



Higher EDUCATION:

**THE CORNERSTONE TO
NEW HAMPSHIRE'S PROSPERITY**

**A Higher Education
Economic Impact Report
2003**

A REPORT OF



The New Hampshire
Forum
On Higher Education

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PUBLIC SERVICE OF NEW HAMPSHIRE is proud to sponsor *Higher Education: The Cornerstone to New Hampshire's Prosperity.* This report highlights the significant impact that New Hampshire's higher education institutions have on the state's economy.



Opportunities for New Hampshire's future prosperity depend greatly on the state's ability to educate its citizens. Higher education institutions play an important role in preparing skilled and knowledgeable employees for a constantly changing economy. Further, universities and colleges attract new businesses and industries to the area by giving employers access to people and resources that help their businesses prosper.

The importance of the partnership between business, higher education, and government cannot be underestimated. In 2002 alone, higher education generated more than \$3 billion in our economy, contributed to the creation of 4,418 new jobs, and increased investments in building construction and research and development. As a result, New Hampshire's higher education institutions contributed greatly to the economic well-being of the state. Staying competitive in a quickly changing, global economy requires our state's educational institutions, businesses, and government to collaborate in new and innovative ways.

New Hampshire's high quality of life is directly related to the historically strong relationship between business, education, and government. In the past year, for example, Public Service of New Hampshire collaborated with the New Hampshire College & University Council on the Latino Student Initiative in an effort to attract Hispanic students to New Hampshire's colleges and universities. In addition, PSNH is encouraging young people to enter the engineering profession at the University of New Hampshire by offering them scholarships and employment opportunities.

I urge you to read the information in this report and consider new ways for your organization to partner and contribute to the economic growth of your community. Higher education is truly the cornerstone to New Hampshire's prosperity because it's an investment in the future of our children, our communities, and our state.

Sincerely,

Gary A. Long
 President & Chief Operating Officer
Public Service of New Hampshire
 Member, NH Forum Board of Governors



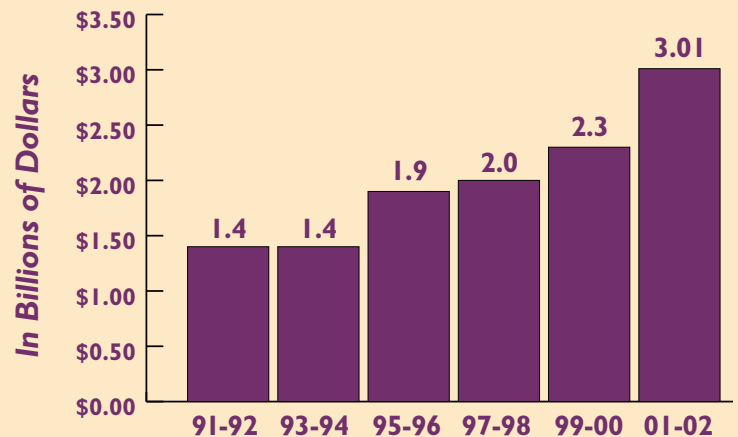
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WE RARELY THINK OF HIGHER EDUCATION AS AN INDUSTRY—

as a significant component of our state's economic identity—but indeed it is! If viewed as a business, New Hampshire Higher Education would be a \$1.5 billion corporation, with more than 15,400 employees, \$630 million in payroll, and 64,600 students.

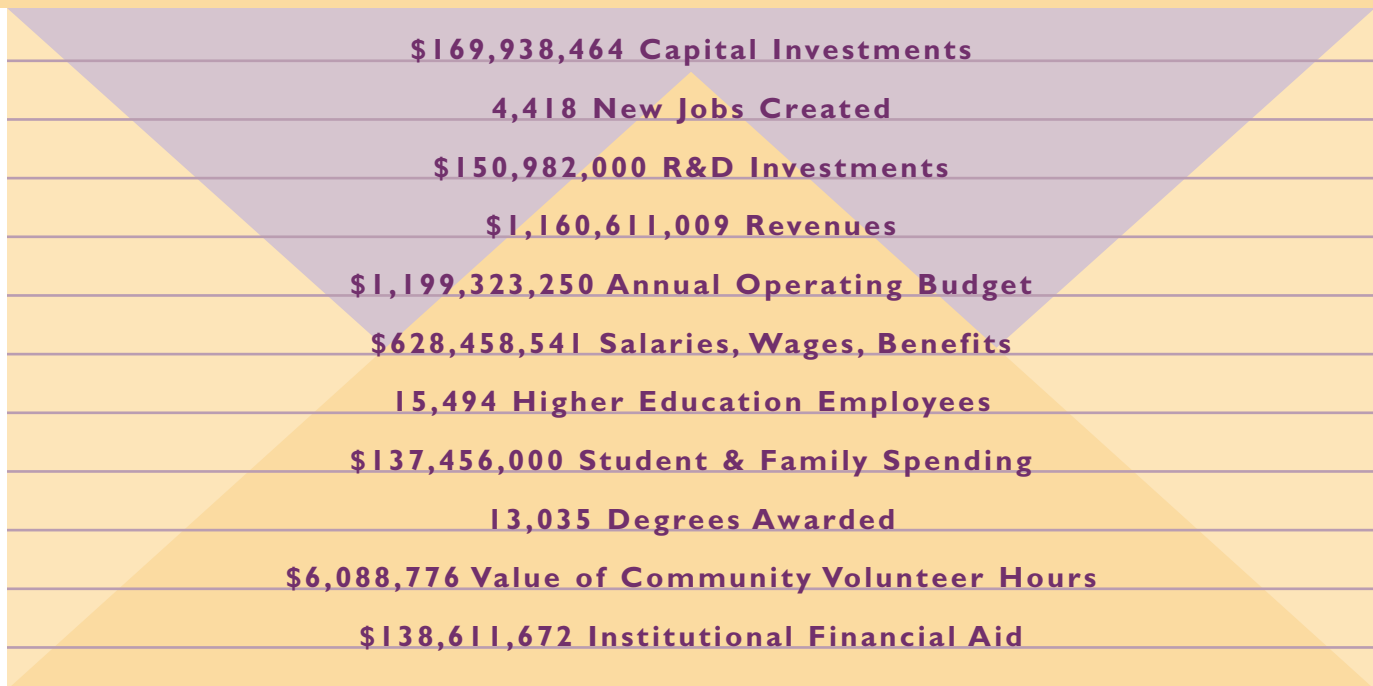
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ECONOMIC IMPACT 1991-2002



- Higher education helped to generate more than \$3.01 billion as a result of the initial expenditure of \$1.5 billion, about 6.8% of New Hampshire's total gross state product (\$44 billion).
- Higher education economic impact grew over \$1.6 billion (114%) in the last 10 years.
- Higher education contributed to the creation of 4,418 new jobs throughout the State of New Hampshire in 2001-02.

\$3.01 BILLION TOTAL HIGHER EDUCATION ECONOMIC IMPACT



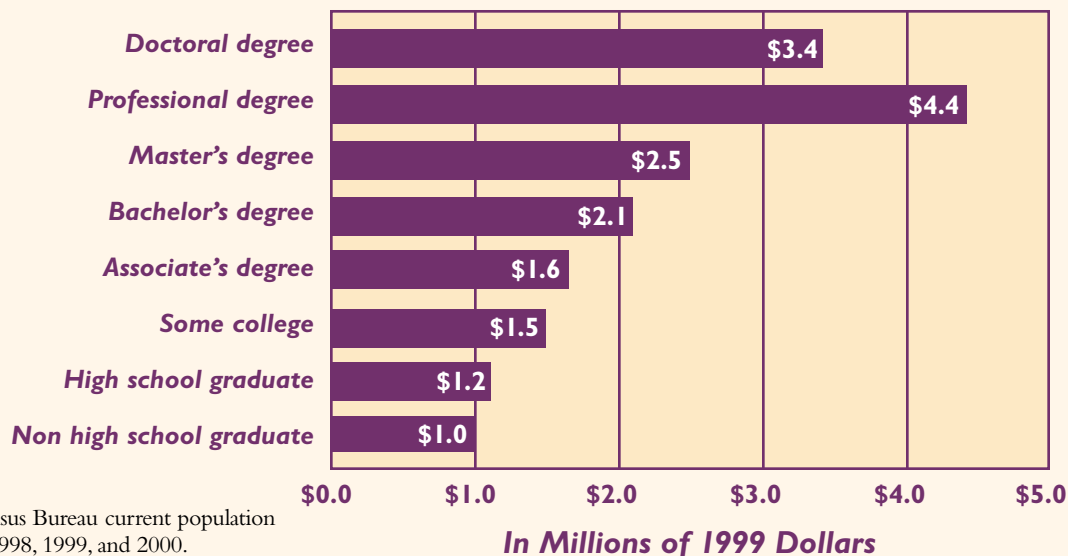
A \$3.01 Billion Industry¹

Today, New Hampshire enjoys a strong reputation for dedicated and highly-skilled workers. Our state is uniquely positioned to ensure its leadership in the economic recovery by supporting and leveraging diverse, public and private, higher education resources. Every college and university in New Hampshire is committed to building a pipeline of knowledgeable workers and responsible citizens.

¹All institutional data contained in this publication is self-reported as of Fall 2002. The impact per college or university on the local economy was estimated in accordance with the *American Council on Education*, 1971, p.44. A very conservative economic multiplier of 2 is applied to direct expenditures (Operating \$1.1 billion + Capital \$170 million + Student/Family Spending \$137.5 million).

Higher Education adds \$12 billion dollars to the earnings of New Hampshire residents over their lifetime.

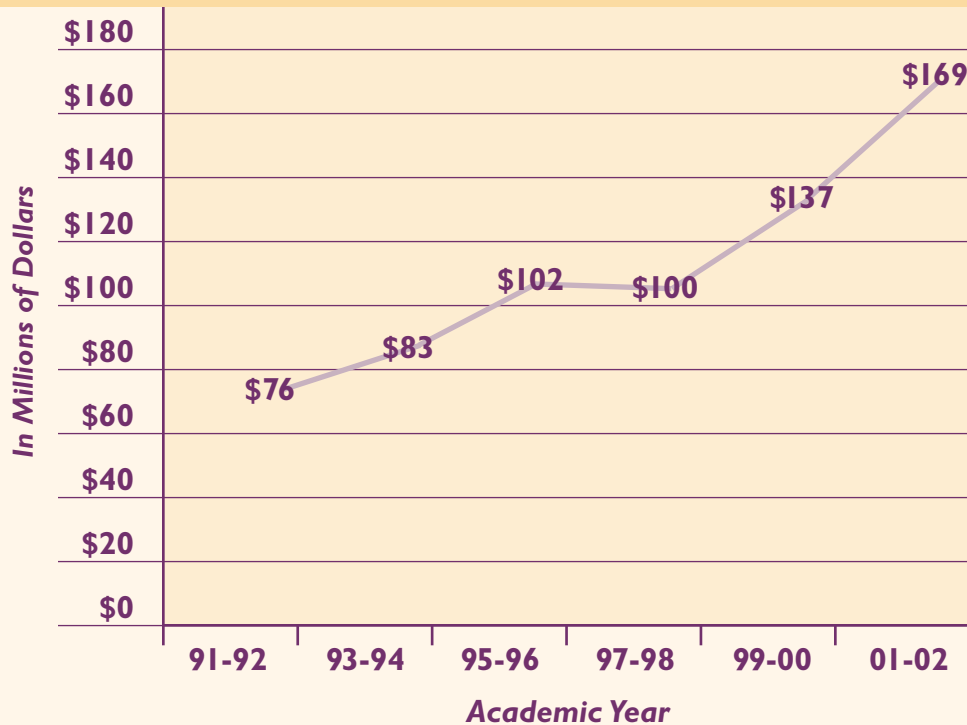
WORK-LIFE EARNINGS for Full-Time Year-Round Workers Based on 1997-1999 Work Experience



Source: U.S. Census Bureau current population surveys, March 1998, 1999, and 2000.

Capital Investments and Research & Development Exceed \$320 Million

CAPITAL EXPENDITURES 1991-2002



Capital Investments Exceed \$169 Million

■ 4,418² jobs were created and \$372.3 million in gross state product was generated as a result of \$169,938,464 million investment in campus capital projects.

■ New residence halls, sport complexes, communications centers, and major building renovations exemplify annual investments in the physical infrastructure of New Hampshire institutions.

²Utilizing the regional multiplier methodology recommended by the U.S. Department of Commerce for every \$1 million of campus construction, a total of \$2.19 million of extra gross state product is generated. Additionally, estimates are that 26 jobs are created for every \$1 million in construction activity.

Research & Development Investments Exceed \$151 Million

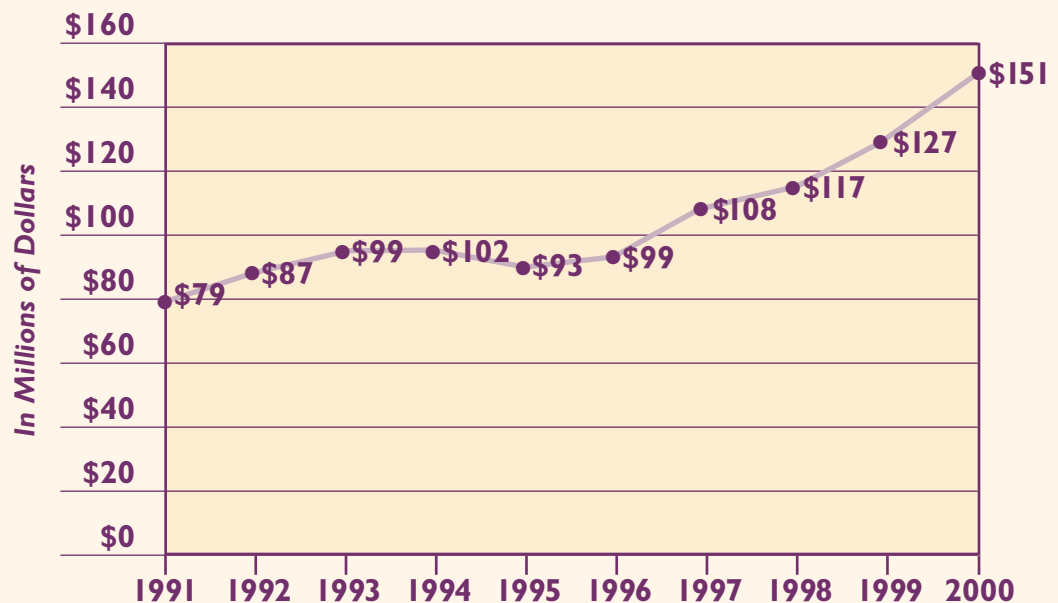
■ New Hampshire R&D expenditures increased 91% over the last 9 years as compared to a 52% increase in other New England states for the same time period.³

■ In the second quarter of 2000, New Hampshire secured more than \$290 million in venture capital, ranking fourth in the United States in venture capital invested as a percent of GSP.

■ New Hampshire higher education institutions are an important magnet to attract and grow research and development and venture capital.

³Source: New England Board of Higher Education Analysis of NSF WebCASPAS Database System

RESEARCH & DEVELOPMENT EXPENDITURES AT NEW HAMPSHIRE DOCTORATE-GRANTING INSTITUTIONS: 1991-2000



INVESTMENTS

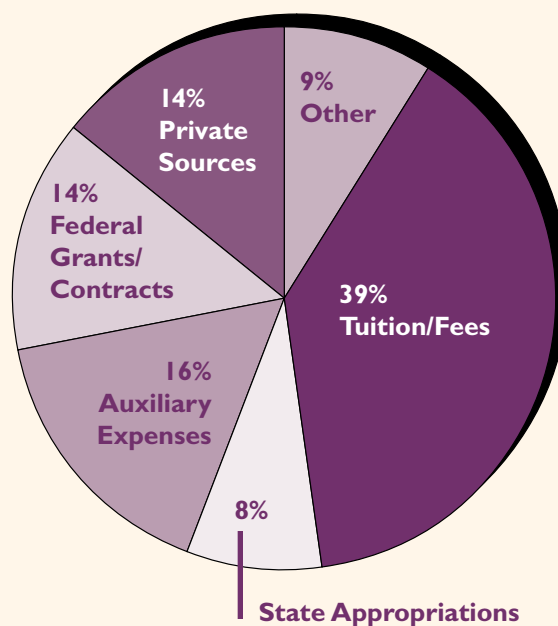


Annual Revenues Exceed \$1.16 Billion

- Annual revenues total \$1,160,611,009.
- Tuition revenue (\$450 million) is the primary source of institutional operating budgets.
- Higher education generates significant revenues from out-of-state dollars.
 - 59%⁴ of students attending New Hampshire institutions are from out-of-state.
 - Large portions of institutional revenues are generated from other out-of-state sources (federal grants, contracts, private gifts, and other grant sources).
- Institutions experienced a \$20 million decline in investment return in 2001-2002.

⁴Self-reported for 1999-2000.

2001 REVENUES AT NEW HAMPSHIRE'S PUBLIC AND PRIVATE HIGHER EDUCATION INSTITUTIONS

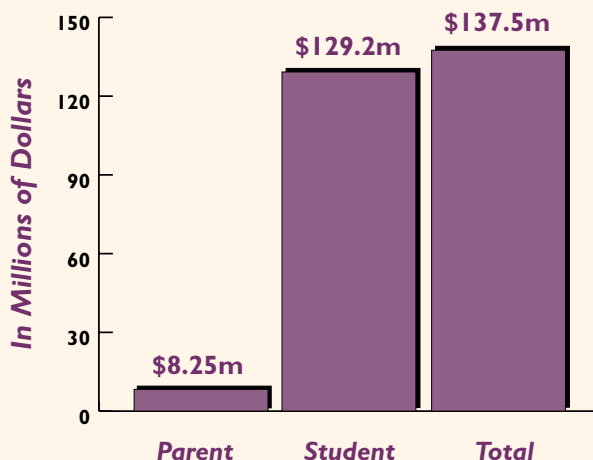


Annual Operating Budgets Exceed \$1.19 Billion

The annual operating budgets of New Hampshire's higher education institutions totaled \$1,199,323,250 in 2001-2002. Primarily, operating budgets are expended in New Hampshire with local businesses and in payroll for New Hampshire residents. Institutions provided \$628,458,541 in salaries, wages, and fringe benefits to 15,494 higher education employees in 2001-2002.

BUILDING COMMUNITY COMMITMENT

STUDENT & FAMILY SPENDING 2001-2002



Student & Family Spending

- Student and family spending in local communities exceeded \$137.5 million.
- 82,561 parent visits in 2001-2002 resulted in an economic impact that exceeded \$8.25 million.⁵
- Students expend an average of \$2,000 annually in the local economy on food, entertainment, and other goods and services.
- 64,600 students in New Hampshire directly spent an estimated \$129.2 in local communities.

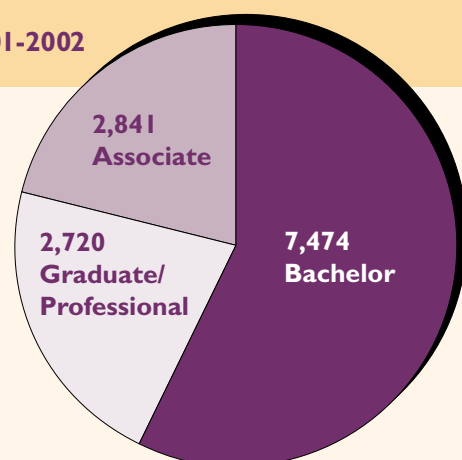
⁵It is estimated that parents expend, at a minimum, \$100 locally per visit.

DEGREES AWARDED 2001-2002

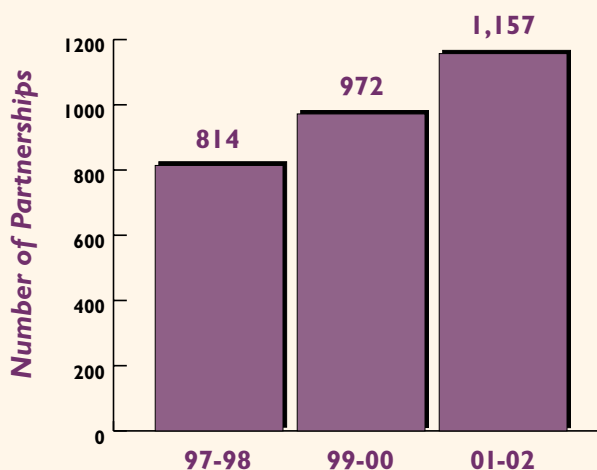
Future Workforce

- 64,600 students were enrolled in 2001-2002.
- 13,035 degrees were awarded in such diverse fields as engineering, psychology, education, computer science, and business.

More than 2,900 students participated in formal internships with area businesses.



42% INCREASE IN HIGHER EDUCATION PARTNERSHIPS WITH COMMUNITY ORGANIZATIONS OVER THE LAST FIVE YEARS



670,133 Community Volunteer Hours Valued at \$6 Million

Civic Engagement

- 1,157 community organizations benefited from partnerships with higher education institutions.
- 579,169 student hours and 90,964 faculty and staff hours were volunteered, valued at \$6 million.⁶
- 147,032 community members attended campus-based cultural events.
- 458,016 community spectators attended 1,666 sporting events.

⁶Value of community volunteer hours is calculated by using \$8 an hour for students and \$16 an hour for faculty and staff.

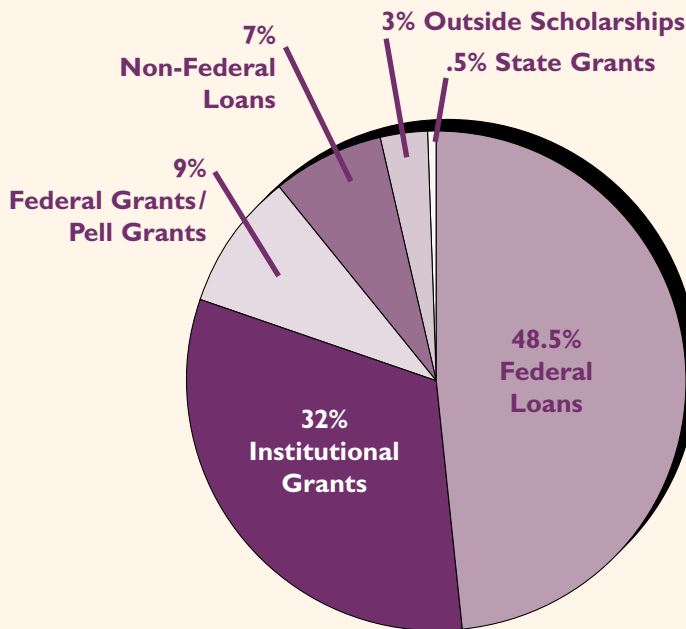
BUILDING STUDENT INVESTMENTS

Institutional Aid Exceeds \$138 Million

Postsecondary education is essential for both personal success and the strength of our economy. Long-term trends suggest that graduates are more likely to participate in the workforce, are less likely to be unemployed, enjoy higher earnings, and engage in their communities and the democratic process. Over a lifetime, this creates dramatically different prospects for families as well as for our entire state.

- \$160.2 million represents 40,524 loans to students and parents, guaranteed by the New Hampshire Higher Education Assistance Foundation (NHHEAF), the state-designated guarantor for the Federal Family Education Loan Program (FFELP) in fiscal year 2002.
- \$138 million in institutional-funded grants and loans were made to New Hampshire students in FY 2002.
- \$3.1 million in state-funded financial aid grants were made to 4,355 students in FY 2002.
- \$2.3 million in scholarships were made to 1,452 students attending schools in and out of state in 2001 by the New Hampshire Charitable Foundation.

FINANCIAL ASSISTANCE ACADEMIC YEAR 2001-2002



“Since opening our Merrimack, New Hampshire, campus in 1996, Fidelity Investments has recognized the importance of developing strong relationships and partnerships within the higher education community. Working together as part of the NH Forum On Higher Education, business leaders, elected officials, and dedicated education professionals build business-educational partnerships that will lead to more effective, accessible, and affordable ways to transfer skills and knowledge. In this way we can ensure that our educational systems and institutions are producing the kinds of highly-skilled thinkers and employees upon which companies like Fidelity Investments depend.”

Dale H. Gilpin,
Vice President & General Manager,
Fidelity Investments & Chairman,
NH Forum On Higher Education

THE NEW HAMPSHIRE FORUM ON HIGHER EDUCATION

The needs of business, higher education, and government are increasingly interconnected, and the continued vitality of our evolving economy depends on our ability to anticipate future needs. Whether it's specialized workforce training, building awareness, or creating access to affordable higher education, addressing these needs requires new levels of collaboration in an economy driven by information.

The New Hampshire Forum On Higher Education is a leading edge partnership of business, education, and public policy leaders committed to ensuring a workforce of educated and well-trained citizens to sustain New Hampshire's economic prosperity.

We invite you to learn more about the Forum and how, together, we can work to address the needs of New Hampshire's students and businesses. Together, we can play a positive role in sustaining New Hampshire's educational advancement, economic growth, and quality of life.

We would like to express appreciation to NHCUC, NHHEAF Network, and the Postsecondary Education Commission for their efforts and contributions to this report.



Granite State Electric

A National Grid Company



**New Hampshire
College & University Council**



New Hampshire Charitable Foundation

and its Regional Divisions



tyco

New Hampshire Higher Education Institutions

Antioch New England Graduate School

www.antiochne.edu

Chester College of New England

www.chestercollege.edu

Colby-Sawyer College

www.colby-sawyer.edu

College for Lifelong Learning

www.cl.edu

Daniel Webster College

www.dwc.edu

Dartmouth College

www.dartmouth.edu

Franklin Pierce College

www.fpc.edu

Franklin Pierce Law Center

www.fplc.edu

Hesser College

www.hesser.edu

Keene State College

www.keene.edu

Lebanon College

www.lebanoncollege.edu

Magdalen College

www.magdalen.edu

McIntosh College

www.mcintoshcollege.edu

New England College

www.nec.edu

New Hampshire Institute of Art

www.nhia.edu

NHCTC Berlin

www.berl.tec.nh.us

NHCTC Claremont

www.claremont.tec.nh.us

NHCTC Laconia

www.laconia.tec.nh.us

NHCTC Manchester

www.manchester.tec.nh.us

NHCTC Nashua

www.nashua.tec.nh.us

NHCTC Stratham

www.stratham.tec.nh.us

NH Technical Institute Concord

www.nhti.net

Plymouth State College

www.plymouth.edu

Rivier College

www.rivier.edu

Saint Anselm College

www.anselm.edu

Southern New Hampshire University

www.snhu.edu

Thomas More College of Liberal Arts

www.thomasmorecollege.edu

University of New Hampshire

www.unh.edu

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