higher education provides a valuable service, employees in that industry shop in local stores, eat at local restaurant, and demand services, like healthcare and education for their own children. According to the RIMSII input-output model (US Bureau of Economic Analysis), the New Hampshire direct effect employment multiplier for colleges, universities and junior colleges is 1.6605. Multiplying this factor times the number of postsecondary employees (18,469), reveals that 30,700 employees, directly and indirectly, owe their livelihoods to New Hampshire's postsecondary institutions.

Salaries and Benefits

More than \$915 million in salaries, wages and benefits are paid to employees at New Hampshire postsecondary educational institutions. Since these employees are locally employed, the earnings are also likely spent locally, creating more jobs and income in the New Hampshire economy.

Salaries, Wages & Benefits at NH Institutions - 2004-5	
Institution Name	Salaries, Wages and Benefits
Antioch New England Graduate School*	2,145,333
Chester College of New England	1,734,105
Colby-Sawyer College	12,916,225
Daniel Webster College	8,503,265
Dartmouth College	356,778,775
Franklin Pierce College	22,811,903
Franklin Pierce Law Center	6,007,896
Granite State College	8,085,757
Hesser College*	1,695,006
Keene State College	43,124,809
Lebanon College	907,934
Magdalen College	792,092
McIntosh College*	1,509,426
New England College	11,103,542
New Hampshire Community Technical College-Berlin/Laconia	9,260,934
New Hampshire Community Technical College-Manchester/Stratham	13,886,766
New Hampshire Community Technical College-Nashua/Claremont	10,957,619
New Hampshire Institute of Art	1,985,124
New Hampshire Technical Institute	15,858,666
Plymouth State University	41,159,199
Rivier College	14,980,517
Saint Anselm College	27,573,946
Southern New Hampshire University	37,640,301
Thomas More College of Liberal Arts	766,977
University of New Hampshire-Main Campus	257,176,363
University of New Hampshire-Manchester	6,135,343
Total Salaries, Wages & Benefits NH Institutions	915,497,823

Source: Compiled from IPEDS 2005 Finance and Faculty Salaries Surveys

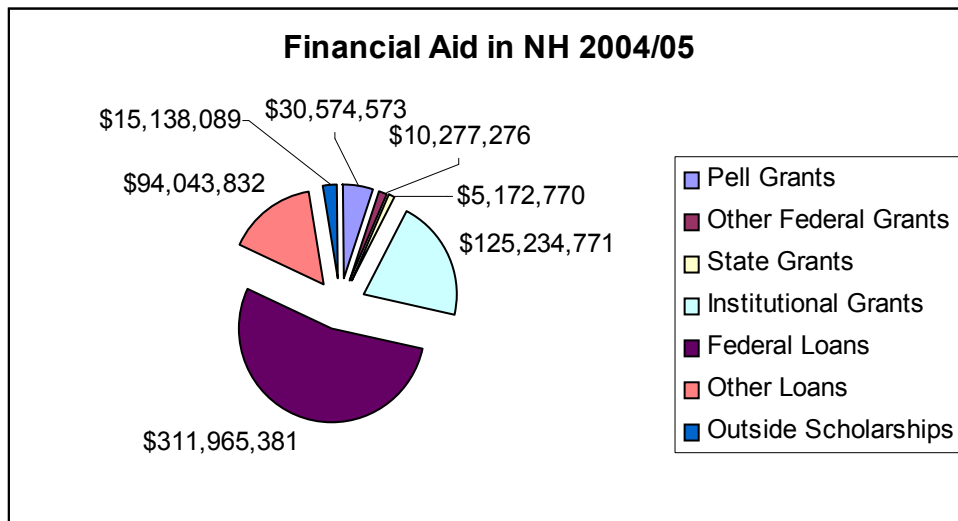
Earnings in New Hampshire's postsecondary institutions create additional earnings in the New Hampshire economy. The New Hampshire RIMS direct effect earnings multiplier for colleges, universities and junior colleges is 1.6718. Multiplying this factor times the amount of postsecondary earnings reveals that \$1.5 billion in earnings, directly and indirectly, are generated by New Hampshire's postsecondary institutions.

Postsecondary Financial Aid in New Hampshire

In the academic year 2004/05 more than half a billion dollars in financial aid was made available to New Hampshire postsecondary students. Subsidized Federal loans were the largest source of financial aid in New Hampshire, including Perkins and PLUS loans.

Financial Aid Survey - AY 2004-05		
	Pell Grant	\$30,574,573
Other Federal	SEOG	\$7,761,689
Other Federal	CWS	\$8,069,106
Total Other	Federal	\$10,277,276
State Grants	Conn	\$79,500
State Grants	Maine	\$373,760
State Grants	Mass	\$853,948
State Grants	NH	\$2,158,588
State Grants	RI	\$286,900
State Grants	Vermont	\$1,416,208
Total State	Grants	\$5,172,770
	Inst Grants	\$125,234,771
Federal Loans	Sub	\$154,444,165
Federal Loans	Unsub	\$81,374,060
Federal Loans	PLUS	\$62,915,415
Federal Loans	Perkins	\$13,231,741
Total Federal	Loans	\$311,965,381
Other Loans	Institutional	\$5,213,485
Other Loans	Other	\$77,244,359
Total Other	Loans	\$94,043,832
	Outside Scholarships	\$15,138,089
Total	All Aid	\$592,406,692

Source: NH Postsecondary Education Commission



Community Impact:

Recent research has looked beyond the immediate effect of education on wages to consider the less tangible effects that universities have on their communities. For instance, researchers have established that college graduates are more likely to volunteer in their communities, vote and be aware of political events, require less health care, not smoke, experience lower rates and durations of unemployment, participate in the labor force, and not require public assistance at some point in their lives (Institute for Higher Education Policy, 2005). These secondary economic effects are also worth considering.

The most recent Community Impact survey conducted by the New Hampshire Postsecondary Education Commission shows local towns and cities accrue many benefits from New Hampshire colleges and universities:

- ❑ Postsecondary students logged 622,733 hours volunteering in 2003/04.
- ❑ Faculty at New Hampshire Postsecondary institutions volunteered an additional 82,048 hours to their local communities.
- ❑ Total volunteer hours in 2003/04 amounted to 704,781 (students and faculty).
- ❑ If these volunteer hours were compensated at \$17.71 an hour, it would represent a \$12.5 million dollar service to local New Hampshire communities.
- ❑ More than 1,200 community partnerships between postsecondary institutions and local community philanthropic organizations were formed in 2003/04.
- ❑ About 147,000 people attended community events at postsecondary campuses.
- ❑ More than 434,500 attended sporting events on postsecondary campuses.
- ❑ More than 18,300 local people visited a postsecondary library on a New Hampshire campus.
- ❑ There were almost 93,000 student/parent visits over the course of the 2003/04 academic year.

Impact and Trends of New Hampshire's Colleges and Universities: 2007

Research and Development:

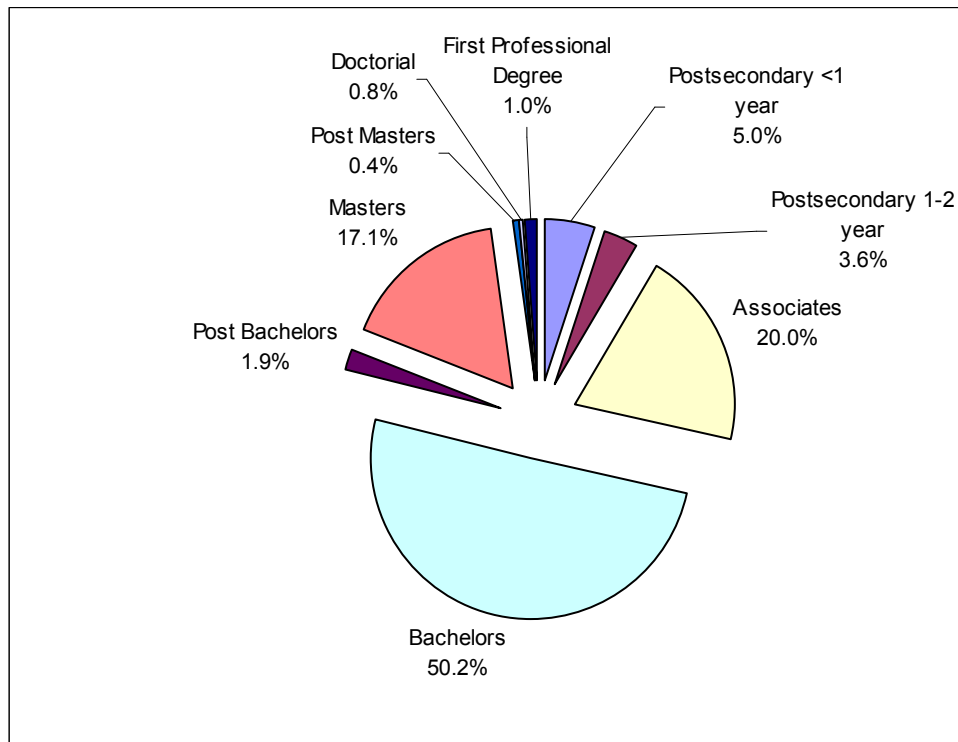
Research expenditures at New Hampshire higher education institutions were in excess of \$220 million in the year 2005. Dartmouth College and the University of New Hampshire accounted for most of the expenditures.

Institution Name	Research Expenditures
Antioch New England Graduate School	0
Chester College of New England	0
Colby-Sawyer College	0
Daniel Webster College	0
Dartmouth College	135,380,506
Franklin Pierce College	0
Franklin Pierce Law Center	175,117
Granite State College	1,302,029
Hesser College	0
Keene State College	1,638,586
Lebanon College	0
Magdalen College	0
McIntosh College	0
New England College	0
New Hampshire Community Technical College-Berlin/Laconia	0
New Hampshire Community Technical College-Manchester/Stratham	0
New Hampshire Community Technical College-Nashua/Claremont	0
New Hampshire Institute of Art	0
New Hampshire Technical Institute	0
Plymouth State University	952,991
Rivier College	0
Saint Anselm College	0
Southern New Hampshire University	0
Thomas More College of Liberal Arts	0
University of New Hampshire-Main Campus	89,018,090
Total All NH Institutions	228,467,319

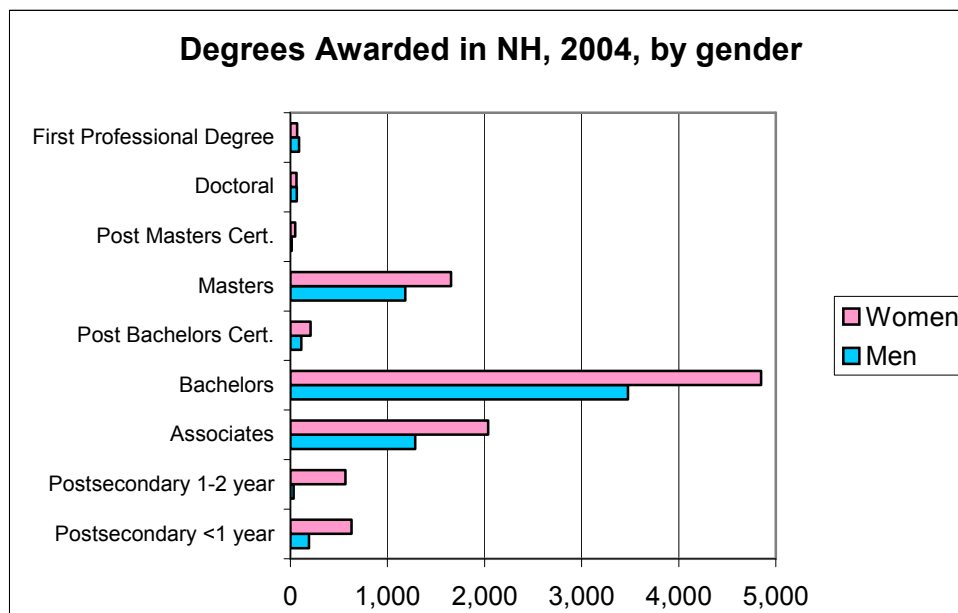
(Compiled from IPEDS 2005 Finance Surveys)

Number of Graduates and Degrees Awarded

New Hampshire postsecondary institutions awarded 16,578 degrees and certificates in 2004. Half of those were for successful completion of a bachelor's program, twenty percent were Associate degrees and about seventeen percent were Masters degrees. Women received more degrees than men in almost every award category.



Source: IPEDS, National Center for Education Statistics



Student and Family Expenditures

When parents and family members visit their New Hampshire college students, they are likely to purchase gas, food and other goods and services locally. Spending per visit is estimated to be at least \$150. When multiplied by the number of estimated parental visits, the local spending impact is almost \$14 million a year.

A Spring 2002 360 Youth/Harris Interactive College Explorer Study demonstrated the significant power of the US college market, with spending at nearly \$200 billion dollars a year. The study estimated that college students spend an average of \$287 a month on discretionary items (spending on anything other than tuition, room/board, rent/mortgage, books/school fees). Including weekend days, college students average 11 hours per day of unscheduled time (when they are not sleeping, working, studying or attending class). The study noted that it was not surprising that spending on entertainment and leisure activities represents a significant portion of discretionary spending. Total New Hampshire college student discretionary spending is estimated to be about \$180 million per year.

Taken together, students and their parents spend another \$194 million locally, over and above expenditures that go directly towards a postsecondary education.

Parental visits from 03/04 survey	92,955
Spending per visit	\$150
Total parental spending during visit	\$13,943,250
College Students spend \$287/month	
times 9 months in school	\$2,583
times students	69,864
	\$180,458,712
Total Student and Family Expenditures	\$194,401,962

Source: NH Postsecondary Education Commission and Harris Interactive

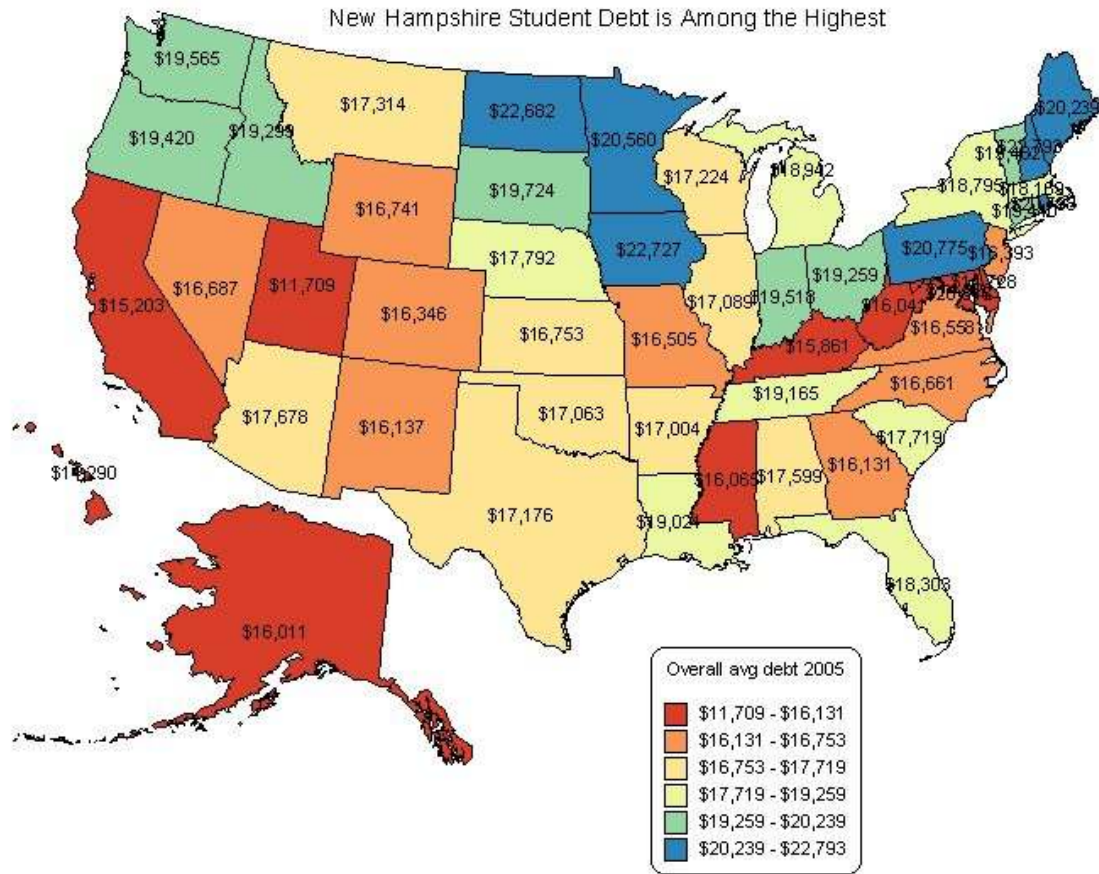
New Hampshire College Cost and Financial Aid Trends

- The New Hampshire profile in the “2004 Measuring Up” bi-annual report card, continued to give the Granite State an “F” in affordability. This is based on the percentage of income that is needed to pay for college expenses minus financial aid; state investment in need-based aid as compared to the federal government; at lowest priced colleges, the share of income that the poorest families need to pay for tuition; and the average loan amount that undergraduate students borrow each year.
- NH ranks 49th in the nation in state funding of higher education as a percent of its state budget and is the only state that assesses a property tax on private colleges.
- In 2005, legislation was introduced to double funding for the New Hampshire Incentive Program, but it failed to pass. However, there was strong support for the concept and it likely will be reintroduced in the next biennium.
- The growth in federal and private loan programs in NH mirrors national trends.

A recent study created by the National Center for Higher Education Management Systems (NCHEMS) with Support from the National Postsecondary Education Cooperative (NPEC) examined the investment in state postsecondary education. The study examined the following questions for each state; 1) what do students pay?; 2) what do states pay? and; 3) what should each expect in return? The New Hampshire results, published on website www.higheredinfo.org, showed that:

- New Hampshire students pay more for postsecondary education than the U.S. average in all sectors.
- After attaining their degrees, the increase in earnings (over a high school diploma) for associate and bachelor's degree-earners is below the U.S. average and the average of the top ten states.
- Long-term New Hampshire residents ages 22 to 29 earn more on average than those who recently moved in from out-of-state – at the high school, associate, and bachelor's levels. The older residents (ages 30 to 64) earn more than those who recently moved in from out-of-state at the high school level but less at the associate and bachelor's levels.
- New Hampshire's investment in postsecondary education relative to its population 18 to 44 with a high school diploma or some college but no degree (the majority of residents ready to enter postsecondary education or complete degrees) is well below the U.S. average.
- Relative to the same population, New Hampshire's postsecondary education system awards more associate and bachelor's degrees than the U.S. average but fewer than the average of the top ten states. It awards fewer certificates and diplomas than the U.S. average and the average of the top ten states.
- Overall, New Hampshire benefits from the in-migration of college-educated residents although it is a net-exporter of young residents (ages 22 to 29) with bachelor's degrees. It also experiences a net in-migration of less-educated residents (those with less than a high school diploma or a high school diploma but no college).

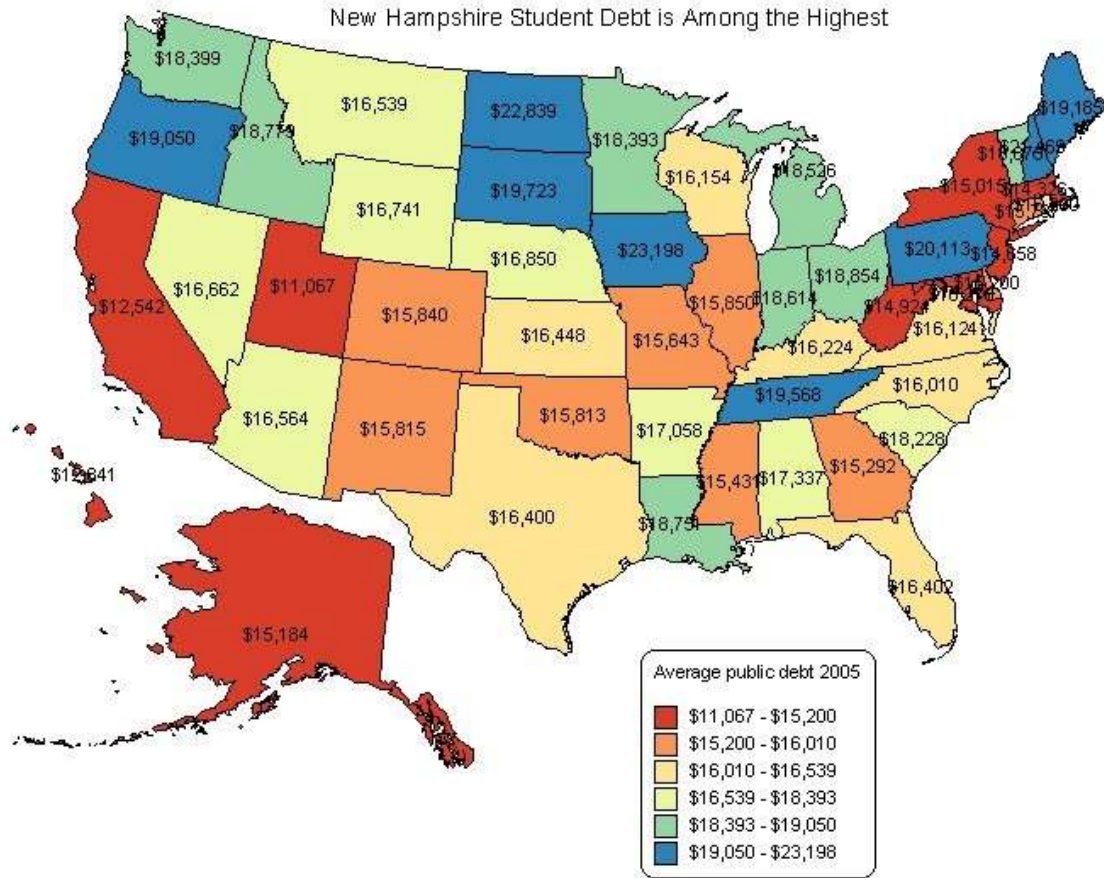
New Hampshire Students Have Among the Highest Debt Levels in the U.S.



Overall Average Debt	Overall Average Debt	Overall Average Debt			
State	2005	State	2005	State	2005
Alabama	\$17,599	Kentucky	\$15,861	North Dakota	\$22,682
Alaska	\$16,011	Louisiana	\$19,024	Ohio	\$19,259
Arizona	\$17,678	Maine	\$20,239	Oklahoma	\$17,063
Arkansas	\$17,004	Maryland	\$14,822	Oregon	\$19,420
California	\$15,203	Massachusetts	\$18,169	Pennsylvania	\$20,775
Colorado	\$16,346	Michigan	\$18,942	Rhode Island	\$20,798
Connecticut	\$19,440	Minnesota	\$20,560	South Carolina	\$17,719
Delaware	\$14,728	Mississippi	\$16,065	South Dakota	\$19,724
District of Columbia	\$20,846	Missouri	\$16,505	Tennessee	\$19,165
Florida	\$18,303	Montana	\$17,314	Texas	\$17,176
Georgia	\$16,131	Nebraska	\$17,792	Utah	\$11,709
Hawaii	\$14,290	Nevada	\$16,687	Vermont	\$19,482
Idaho	\$19,299	New Hampshire	\$22,793	Virginia	\$16,558
Illinois	\$17,089	New Jersey	\$16,393	Washington	\$19,565
Indiana	\$19,518	New Mexico	\$16,137	West Virginia	\$16,041
Iowa	\$22,727	New York	\$18,795	Wisconsin	\$17,224
Kansas	\$16,753	North Carolina	\$16,661	Wyoming	\$16,741

* These statewide debt averages, calculated by the Project on Student Debt (www.projectonstudentdebt.org), include only campuses that reported debt amounts for 2005 graduates to Thomson Peterson's Undergraduate Financial Aid and Undergraduate Databases, © 2006 Thomson Peterson's, a part of Thomson Learning Inc.

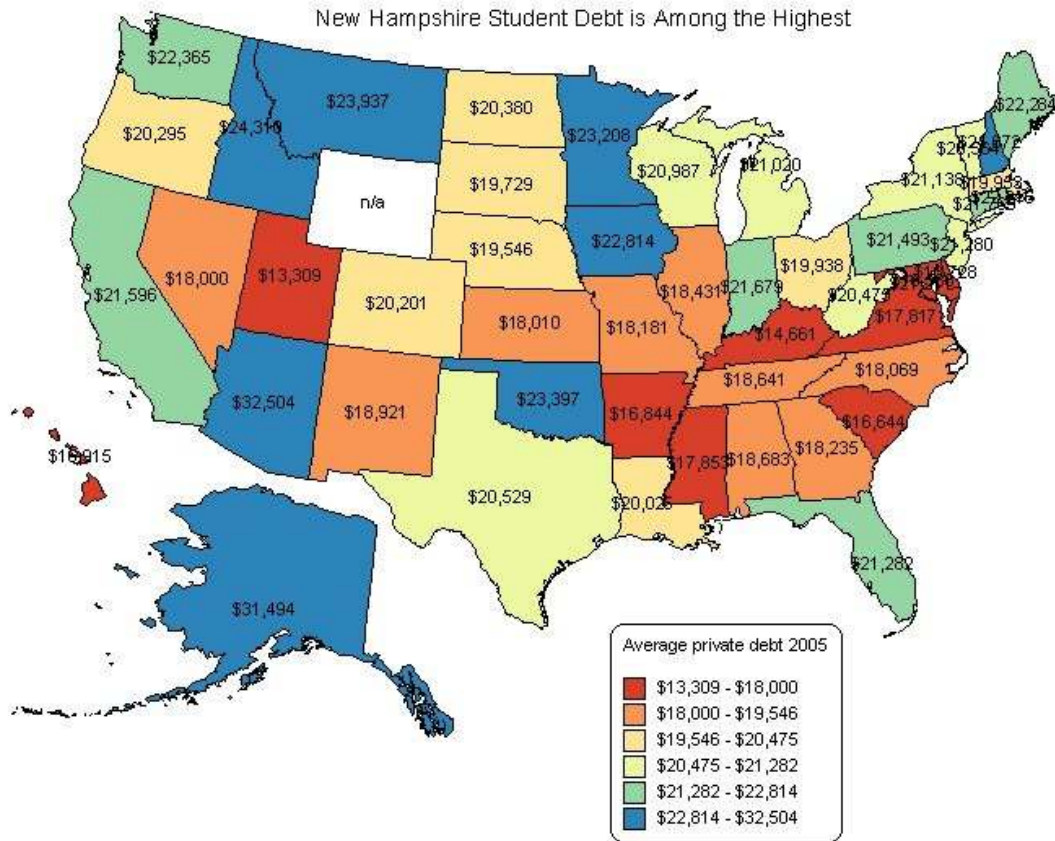
Impact and Trends of New Hampshire's Colleges and Universities: 2007



Average Public Debt		Average Public Debt		Average Public Debt	
State	2005	State	2005	State	2005
Alabama	\$17,337	Kentucky	\$16,224	North Dakota	\$22,839
Alaska	\$15,184	Louisiana	\$18,751	Ohio	\$18,854
Arizona	\$16,564	Maine	\$19,185	Oklahoma	\$15,813
Arkansas	\$17,058	Maryland	\$14,154	Oregon	\$19,050
California	\$12,542	Massachusetts	\$14,326	Pennsylvania	\$20,113
Colorado	\$15,840	Michigan	\$18,526	Rhode Island	\$16,200
Connecticut	\$15,787	Minnesota	\$18,393	South Carolina	\$18,228
Delaware	\$15,200	Mississippi	\$15,431	South Dakota	\$19,723
District of Columbia	\$16,270	Missouri	\$15,643	Tennessee	\$19,568
Florida	\$16,402	Montana	\$16,539	Texas	\$16,400
Georgia	\$15,292	Nebraska	\$16,850	Utah	\$11,067
Hawaii	\$12,841	Nevada	\$16,662	Vermont	\$18,875
Idaho	\$18,779	New Hampshire	\$21,469	Virginia	\$16,124
Illinois	\$15,850	New Jersey	\$14,658	Washington	\$18,399
Indiana	\$18,614	New Mexico	\$15,815	West Virginia	\$14,924
Iowa	\$23,198	New York	\$15,015	Wisconsin	\$16,154
Kansas	\$16,448	North Carolina	\$16,010	Wyoming	\$16,741

* These statewide debt averages, calculated by the Project on Student Debt (www.projectonstudentdebt.org), include only campuses that reported debt amounts for 2005 graduates to Thomson Peterson's Undergraduate Financial Aid and Undergraduate Databases, © 2006 Thomson Peterson's, a part of Thomson Learning Inc.

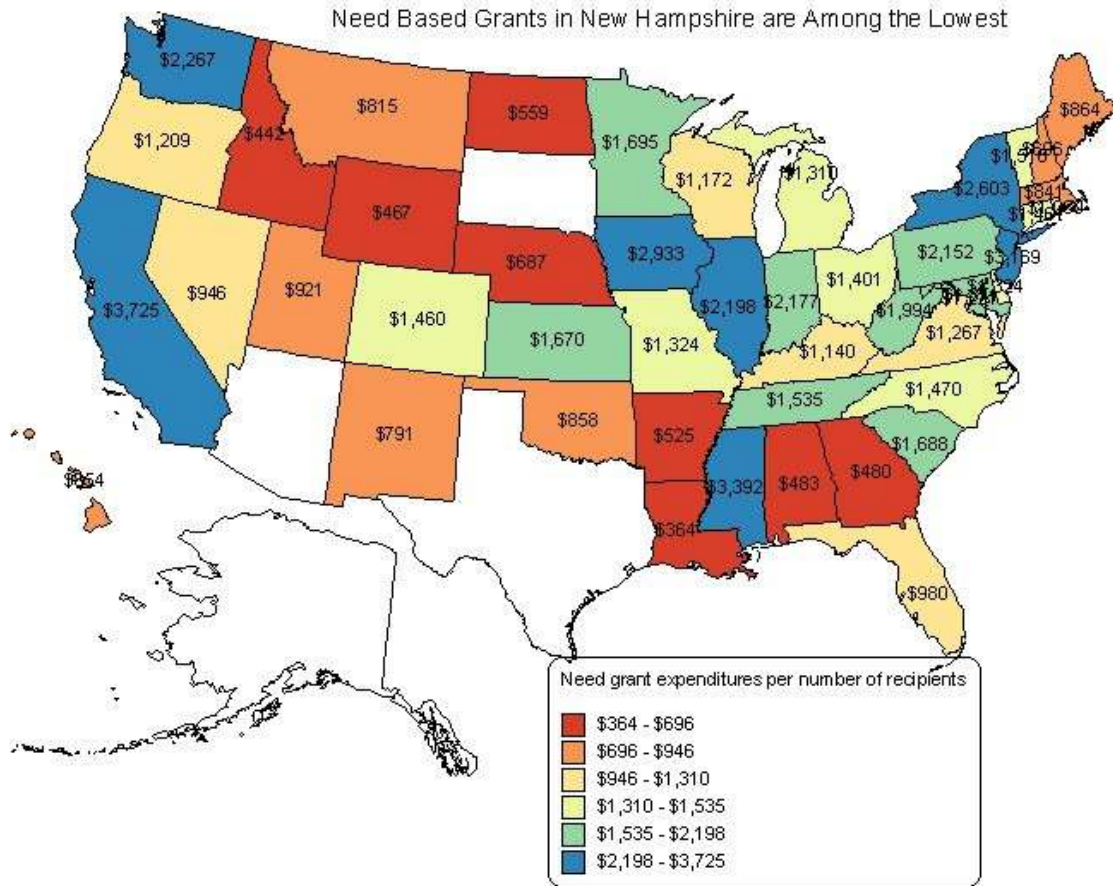
Impact and Trends of New Hampshire's Colleges and Universities: 2007



Average Private Debt	Average Private Debt	Average Private Debt			
State	2005	State	2005	State	2005
Alabama	\$18,683	Kentucky	\$14,661	North Dakota	\$20,380
Alaska	\$31,494	Louisiana	\$20,025	Ohio	\$19,938
Arizona	\$32,504	Maine	\$22,284	Oklahoma	\$23,397
Arkansas	\$16,844	Maryland	\$16,533	Oregon	\$20,295
California	\$21,596	Massachusetts	\$19,953	Pennsylvania	\$21,493
Colorado	\$20,201	Michigan	\$21,020	Rhode Island	\$22,216
Connecticut	\$21,769	Minnesota	\$23,208	South Carolina	\$16,644
Delaware	\$13,728	Mississippi	\$17,853	South Dakota	\$19,729
District of Columbia	\$21,211	Missouri	\$18,181	Tennessee	\$18,641
Florida	\$21,282	Montana	\$23,937	Texas	\$20,529
Georgia	\$18,235	Nebraska	\$19,546	Utah	\$13,309
Hawaii	\$16,915	Nevada	\$18,000	Vermont	\$20,564
Idaho	\$24,310	New Hampshire	\$24,672	Virginia	\$17,817
Illinois	\$18,431	New Jersey	\$21,280	Washington	\$22,365
Indiana	\$21,679	New Mexico	\$18,921	West Virginia	\$20,475
Iowa	\$22,814	New York	\$21,138	Wisconsin	\$20,987
Kansas	\$18,010	North Carolina	\$18,069	Wyoming	n/a

* These statewide debt averages, calculated by the Project on Student Debt (www.projectonstudentdebt.org), include only campuses that reported debt amounts for 2005 graduates to Thomson Peterson's Undergraduate Financial Aid and Undergraduate Databases, © 2006 Thomson Peterson's, a part of Thomson Learning Inc.

New Hampshire's Need Based State Grants are Among the Lowest in the U.S.



Expenditures per number of recipients	Expenditures per number of recipients	Expenditures per number of recipients
State	State	State
Alabama	Kentucky	North Dakota
Alaska	Louisiana	Ohio
Arizona	Maine	Oklahoma
Arkansas	Maryland	Oregon
California	Massachusetts	Pennsylvania
Colorado	Michigan	Rhode Island
Connecticut	Minnesota	South Carolina
Delaware	Mississippi	South Dakota
District of Columbia	Missouri	Tennessee
Florida	Montana	Texas
Georgia	Nebraska	Utah
Hawaii	Nevada	Vermont
Idaho	New Hampshire	Virginia
Illinois	New Jersey	Washington
Indiana	New Mexico	West Virginia
Iowa	New York	Wisconsin
Kansas	North Carolina	Wyoming

Source: 36th Annual Survey report on State-Sponsored Student Financial Aid, 2004-05 Academic Year, Table 10, NASSAGAP

Total Economic Impact

	<u>1997/1998 data</u>	<u>2004/05 data</u>	<u>Chg from 1997/98</u>
Enrollment	53,014	69,864	31.8%
Degrees Awarded*	11,716	16,578	41.5%
Higher Education Employees	14,323	18,469	28.9%
Value of Community Volunteer Hours	\$4,010,695	\$12,481,672	211.2%
Capital Expenditures	\$100,062,447	\$102,988,486	2.9%
Institutional Financial Aid	\$115,926,325	\$592,406,692	411.0%
Student & Family Expenditures	\$110,558,000	\$194,401,962	75.8%
Salaries, Wages, Benefits	\$526,241,366	\$915,497,823	74.0%
Annual Operating Budget	\$919,101,168	\$1,947,418,200	111.9%
Direct Expenditures (Capital + Budget)	\$1,019,163,615	\$2,050,406,686	101.2%
plus Indirect (Student & Family)	\$1,129,721,615	\$2,244,808,648	98.7%
times 2 (multiplier)	\$2,259,443,230	\$4,489,617,296	98.7%

* Include certificate programs

The “skills based” approach – higher education means higher income, more community service, less societal burden.

Measuring the economic impact of higher education in New Hampshire could be considered a simple exercise. Most economic impact studies attempt to estimate the increase in regional economic activity caused by the presence of an industry, or by a change in the level of activity of that industry.

But education, especially higher education, has an additional spillover effect on the level and quality of technology and human capital in a region. By increasing the skills of the workforce, higher education also impacts long term growth prospects for a regional economy. A recent study supported by a grant from the Bill and Melinda Gates Foundation enumerated three areas of benefit to society from higher education; private economic benefits, public economic benefits and non-economic returns.

Private Economic Benefits

Successfully pursuing a college degree is potentially the best investment an individual can make. On average,

- Four-year graduates make almost twice as much as non-college graduates;
- Four-year degree holders are more likely to be employed, and when unemployed, likely to find new jobs faster; and
- Even two-year degree holders are more likely to enjoy a higher quality of life than those who have only a high school diploma.

The private economic returns to postsecondary education are real for every group and subgroup, with some caveats:

- ❑ College graduates of every race and ethnicity, men and women, members of each socioeconomic group, and families of all configurations are better off than their non-degree holding peers;
- ❑ Non-wage economic benefits accrue to degree holders of all types:
 - better employee benefit packages
 - better health care
 - longer vacations
 - better work conditions
- ❑ Proportionately fewer low-income people and low-income people of color receive four-year degrees than do middle- and upper-income whites and Asian Americans.

Public Economic Benefits

Individual benefits in the aggregate and suggests that society profits from larger numbers of postsecondary degree holders as long as those degree holders enjoy economic rewards. According to research in this area, when individuals benefit, society does as well. Degree holders:

- ❑ pay more taxes;
- ❑ buy more goods and services;
- ❑ are more productive; and
- ❑ require less government support through social service programs like Medicaid and Temporary Aid for Needy Families (TANF).

Non-Economic Returns

Although discussions about investment tend toward economic outcomes, there are also those who attempt to ascertain whether there are non-pecuniary benefits to higher levels of education. Studies show that people with postsecondary degrees enjoy

- ❑ increased life expectancy and better general health;
- ❑ improved quality of life for self and offspring; and
- ❑ increased social status.

At the societal level, the non-economic benefits that accrue include

- ❑ lower rates of incarceration;
- ❑ higher rates of volunteerism; and
- ❑ higher voter participation rates.

Because each non-economic benefit is value laden, it is difficult to say just how important these returns are. Different investors may value these non-economic benefits differently, but studies do suggest that the above outcomes are, in fact, benefits.

- from "Is More Better, The Impact of Postsecondary Education the Economic and Social Well-Being of American Society", Educational Policy Institute, May 2005

Calculation of the “Skills Based” Benefit of Postsecondary Education in New Hampshire

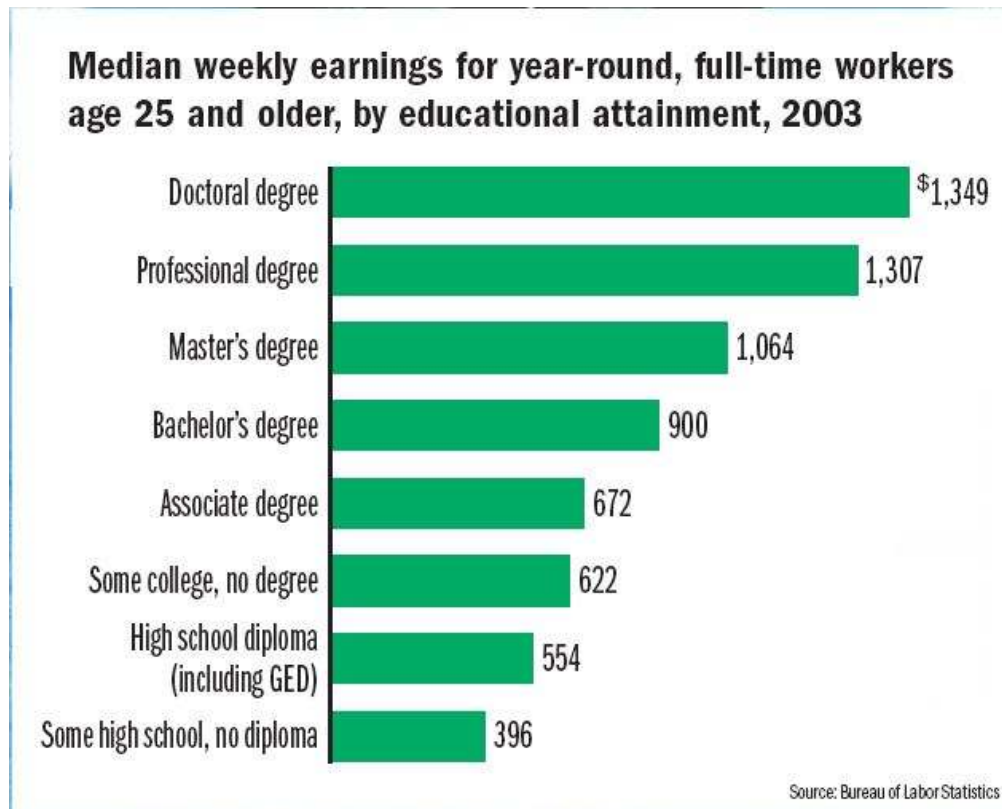
College educated individuals enjoy a premium in lifetime earnings, when compared to those with only a High School degree or equivalent. For example, while a High School graduate may earn a little over \$1 million over the course of their working life, a college graduate earns twice that; \$2.1 million over the course of their working life, according to synthetic estimates of work-life earnings from the Census Bureau. The “skills based” economic impact of New Hampshire postsecondary education can be estimated by applying this premium in lifetime earnings to the number of graduates of New Hampshire's college and universities that stay within the Granite State after graduating.

Using a very conservative methodology, it is estimated that New Hampshire postsecondary education adds **\$3.2 billion each year** in lifetime earnings potential to New Hampshire residents who receive postsecondary degrees from New Hampshire institutions. This estimated amount does not include the public economic benefits, (which would be manifested in forms of higher taxes paid to state and local government, less need for supportive services like TANF, etc.), nor does it include the non-economic returns, (improved quality of life, higher voter participation, etc.) cited previously.

The \$3.2 billion “skills based” economic impact is calculated using the following method:

- From 1996 to 2000, New Hampshire postsecondary institutions awarded 52,853 undergraduate and graduate degrees. Of these 38,104 were BA degrees, and 14,749 were graduate degrees (including first professional degrees).
- Since New Hampshire attracts a fairly large out-of-state student population, it was assumed that half of the BA degree recipients were from out-of-state and returned to their home states. Graduate students are not more likely to be New Hampshire residents, so it was assumed that one half of those with graduate degrees were from out-of-state and returned to their home state. Note that many studies have shown a tendency for postsecondary students to remain in geographic area where they attend school, so the above assumptions are considered to be conservative.
- A study by the US Census Bureau, looking at mobility of college educated young people, estimated that 11,159 young (ages 25-39), single, college-educated migrated out of New Hampshire from 1995 to 2000. This out-migration was also subtracted from the number of degrees awarded by New Hampshire postsecondary institutions. [It should be noted that in the same time period 8,005 young, single, college-educated individuals *migrated into* New Hampshire from 1995 to 2000, but these were not added back into the original estimate, since these individuals were most likely educated out of state.]
- After adjustments, over the five years 1996-2000 it was estimated that New Hampshire postsecondary institutions awarded 11,007 undergraduate, and 4,261 graduate degrees to New Hampshire residents that did not subsequently leave the Granite State.

- The premium in lifetime earnings for postsecondary degrees versus a high school degree, based on the Census synthetic estimates of work-life earnings by educational attainment, was multiplied by above degrees awarded to New Hampshire residents to arrive at an estimated lifetime earnings premium for those graduates of \$16 billion over the five years. The five-year estimate was divided by five to arrive at the average lifetime earnings premium, or “skills based” economic impact, of \$3.2 billion per year.
- The \$3.2 billion “skills based” economic impact does not include the premium in lifetime earnings that result from receiving an Associate’s Degree. The lifetime earnings premium, compared to a high school degree, is about \$400,000, and about 20,000 Associates Degrees were awarded in New Hampshire from 1996 to 2000. Also, other research has shown that Associate Degree recipients are more likely to be state residents, and also less likely to migrate out of state. Not including the Associates Degree premium in the “skills based” economic impact also tends to make the estimate very conservative. However, if Associates Degrees were included (assuming 80% of these graduates were New Hampshire residents and 80% of the graduates remained in New Hampshire), the total “skills based” premium in lifetime earnings would increase by \$1 billion, to \$4.5 billion.



Other Studies Examining the “Skills-Based” Economic Impact of Higher Education

There are many studies that measure the extra benefit a geographic area receives from having a strong postsecondary education system:

- In December 2004 CCbenefits, Inc. issued a report on “The Socioeconomic Benefits Generated by the Community and Technical Colleges of New Hampshire.” The study demonstrated that the investment in New Hampshire Community and Technical Colleges is sound from multiple perspectives. The colleges increase the lifetime incomes of students and enrich their lives. They benefit taxpayers by generating increased tax revenues from an enlarged economy and reducing the demand for taxpayer-supported social services. Finally, they contribute to the vitality of the state economy. Among the major findings were:
 - New Hampshire Community and Technical Colleges paid \$48.6 million in direct faculty and staff wages, salaries, and benefits and explain an additional \$1.0 billion in earnings off campus.
 - Taxpayers see a real money “book” return of 8.8% on their annual investments in the colleges and recover all investments in 14.0 years.
 - Students enjoy an attractive 16.5% annual return on their investment of time and money—for every \$1 the student invests in a college education, he or she will receive a cumulative \$4.45 in higher discounted future earnings over the next 37 years.
 - The State of New Hampshire benefits from improved health and reduced welfare, unemployment, and crime, saving the public some \$5.6 million per year.

- A recent study from the Institute for Higher Education Policy, supported by the Nellie Mae Education Foundation, stated “higher education in New England has economic and social benefits both to individuals and to society as a whole. These benefits range from higher salaries and higher savings to reduced crime and a greater tolerance of diversity. For example, on average across the six states, residents of New England age 25 and older who had attained bachelor’s degrees earned about \$49,134 in 2003, compared to \$26,731 for high school graduates, a difference of 84 percent.¹¹ In addition, those with bachelor’s degrees had lower rates of unemployment. This is similar to the trend found across the country. In 2004, New England residents age 25 and older who had attained bachelor’s degrees were also more likely to report having good, very good, or excellent health (94 percent, compared to 85 percent of high school graduates). In addition, in 2004, those with bachelor’s degrees or higher had higher rates of volunteering than high school graduates – 43 percent versus 25 percent.”

- Western Wyoming Community College issued an economic impact study which concluded the following:

- Studies demonstrate that education increases lifetime earnings. The average annual earnings of a student with a one-year certificate are \$28,365, or 81.2% more than someone without a high school diploma or GED, and 16.1% more than a student with a high school diploma. The average earnings of someone with an Associate Degree are \$33,369, or 113.2% more than someone without a high school diploma or GED, and 36.5% more than a student with a high school diploma or GED.
 - After leaving the College, the average WWCC student will spend 39 years in the workforce. The student who leaves with a two-year college degree will earn \$352,514 more than someone with a high school diploma or GED.
 - Over their next 39 years in the workforce, the average WWCC student's discounted lifetime earnings (i.e., future values expressed in present value terms) will increase \$7.79 for every education dollar invested (in the form of tuition, fees, books, and foregone earnings from employment).
 - Students enjoy an attractive 20.9% rate of return on their WWCC educational investment, and recover all costs (including wages foregone while attending WWCC) in 7.2 years.
- In December 2000, Texas Comptroller Carole Rylander in *The Impact of the State Higher Education System on the Texas Economy* stated, "Higher education has a significant impact on the Texas economy, fueling the Texas economic engine with nearly \$25 billion a year. Considering that the system receives approximately \$4.6 billion annually in state general revenue and local property taxes, every dollar invested in the state's higher education system returns more than \$5 for the Texas economy." The University of Texas contributed to the development of more than 600 high tech companies in the Austin area and a thriving business corridor in Dallas (Goldberg, 1999).
- Arizona taxpayers provided \$700 million to its universities and got almost \$4 billion back in the form of educated workers, payroll, local purchases, and a broader tax base (Ervin, 1998).
- Georgia taxpayers provided \$1.68 billion to its colleges and universities. Georgia's University System generated almost \$8 billion for the state in 2001 and was responsible for 101,427 jobs. Chancellor of the University System Thomas Meredith said, "The University System of Georgia truly is an economic engine that helps to power our state on many levels, from producing graduates to building capital projects, to leveraging our employment and spending power" (Simmons, 2002).

Status of New Hampshire Higher Education

New Hampshire has always had a higher proportion of its working age population having at least a High School education, and that gap between the Granite State and the US has widened over time. New Hampshire has also better than US average progress on postsecondary educational attainment.

New Hampshire women are pursuing higher education more aggressively than men. Women are more likely to be enrolled in New Hampshire postsecondary institutions than men, and more New Hampshire women have been awarded Bachelors Degrees since 1980 than men.

New Hampshire has enjoyed a net in-migration of first year college students, but that net gain has lessened considerably over time. Also the number of graduating high school seniors in the Granite State is expected to decline after 2008, mirroring regional and national trends.

Despite having a higher than US average level of educational attainment, New Hampshire's 2002 college continuation rate, calculated as the percent of high school graduates that enter college in the following year, ranks 26th in the country.

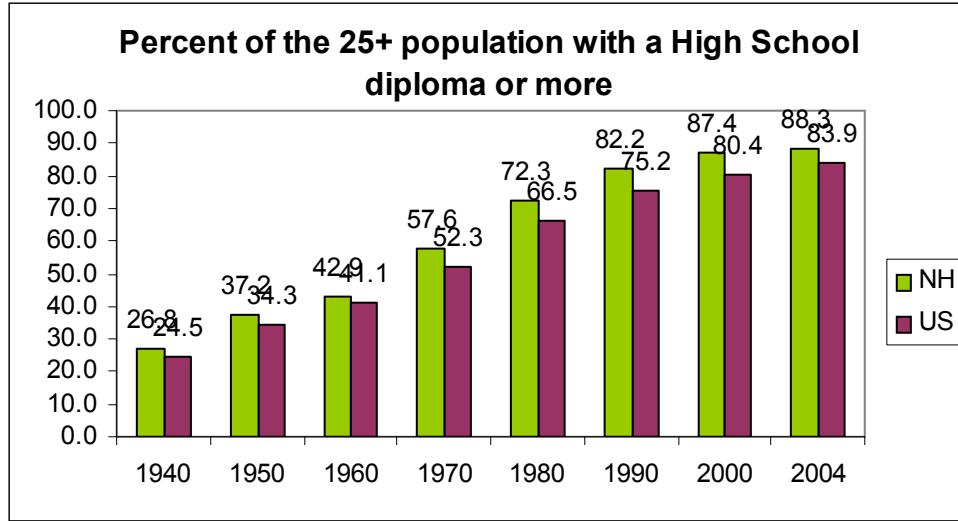
New Hampshire has some of the highest public postsecondary school tuition costs in the country. A low level of state support for public postsecondary education is one of the main reasons why public postsecondary tuition costs are much higher than in other states.

A high level of educational attainment in a state population implies a skilled workforce, and that means better paying jobs. And better paying jobs lead to higher incomes. Better-educated workers are also less likely to be unemployed.

Highly educated workers will be leaving the New Hampshire workforce, even as the demand for highly educated workers increases. New Hampshire's future will therefore depend on vigorous postsecondary educational institutions.

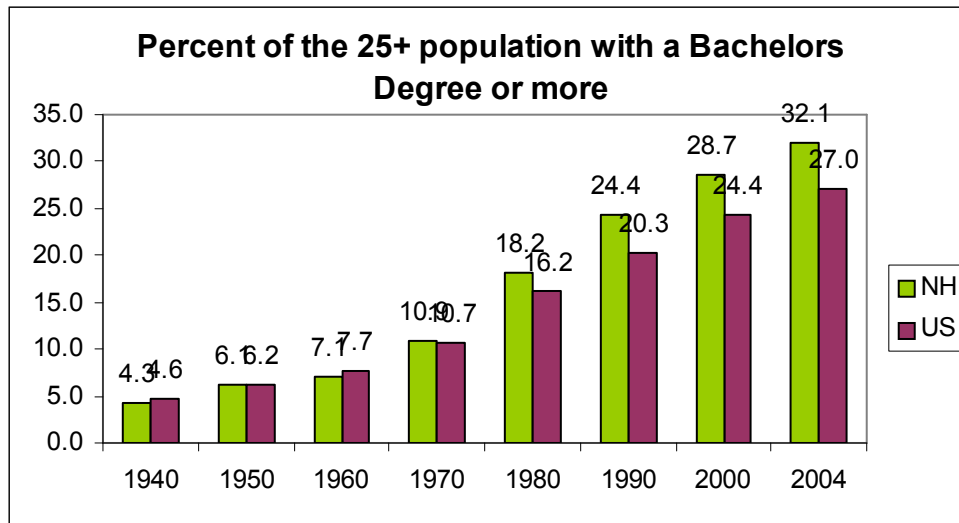
Educational attainment of the New Hampshire population compared to US

Educational attainment of population aged 25 and over is measured in the decennial Census years, allowing a comparison of trends in educational attainment. The percentage of population with a High School diploma or better has increased significantly in New Hampshire and the United States over the last fifty years. More interestingly New Hampshire has always had a higher proportion of its working age population having at least a High School education, and that gap between the Granite State and the US has widened over time. Educational attainment in New Hampshire remains higher than in the US.



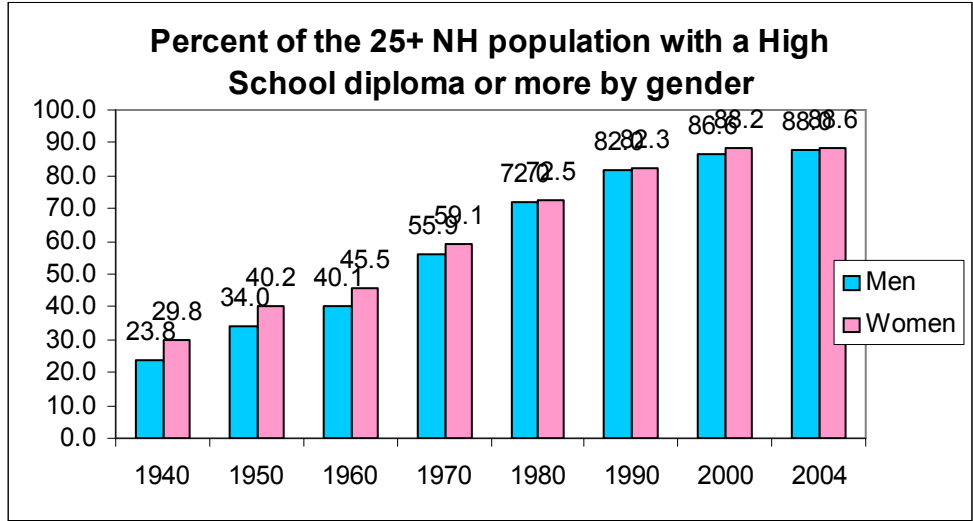
Source: Census of Population and the American Community Survey

New Hampshire has also better than US average progress on postsecondary educational attainment. In 1950 about 6 percent of the over 25 population in New Hampshire and the United States had a Bachelors Degree or better. By the year 2004 32 percent of the Granite State population had a BA or better, compared to the US average of 27 percent.



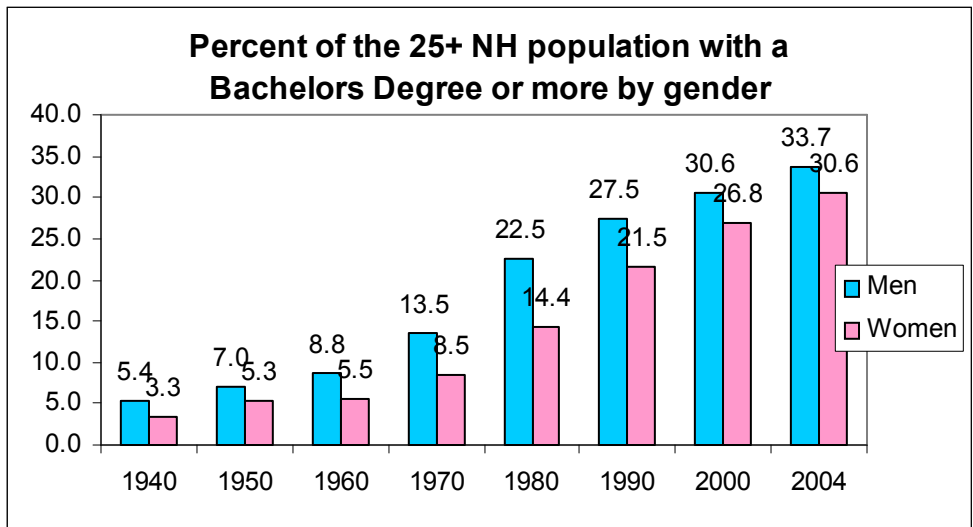
Educational attainment in New Hampshire by gender

New Hampshire women aged 25 and over have always been more likely to hold at least a High School diploma than New Hampshire men. However, in 1940 there was a 6 percentage point gap between the genders, which narrowed to a 1 percentage point gap by the year 2004.



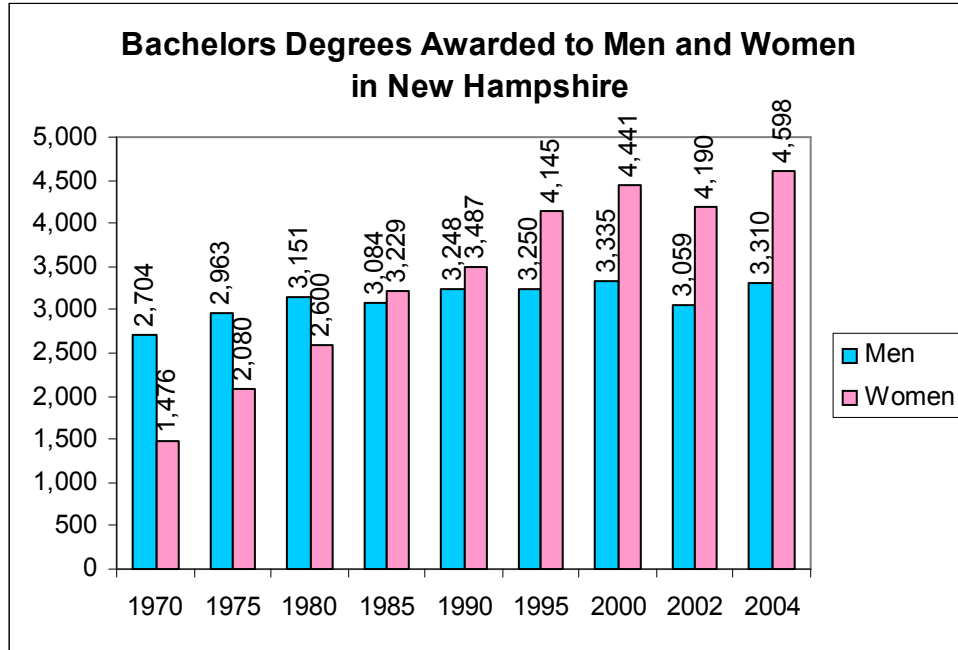
Source: Census of Population and the American Community Survey

On the other hand, New Hampshire men aged 25 and over have been more likely to hold a Bachelors Degree or more. There was an 8 percentage point gap between the two genders in the 1980, which closed considerably in the last two decades.



Number of Bachelor Degrees awarded to men and women, selected years.

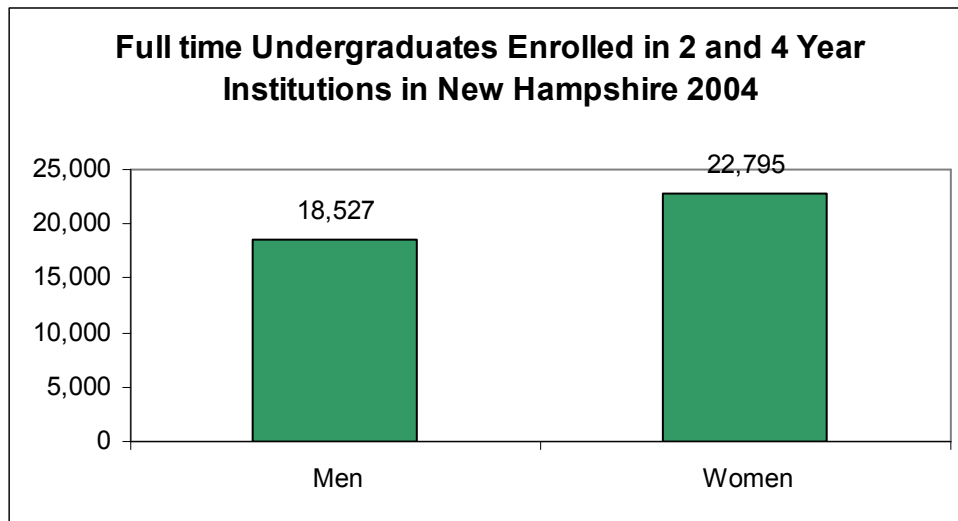
Although migration may play an important role in the closing of the postsecondary educational attainment gap between men and women, another explanation is that more New Hampshire women have been awarded Bachelors Degrees since 1980 than men. By the year 2004 women were awarded almost 4,600 Bachelors Degrees from New Hampshire institutions of higher learning, compared to about 3,300 men in the same year.



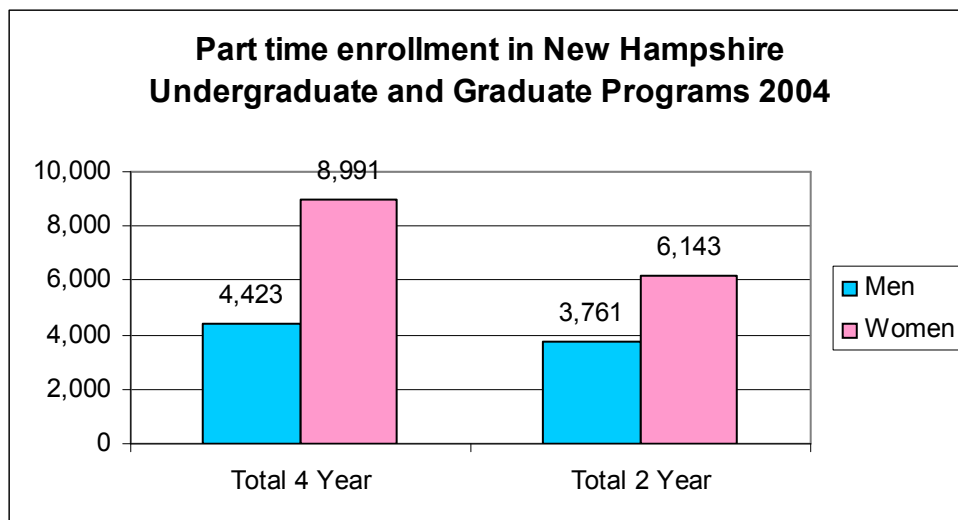
Source: www.postsecondary.org

Enrollment by gender

Educational attainment by women will likely continue to increase, relative to educational attainment by men, because women are pursuing higher education more aggressively than men. Women are more likely to be enrolled in New Hampshire postsecondary institutions than men. This is particularly true for part time enrollment in New Hampshire undergraduate and graduate degree programs. For example, in 2004 there were twice as many women as men enrolled in four-year part time undergraduate and graduate programs in New Hampshire



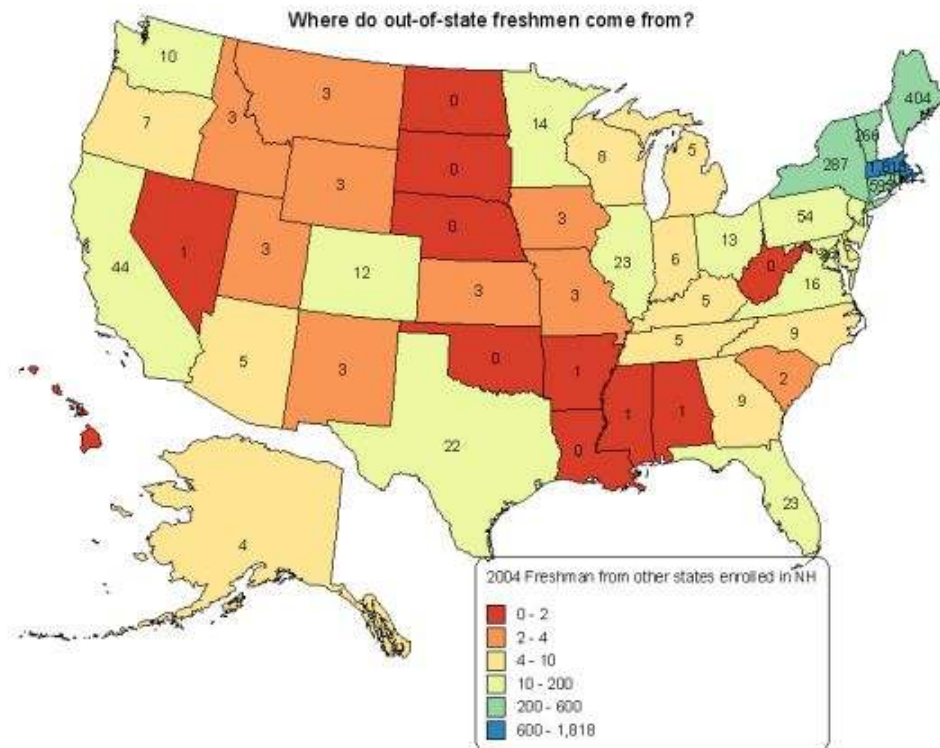
Source: Compiled from U.S. Department of Education IPEDS 2004 Fall Enrollment Survey



Source: Compiled from U.S. Department of Education IPEDS 2004 Fall Enrollment Survey

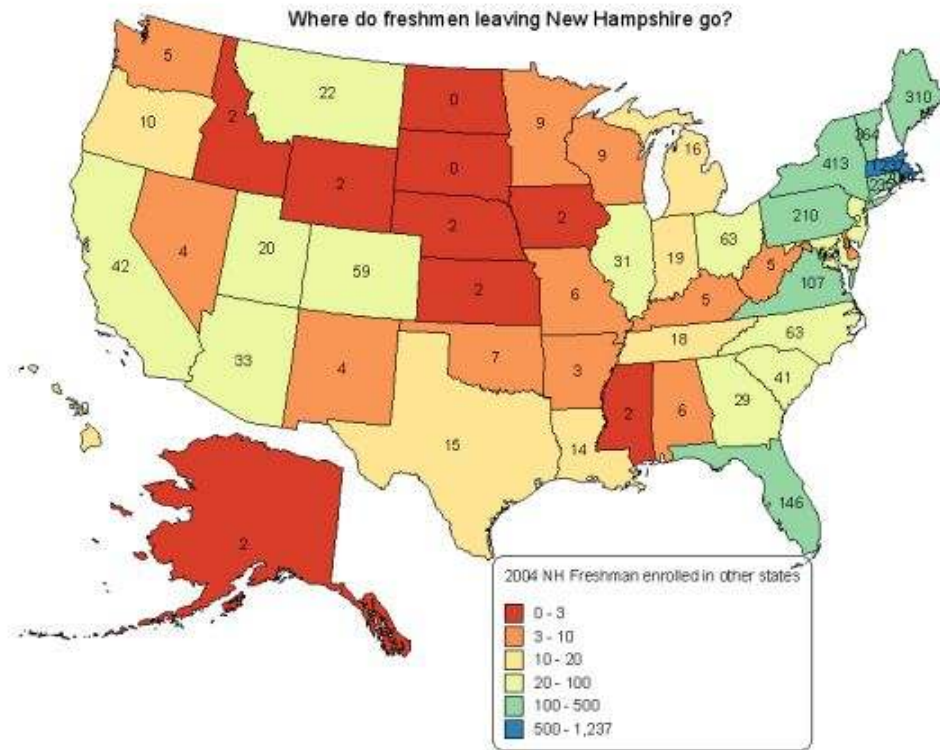
Where do NH freshmen go, where do out-of-state freshmen come from?

Residents of other states attending their first year of college in New Hampshire are most likely to be from Massachusetts. Over 1,800 residents from Massachusetts were freshman in a New Hampshire college or university in 2004. Connecticut was the next closest state, sending just under 600 to New Hampshire, followed by Maine, New York and Vermont.



Source: www.postsecondary.org

Massachusetts is the most likely destination for college bound New Hampshire High School seniors not attending college in the Granite State. Over 1,200 New Hampshire freshmen attended college in the Bay State in 2004. The other Northeastern states, and Florida, accepted several hundred New Hampshire residents each starting their first year of college.



Source: www.postsecondary.org

New Hampshire Postsecondary Education Continuation Rates are Stagnant

The New Hampshire Department of Education performs an annual measure of the postsecondary intentions of students completing high school. Postsecondary intentions of high school completers are reported each fall by guidance counselors using the best available information. High school “completers” include students that were issued a standard diploma, as well as those who received a certificate of attendance or a non-standard diploma.

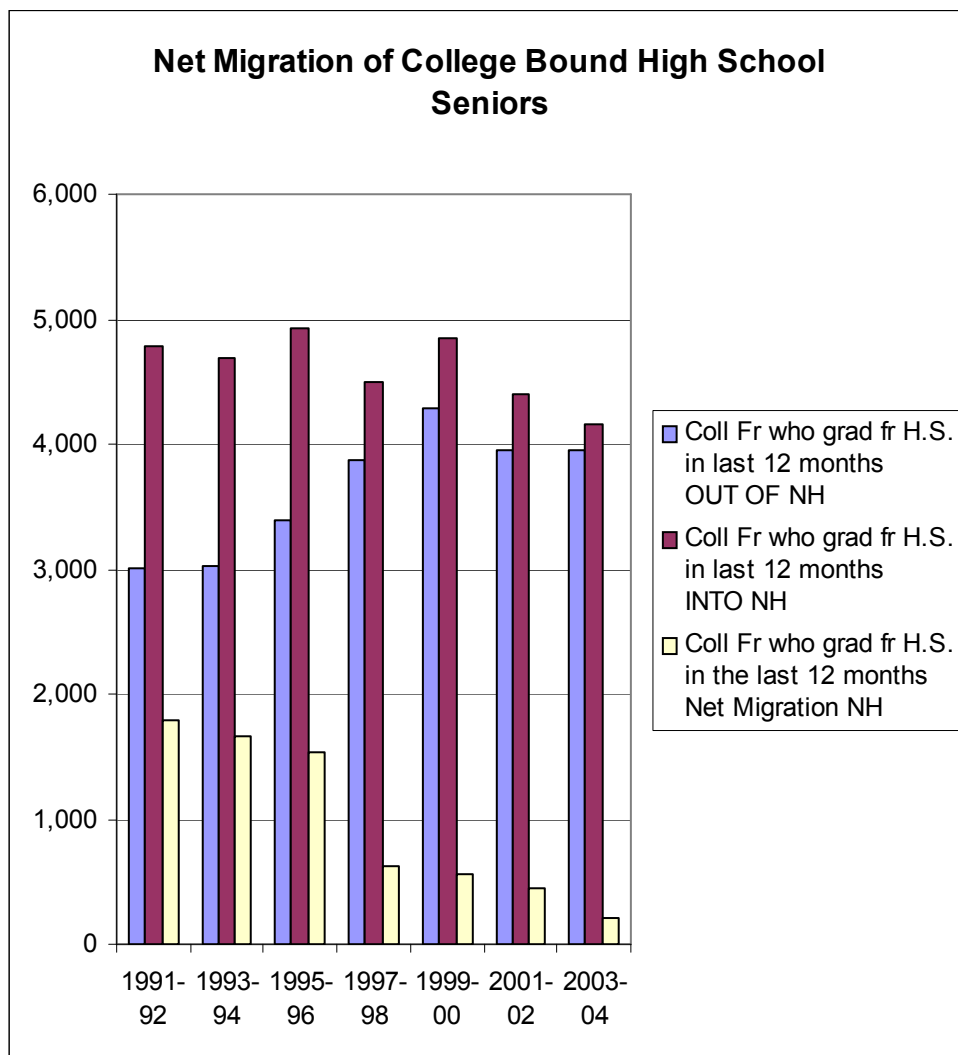
As shown in the following table, the percentage of New Hampshire high school seniors intending to attend a 4-year college has declined, while the proportion intending to attend a less than 4-year college has increased. In 1999 about 69 percent of New Hampshire graduating seniors intended to move on to a college, compared to about 71 percent in 2005.

	Percent moving on to:							
	Complete NH							
	High School	4 yr college	less than 4 yr college	return to HS	Employed	Armed Forces	Unemployed	Unknown
1999	11,087	54.1%	14.8%	0.3%	22.8%	3.7%	1.7%	2.5%
2000	11,711	54.0%	15.2%	0.4%	22.2%	3.4%	1.9%	2.8%
2001	11,942	53.7%	16.9%	0.7%	22.2%	3.5%	1.6%	1.6%
2002	12,285	53.6%	17.4%	0.5%	20.3%	3.8%	1.9%	2.6%
2003	13,315	51.8%	19.0%	0.5%	19.6%	3.6%	1.3%	4.2%
2004	13,428	52.0%	20.0%	0.7%	18.1%	3.2%	1.7%	4.4%
2005	13,847	51.4%	20.4%	0.5%	19.1%	2.5%	1.3%	4.8%

Source: New Hampshire Department of Education

New Hampshire's net migration of freshmen declines over time.

New Hampshire has enjoyed a net in-migration of first year college students, but that net gain has lessened considerably over time. In 1991-92 about 3,000 New Hampshire High School graduates left the Granite State for college in another state, while almost 4,800 students from other states arrived in New Hampshire to attend their first year in a Granite State college or university. By 2003, more High School seniors were leaving New Hampshire to attend college elsewhere, and fewer young people were arriving in New Hampshire to attend college here. New Hampshire's net gain from the intrastate migration of college bound High School Seniors was a little over 200 in 2003-04.

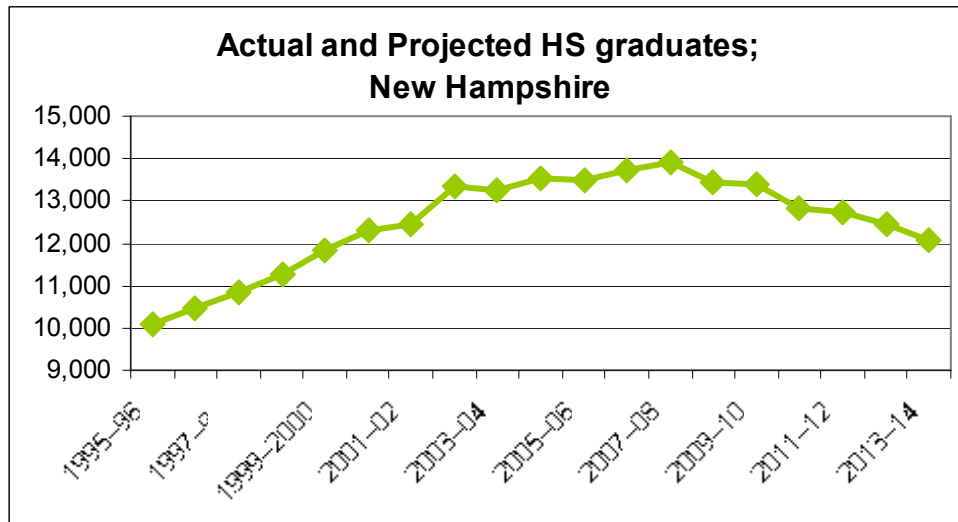


Source: www.postsecondary.org

History and projections of high school graduates

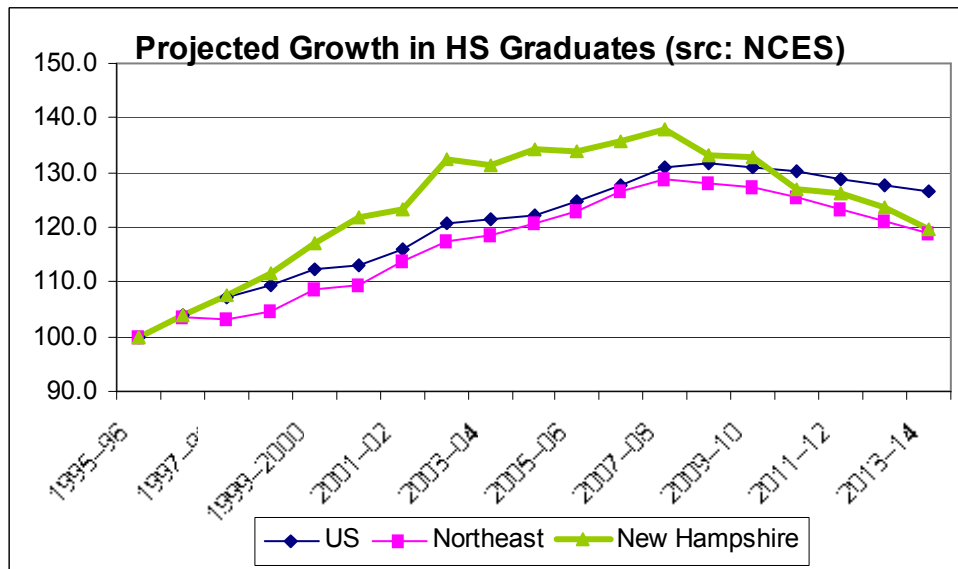
Through the 1990's and the middle of this decade the number of New Hampshire High School graduates has increased by 30 percent, helping to fuel a boom in the population of college and junior college freshmen. About 10,000 seniors graduated from New Hampshire high schools in 1996, and the numbers swelled to 13,000 in 2003.

However, this trend of ever increasing high school graduates is expected to reverse after 2008, according to forecasts from the National Center for Education Statistics. After peaking at almost 14,000 high school seniors in 2008, New Hampshire annual senior class will drop to 12,000 by 2014.

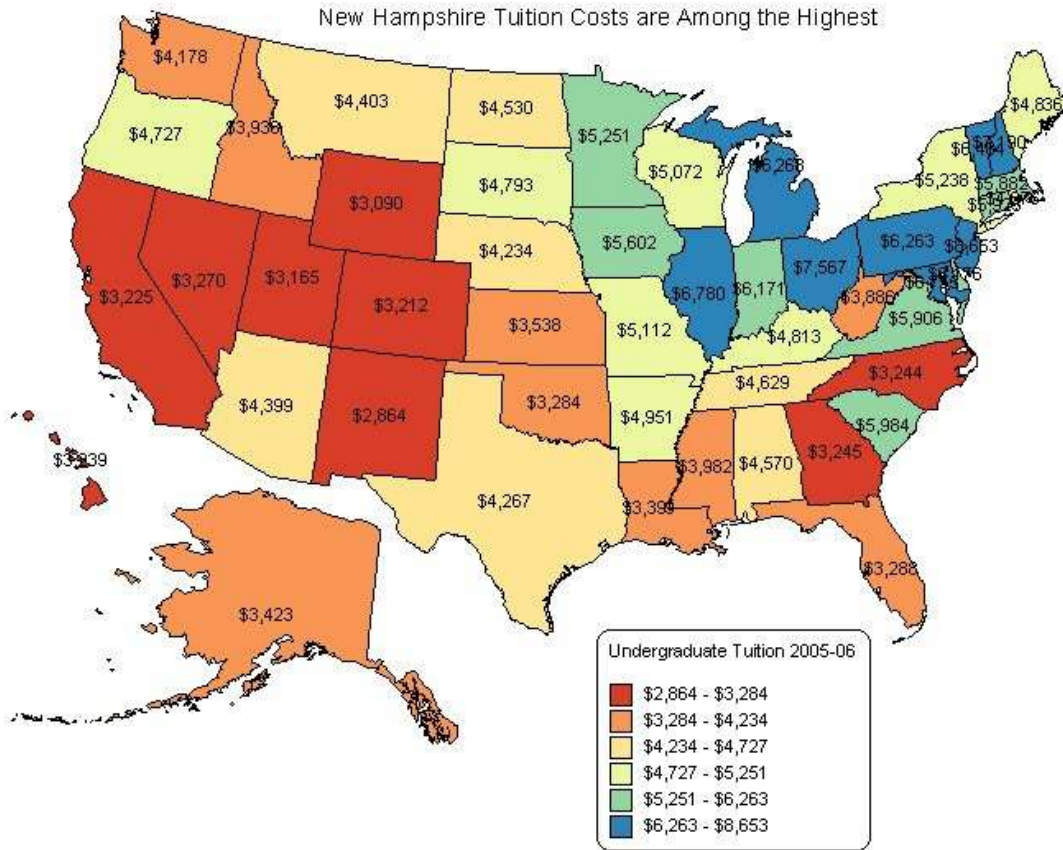


Source: National Center for Education Statistics, 2005

New Hampshire saw faster growth in the number of high school graduates than either the region or the nation, and will see a faster decline in the forecast period.



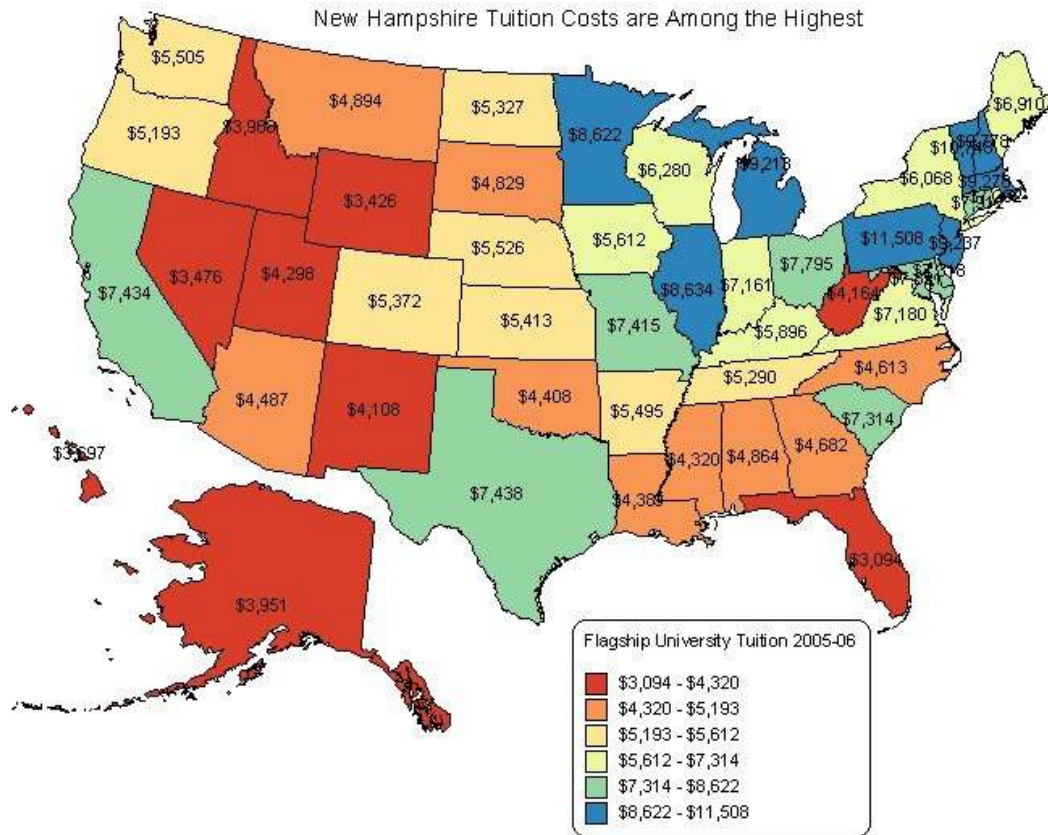
New Hampshire has tuition costs are among the highest of any state in the US.



Undergraduate tuition		Undergraduate tuition		Undergraduate tuition	
State	2005-06	State	2005-06	State	2005-06
Alabama	\$4,570	Kentucky	\$4,813	North Dakota	\$4,530
Alaska	\$3,423	Louisiana	\$3,399	Ohio	\$7,567
Arizona	\$4,399	Maine	\$4,836	Oklahoma	\$3,284
Arkansas	\$4,951	Maryland	\$6,755	Oregon	\$4,727
California	\$3,225	Massachusetts	\$5,882	Pennsylvania	\$6,263
Colorado	\$3,212	Michigan	\$6,268	Rhode Island	\$4,676
Connecticut	\$5,925	Minnesota	\$5,251	South Carolina	\$5,984
Delaware	\$6,176	Mississippi	\$3,982	South Dakota	\$4,793
District of Columbia		Missouri	\$5,112	Tennessee	\$4,629
Florida	\$3,288	Montana	\$4,403	Texas	\$4,267
Georgia	\$3,245	Nebraska	\$4,234	Utah	\$3,165
Hawaii	\$3,239	Nevada	\$3,270	Vermont	\$6,484
Idaho	\$3,936	New Hampshire	\$7,190	Virginia	\$5,906
Illinois	\$6,780	New Jersey	\$8,653	Washington	\$4,178
Indiana	\$6,171	New Mexico	\$2,864	West Virginia	\$3,886
Iowa	\$5,602	New York	\$5,238	Wisconsin	\$5,072
Kansas	\$3,538	North Carolina	\$3,244	Wyoming	\$3,090
United States		\$4,862			

Source: Washington State Tuition and Fee Report

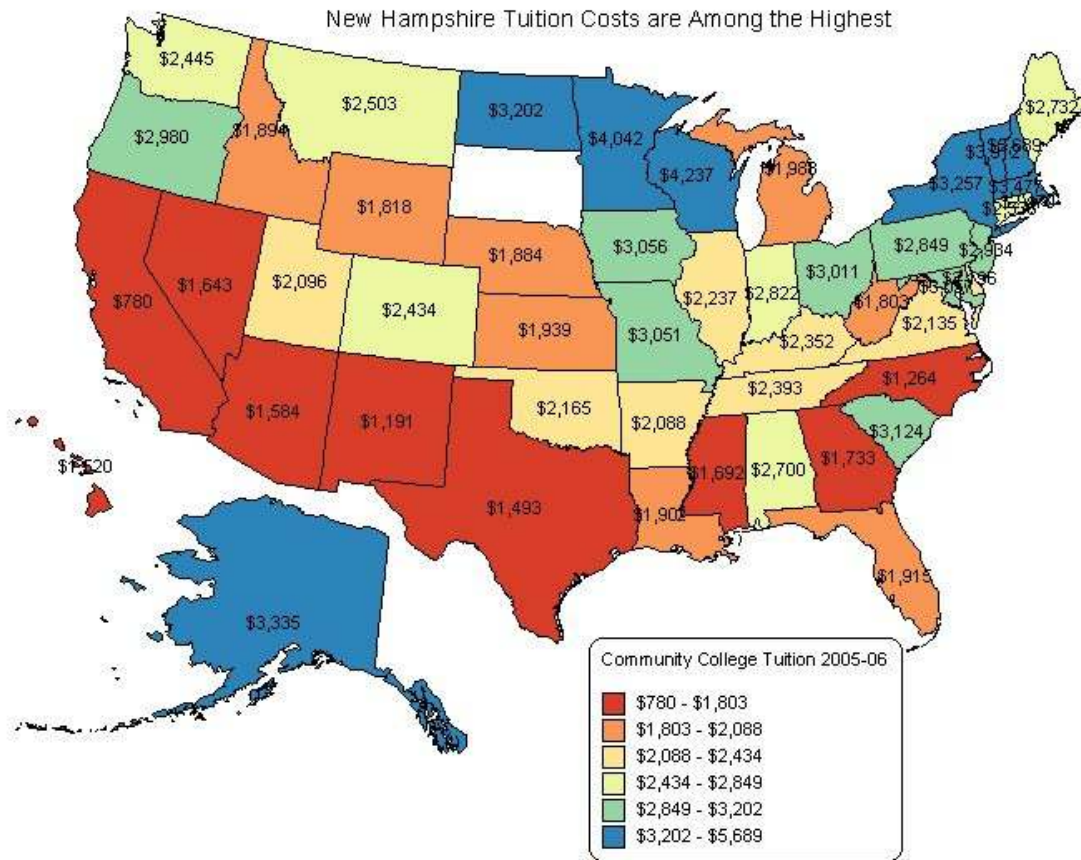
Impact and Trends of New Hampshire's Colleges and Universities: 2007



Flagship Universities	Flagship Universities	Flagship Universities			
State	2005-06	State	2005-06	State	2005-06
Alabama	\$4,864	Kentucky	\$5,896	North Dakota	\$5,327
Alaska	\$3,951	Louisiana	\$4,389	Ohio	\$7,795
Arizona	\$4,487	Maine	\$6,910	Oklahoma	\$4,408
Arkansas	\$5,495	Maryland	\$7,821	Oregon	\$5,193
California	\$7,434	Massachusetts	\$9,278	Pennsylvania	\$11,508
Colorado	\$5,372	Michigan	\$9,213	Rhode Island	\$7,292
Connecticut	\$7,912	Minnesota	\$8,622	South Carolina	\$7,314
Delaware	\$7,318	Mississippi	\$4,320	South Dakota	\$4,829
District of Columbia		Missouri	\$7,415	Tennessee	\$5,290
Florida	\$3,094	Montana	\$4,894	Texas	\$7,438
Georgia	\$4,682	Nebraska	\$5,526	Utah	\$4,298
Hawaii	\$3,697	Nevada	\$3,476	Vermont	\$10,748
Idaho	\$3,968	New Hampshire	\$9,778	Virginia	\$7,180
Illinois	\$8,634	New Jersey	\$9,237	Washington	\$5,505
Indiana	\$7,161	New Mexico	\$4,108	West Virginia	\$4,164
Iowa	\$5,612	New York	\$6,068	Wisconsin	\$6,280
Kansas	\$5,413	North Carolina	\$4,613	Wyoming	\$3,426
		United States	\$6,172		

Source: Washington State Tuition and Fee Report

Impact and Trends of New Hampshire's Colleges and Universities: 2007



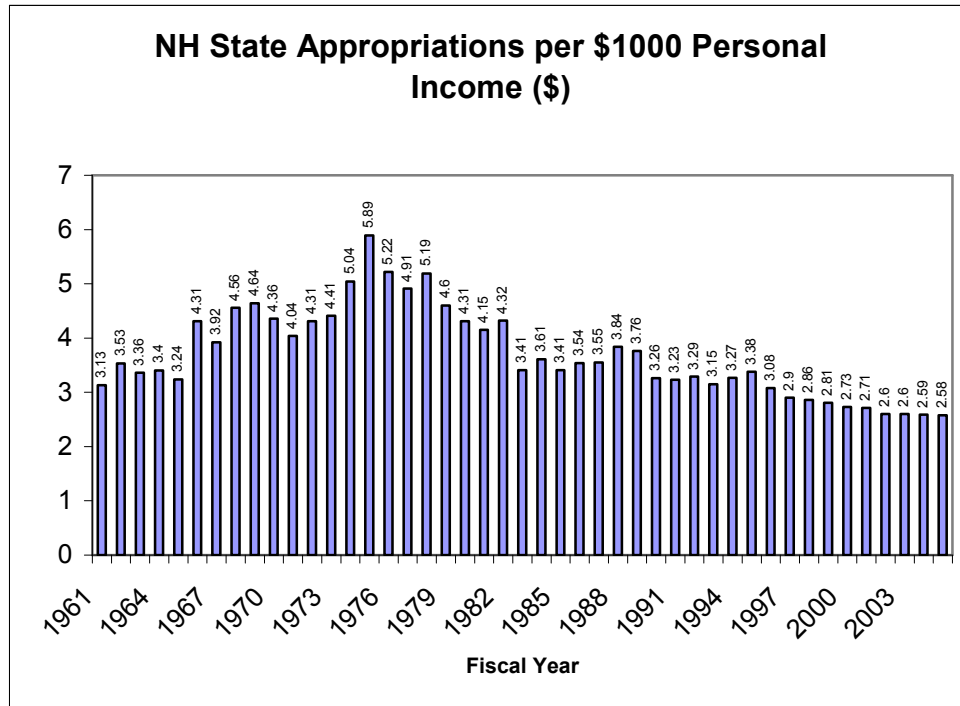
Community Colleges State	Community Colleges 2005-06	Community Colleges State	Community Colleges 2005-06	Community Colleges State	Community Colleges 2005-06
Alabama	\$2,700	Kentucky	\$2,352	North Dakota	\$3,202
Alaska	\$3,335	Louisiana	\$1,902	Ohio	\$3,011
Arizona	\$1,584	Maine	\$2,732	Oklahoma	\$2,165
Arkansas	\$2,088	Maryland	\$3,057	Oregon	\$2,980
California	\$780	Massachusetts	\$3,477	Pennsylvania	\$2,849
Colorado	\$2,434	Michigan	\$1,988	Rhode Island	\$2,470
Connecticut	\$2,536	Minnesota	\$4,042	South Carolina	\$3,124
Delaware	\$2,196	Mississippi	\$1,692	South Dakota	
District of Columbia		Missouri	\$3,051	Tennessee	\$2,393
Florida	\$1,915	Montana	\$2,503	Texas	\$1,493
Georgia	\$1,733	Nebraska	\$1,884	Utah	\$2,096
Hawaii	\$1,520	Nevada	\$1,643	Vermont	\$3,912
Idaho	\$1,894	New Hampshire	\$5,689	Virginia	\$2,135
Illinois	\$2,237	New Jersey	\$2,934	Washington	\$2,445
Indiana	\$2,822	New Mexico	\$1,191	West Virginia	\$1,803
Iowa	\$3,056	New York	\$3,257	Wisconsin	\$4,237
Kansas	\$1,939	North Carolina	\$1,264	Wyoming	\$1,818
United States	\$2,481				

Source: Washington State Tuition and Fee Report

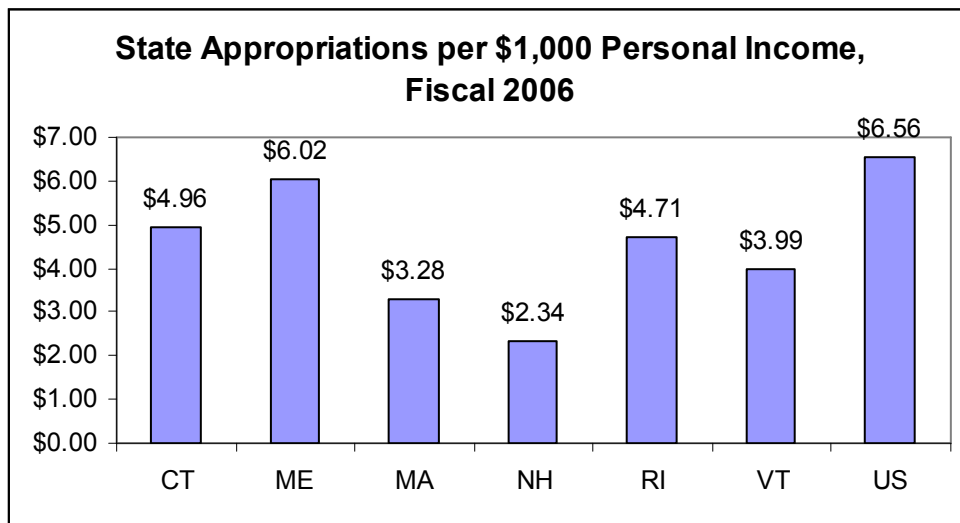
State support of postsecondary education (appropriations per \$1,000 PY)

Although the Northeast tends to be a higher cost area, compared to the rest of the country, a low level of state support for public postsecondary education is one of the main reasons why public postsecondary tuition costs are much higher than in other states.

New Hampshire ranks last, 50th out of 50 states, in appropriations of state tax funds for higher education per \$1,000 of Personal Income



Source: www.postsecondary.org

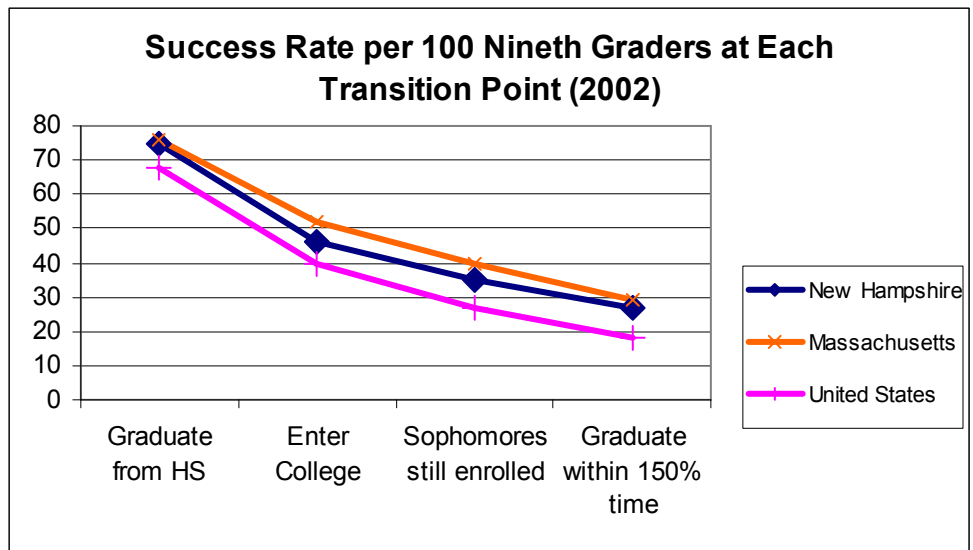


Source: New England Board of Higher Education

New Hampshire high school through college success rates

In New Hampshire, for every 100 ninth grade students, 75 students graduate from high school four years later. Of these, 46 students immediately enter college, and 35 students are still enrolled in their second year. Out of the original 100 ninth graders, 27 students graduate with either an associate's degree within three years, or a bachelor's degree within six years.

New Hampshire's 2002 college continuation rate, calculated as the percent of high school graduates that enter college in the following year, ranks 26th in the country.

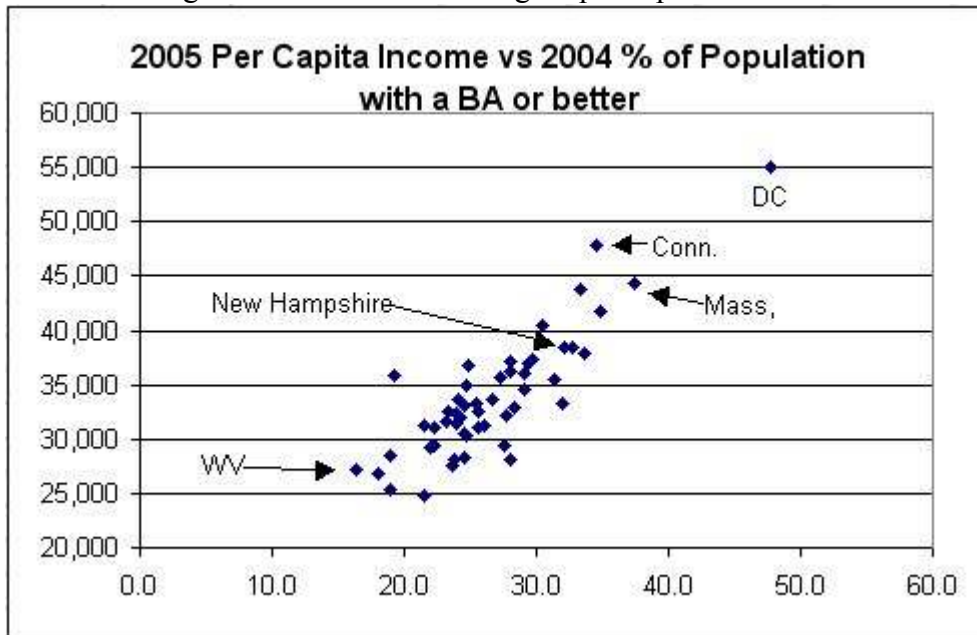


Educational Pipeline Success Rate				
Per 100 9 th graders, for the year 2002 Source:www.highereducation.org				
State	Graduate from HS	Enter College	Sophomores still enrolled	Graduate within 150% time
New Hampshire	75	46	35	27
Connecticut	75	47	37	26
Maine	76	41	31	22
Massachusetts	76	52	40	29
Rhode Island	72	40	33	23
Vermont	77	36	28	21
United States	68	40	27	18

Source: The National Center for Public Policy and Higher Education, 2004

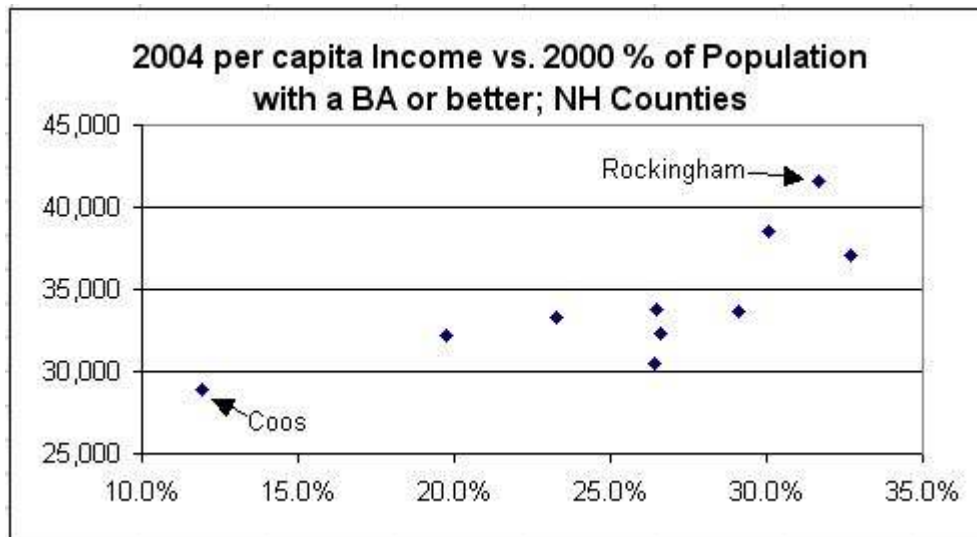
Educational attainment and personal income per capita

There is an abiding correlation between educational attainment and income. A high level of educational attainment in a state population implies a skilled workforce, and that means better paying jobs. And better paying jobs lead to higher incomes. The following scatter plot shows that states with higher proportions of their working age populations with a Bachelors Degree or better also have higher per capita incomes.



Source: US Department of Commerce, Census Bureau and Bureau of Economic Analysis

Educational attainment in New Hampshire by county, matched with personal income per capita, shows the similar relationship. New Hampshire counties with low educational attainment also have lower income per capita. Counties with higher income per capita also have greater proportions of their working age population holding a Bachelors Degree or better.



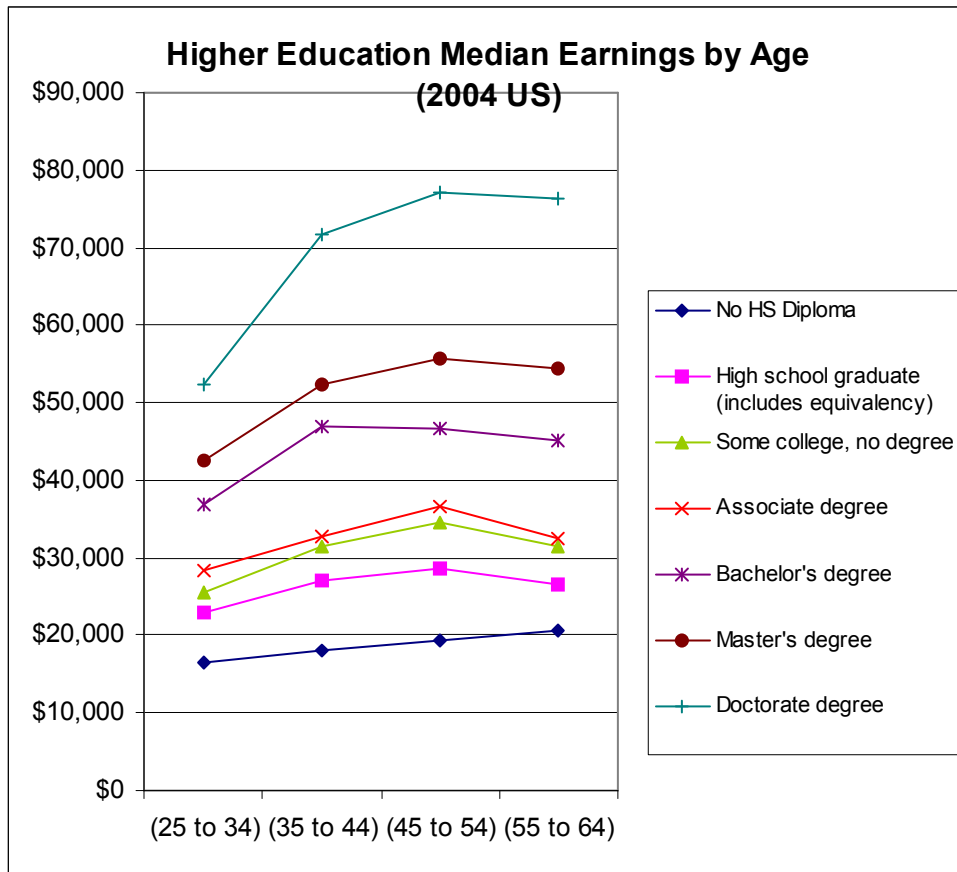
Earnings by educational attainment

College Degree Nearly Doubles Annual Earnings. Updated information from the U.S. Census Bureau reinforces the value of a college education: workers 18 and over with a bachelor's degree earn an average of \$51,206 a year, while those with a high school diploma earn \$27,915. Workers with an advanced degree make an average of \$74,602, and those without a high school diploma average \$18,734.

How much is higher education worth in cold hard money? A college master's degree is worth \$1.3 million more in lifetime earnings than a high school diploma, the Census Bureau.

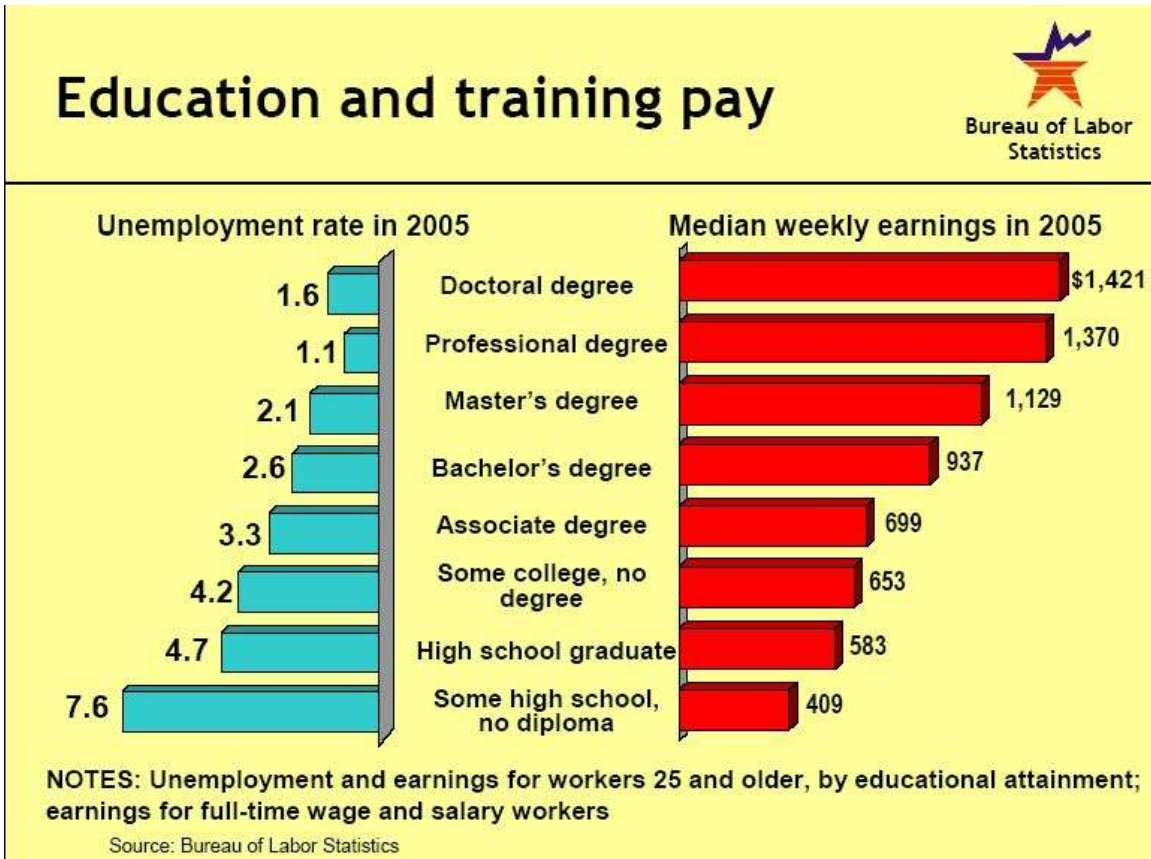
A report entitled "The Big Payoff: Educational Attainment and Synthetic Estimates of Work-Life Earnings" reveals that over an adult's working life, high school graduates can expect, on average, to earn \$1.2 million; those with a bachelor's degree, \$2.1 million; and people with a master's degree, \$2.5 million.

Persons with doctoral degrees earn an average of \$3.4 million during their working life, while those with professional degrees do best at \$4.4 million.



Source: US Census Bureau

According to recent data from the Bureau of Labor Statistics, the highly educated are not only more likely to earn more, they are less likely to be unemployed.



Key Economic Future Trends

A Historical Perspective on Past Forecasts

In the August 1997 Status of Higher Education in New Hampshire report, the authors presented an employment forecast for 2005, reflecting expected occupational growth in New Hampshire over the period 1994 to 2005. The purpose was to demonstrate the demand for occupations that require more than high school education.

The forecast for 2005 presented in the August 1997 report underestimated the number of jobs in New Hampshire in 2005 by 7 percent, or about 47,000 jobs. The number of jobs expected in Management, Professional and Related occupations underestimated the need by one fifth – that is 2005 saw 236,000 jobs in this occupational group, compared to a forecast of 196,000, a difference of about 40,000 jobs. Jobs in these occupational groups require significant educational attainment beyond secondary school.

Service jobs, jobs in agriculture and in production (manufacturing), transportation and construction were overestimated in the 1997 forecast for the year 2005 – that is, the number of jobs expected in these occupational groups did not materialize.

The table below compares the forecast for 2005 from August 1997 report with actual New Hampshire job levels in each major occupational group.

Comparison of Actual New Hampshire Employment by Major Occupational Group
Actual 2005 to Forecast Published in 1997
Source: NH Dept. of Employment Security

	Actual 2005	Forecast 2005	Difference	% Difference
Total All	690,574	643,280	47,294	7.4%
Management, professional and related occupations*	236,118	196,332	39,786	20.3%
Service occupations	99,335	103,563	-4,228	-4.1%
Sales & Office occupations	203,775	186,242	17,533	9.4%
Farming, fishing, and forestry occupations	2,280	5,865	-3,585	-61.1%
Construction, maintenance, production and transportation	149,066	152,351	-3,285	-2.2%

* These occupational groups require postsecondary education

Analysis of the New Hampshire occupational forecast made about a decade ago reveals that the demand for a highly trained workforce exceeded expectations. The number of occupations requiring postsecondary education grew much faster than anticipated, while occupations that traditionally required a high school education actually grew less than anticipated.

The following compares statements made in 1997, with actual experience to date.

1. "For the next 8 years (1997 to 2005) the NH economy will produce about 6,000 new and replacement jobs per year that requires a college degree."

As shown in the preceding table, jobs in the Management, Professional and Related occupational groups grew much faster than anticipated in 1997. Since the number of occupations in this major group increased by twenty percent more than expected, and since most jobs in this major occupational group require significant postsecondary education, it is estimated that the New Hampshire economy produced **7,200 new and replacement jobs** in the years 1997 to 2005 that required a college degree.

2. "Annually, 30% of New Hampshire's job openings require a higher education degree, 26% require at least a bachelor's degree. New Hampshire graduates will be especially needed in general business, health care and computers and electronics."

In the latest short term forecast from New Hampshire Department of Employment Security, about 40% of new jobs require higher education (an Associate's Degree or better).

New Hampshire Occupational Projections by Level of Training
Source: NH Dept. of Employment Security

NH Short-term Occupational Projections - 2005Q2 - 2007Q2	2005Q2	2007Q2	Change	Ave. Annual
				Growth
First professional degree	7,492	7,745	253	1.7%
Doctoral degree	4,591	4,839	248	2.7%
Master's degree	11,096	11,508	412	1.8%
Bachelor's or higher degree, plus work experience	31,265	32,218	953	1.5%
Bachelor's degree	86,102	89,443	3,341	1.9%
Associate degree	26,508	27,886	1,378	2.6%
Postsecondary vocational training	38,806	40,011	1,205	1.5%
Work experience in a related occupation	62,746	64,005	1,259	1.0%
Long-term on-the-job training	44,941	45,859	918	1.0%
Moderate-term on-the-job training	130,964	132,715	1,751	0.7%
Short-term on-the-job training	246,063	251,755	5,622	1.2%
	690,574	707,984	17,340	1.3%
Associates Degree plus	167,054	173,639	6,585	2.0%
Percent of Total	24.2%	24.5%	38.0%	

Impact and Trends of New Hampshire's Colleges and Universities: 2007

In the latest short term forecast, the expected need for health care professionals, education professionals and computer professionals is significantly higher than expected back in 1997. The outlook for general business jobs (administrative and management) has been lowered, probably reflecting gains in management efficiency, and higher than expected outside ownership of New Hampshire companies.

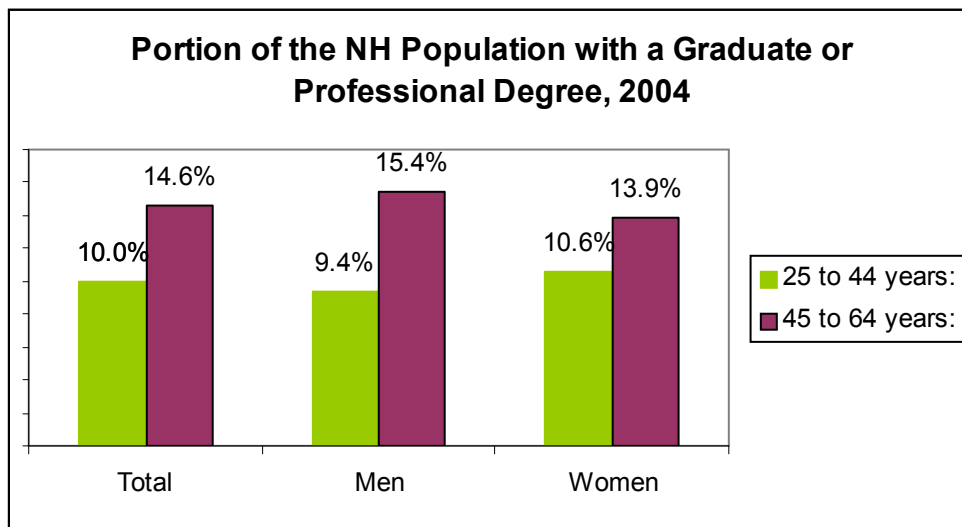
Expected Annual Openings from 1994 to 2005 Forecast by Category		Openings	
Compared to annual openings from 2005-07 short term forecast	Expected	Short term	
Adjustments made for OES to SOC code conversion	Openings	Forecast	
	<u>1994 to</u> <u>2005</u>	<u>2005-07</u>	<u>Change</u>
<u>Executive Administrative and Management</u>			
General managers and Top Executives	581	586	5
Financial managers	214	84	-130
Managers and administrators	200	109	-91
Food service and lodging managers	169	65	-104
Accountants and auditors	143	122	-21
	1,307	966	-341
<u>Professional Specialty</u>			
Registered Nurses	367	619	252
Secondary teachers	203	218	15
College and university faculty	182	304	122
Computer Engineers	155	297	142
Other teachers	153	156	3
Elementary Teachers	151	321	170
Lawyers	116	43	-73
Physicians	108	99	-9
Therapists	102	105	3
Other professionals, para-professionals and technicians	120	424	304
	1,657	2,586	929
<u>Technicians and Related Support</u>			
Engineering technicians	127	130	3
Licensed practical nurses	108	81	-27
Computer programmers	104	291	187
Misc. health professionals, paraprofessional and technicians	95	337	242
	434	839	405

Source: New Hampshire Department of Employment Security

Future Trends: Highly educated workers will be leaving the New Hampshire workforce:

The Baby Boom generation has been called one of the most educated in US history. An examination of 2004 American Community Survey data for New Hampshire shows that older workers are better educated in New Hampshire as well. In 2004 14.6% of the New Hampshire population aged 45 to 64 had a graduate or professional degree, while only 10% of the population 25 to 44 had a graduate or professional degree.

As the demand for a skilled labor force, and the educational attainment of those workers, continues to increase, will the generations behind the Boomers be able to fill the demand?



Source: Census Bureau and American Community Survey

Future Trends: The demand for highly educated workers will increase

The latest published forecast, from the New Hampshire Department of Employment Security, for New Hampshire job growth by industry and occupation covers the period 2004 to 2014. As shown on the following table, occupations that require formal training are expected to increase at a faster rate in the future. Management, professional and related occupations are expected to account for 43 percent of all new jobs in New Hampshire from 2004 to 2014. These occupations include high-level jobs in industries such as healthcare, information technology and business management. By comparison occupations in construction, production, maintenance and transportation, which for the most part require less formal education, will increase at a much slower pace.

Jobs that require an Associate's degree, and jobs that require a Doctoral degree, will both increase by more than a third in the forecast period. Jobs that only require work experience or on-the-job training will only increase half as fast.

Impact and Trends of New Hampshire's Colleges and Universities: 2007

Table Employment by major occupational group, 2004 and projected 2014	Employment		Change	Change	Annual
	2004	2014	Number	Percent	Openings
Source: New Hampshire Employment Security					
Management, professional and related occupations	205,041	254,184	49,143	24.0	8,719
Service occupations	124,352	151,575	27,223	21.9	7,654
Sales & Office occupations	202,717	226,324	23,607	11.6	8,073
Farming, fishing, and forestry occupations	2,176	2,493	317	14.6	88
Construction, extraction and maintenance occupations	58,660	68,391	9,731	16.6	2,205
Production, transportation and material moving occupations	88,500	92,267	3,767	4.3	2,696
Total	681,446	795,234	113,788	16.7	29,435

Source: New Hampshire Department of Employment Security

Examples of Higher Education's Economic Impact:

Expanding the engineering schools at UNH and Dartmouth

Kingsbury Hall, the home of UNH's College of Engineering and Physical Sciences, is in the midst of a major renovation and expansion project.

The entire building is being renovated and more than 20,000 assignable square feet will be added to give the new Kingsbury 113,000 square feet of modern, assignable space. It will be home to four engineering departments—Chemical, Civil, Electrical & Computer and Mechanical—as well as Mathematics & Statistics and Computer Science.

With Phase I of the project already completed, high-tech classrooms and a new 45,000 sq.ft. wing devoted entirely to teaching labs make Kingsbury Hall worthy of the outstanding reputation the college has already built within its walls. When the “new” Kingsbury Hall is completed in 2007, the world-class facility will be a resource for engineering businesses and industries statewide, as well as aspiring engineers and scientists.

The UNH Engineering, Mathematics and Computer Science Library is a prime example. When the renovations are complete, the library will more than double in size to about 11,000 square feet. Its 45,000 volumes, including 890 current periodical subscriptions, are available to anyone from the community with research and educational needs.

The Thayer School of Engineering at Dartmouth College is building a brand new engineering facility. The new MacLean Engineering Sciences Center (ESC) is designed to advance Thayer School's project-centered, interdisciplinary curriculum. Connected to Cummings Hall via a glass atrium, the building will showcase key elements of the collaborative approach to engineering education at Dartmouth. Unique features include integrated project labs, studio classrooms, multimedia computing systems, and next-generation research facilities. The facility will feature:

- Integrated project labs that support multidisciplinary design and hands-on discovery tools
- Studio classrooms and conferencing facilities that enable collaborative and active learning
- Computing, connectivity, and multimedia systems that engage and expand the research and learning environment of Dartmouth and beyond
- Next generation research facilities in computers and communications, dynamics and controls, lasers and optics, and nanomaterials science that push Dartmouth to the frontier of discovery and innovation

Spinoffs from University research (Chaoticom, Glycofi)

Taking research out of the laboratory and into the marketplace, the University of New Hampshire launched its first spin-out company in 2001. Chaoticom introduced new technology, called Chaotic Compression Technology (CCT), for data compression and encryption.

Chaotic Compression Technology (CCT), the brainchild of mathematics professor Kevin Short, attracted funding from venture capitalists that have backed scores of successful startups. "This is a fundamentally new technology," says Short, whose research, in very simple terms, involves looking for patterns in seemingly random occurrences. "Chaotic systems appear random," he explains, "but if you look at them the right way, they are well behaved."

Merck & Co., Inc., one of the world's leading research-based pharmaceutical companies, and GlycoFi, Inc., a privately-held biotechnology company that is a leader in the field of yeast glycoengineering and optimization of biologic drug molecules, announced that they have entered into a definitive agreement under which Merck will acquire GlycoFi.

GlycoFi, which was founded in 2000, is based in Lebanon, N.H. and has about 55 employees. GlycoFi boasts a novel, yeast-based, proprietary protein optimization technology that has the potential for use in developing, producing and commercializing novel biotherapeutics. GlycoFi grew out of biotechnology research started at Dartmouth College.

Other Examples of Higher Education Responding to Real World Needs:

Pre-School to 16 (P-16) Working Group: On September 29, 2006, Governor John H. Lynch, issued an Executive Order to Establish a P-16 Working Group in New Hampshire. The purpose of the Follow the Child Initiative is to create a true system of education for New Hampshire that begins in early childhood, continues through college, and promotes access, success, accountability, and lifelong learning. P-16 thinking focuses on the changes needed at both the P-12 and higher education levels. The goals of P-16 are to increase access and success at all education levels by regularly assessing educational accomplishments, bridging curriculums, increasing articulation, and sharing data, including the development of a shared data system.

Project Running Start New Hampshire Community Technical College System: Created by the Community Technical College System as a partnership with the state's high schools, Project Running Start is a concurrent enrollment program enabling high school students to take college courses during their normal high school day. For a \$100 enrollment fee, students who successfully complete a course through Project Running Start receive a college transcript with credits that transfer to colleges and universities in

New Hampshire and across the country. By applying these credits toward a college degree, students can save thousands of dollars from the future cost of a college education, as well as gain experience with collegelevel coursework and expectations. Currently, over 3,100 high school students each year take at least one course through Project Running Start, which is offered at almost 70 New Hampshire high schools.

Nanotechnology Program - University of New Hampshire (UNH): This collaborative initiative among UNH, UMass-Lowell, Northeastern University and MIT is funded by a national science foundation grant with a focus on developing new manufacturing and processes using the cutting edge techniques of nanotechnology. Nanotechnology is the engineering of molecules and atoms to create new materials for applications across almost every facet of our lives, including medicine, food, electronics, etc. The UNH program is overseen by a New Hampshire Business Advisory Board.

School of Community and Economic Development – Southern New Hampshire University: Southern New Hampshire University, School of Community and Economic Development, trains practitioners to teach people to have control over their economic futures by developing leadership in the poorest communities and eliminating the apathy that can result from generations of poverty and neglect. The School of Community and Economic Development offers the nation's first and only accredited Master's and Ph.D. degree programs in community economic development. All coursework is shaped by the program's dual objectives of building social capital, as well as building financial capital; each becoming ends and means; neither taking precedence over the other; both serving the goal of building healthy communities.