



The Economic & Fiscal Impact of Saint Joseph's College on the State of Maine

**For: Saint Joseph's College of Maine
278 Whites Bridge Road
Standish, ME 04084**

**From: Planning Decisions, Inc.
22 Cottage Road, P.O. Box 2414
South Portland, ME 04116-2414**

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Appendix One: Translating College Spending into the IMPLAN Model

Table A1
Saint Joseph College Spending, 2002, 2007, 2011 (estimate)

Year	CY2001 FY2002	CY2006 FY2007 (Maine Only)*	CY2011 FY2012**
Total Payroll (Salary & Benefits)	\$9,225,528	\$14,366,932	\$21,248,000
Building & Equipment Related	\$2,923,024	\$4,590,824	\$8,180,251
Debt Service	\$1,533,091	\$2,456,217	\$4,376,659
Rent & Lease Payments	\$97,051	\$110,802	\$197,435
Property Insurance	\$209,335	\$259,665	\$462,690
Property Taxes (or payment in lieu)	\$0	\$6,788	\$12,096
Utilities (water, heat, electricity)	\$588,505	\$1,046,296	\$1,864,363
Maintenance & Repair	\$495,042	\$711,056	\$1,267,008
<i>buildings & grounds</i>	\$363,709	\$460,469	\$820,496
<i>vehicles</i>	\$34,229	\$62,862	\$112,012
<i>equipment & instruments</i>	\$97,104	\$187,724	\$334,500
Academic Related	\$2,769,034	\$3,849,026	\$6,858,462
books journals etc.	\$143,029	\$310,051	\$552,470
dues & subscriptions	\$85,982	\$343,694	\$612,417
office supplies	\$402,309	\$535,968	\$955,026
postage	\$399,022	\$195,775	\$348,846
printing & copying	\$396,617	\$245,029	\$436,611
phone	\$135,007	\$161,955	\$288,584
travel	\$239,510	\$411,019	\$732,382
contracted professional services	\$362,705	\$868,089	\$1,546,822
lecturers, student teaching, nursing, testing	\$13,678	\$30,191	\$53,796
advertising	\$380,869	\$478,653	\$852,898
IT services	\$39,554	\$94,463	\$168,321
miscellaneous	\$170,752	\$174,138	\$310,290
Student Related	\$1,145,740	\$1,607,253	\$2,863,916
Food & Miscellaneous Rental	\$1,056,966	\$1,438,668	\$2,563,519
Health Services, Athletics, Commencement	\$88,774	\$168,585	\$300,397
Total Operational Expenses	\$16,757,721	\$24,414,035	\$43,502,268
Capital Expenditures (annual average)		2000 to 2007	2008 to 2011
New Buildings		\$3,690,534	\$4,200,891
New Vehicles		\$45,987	\$52,346
New Equipment		\$530,598	\$603,973
Total Capital Spending		\$4,267,119	\$4,857,210

*Excludes out-of-state payroll; includes payments to student employees.

**Estimated 2012 payroll was provided by Saint Joseph's College; remaining figures were estimated using the 2007 ratio of expense per dollar of payroll.

Components of Direct College Economic Impact

Table A1 lists the operational and capital expenditures reported by Saint Joseph’s College. To determine the total economic impact of this spending, Planning Decisions entered the 2007 operational expense total of \$24,414,065 as sales into IMPLAN sector #462, Colleges, Universities and Junior Colleges. This represented the direct impact whose total impact the model was designed to estimate.

Because capital spending tends to vary a great deal from year to year, PDI used the college’s annual average capital spending over the four-year period from 2004 to 2007 as more representative of the college’s “typical” capital spending than any single year. To estimate the total impact of this spending, we entered:

- ✓ the average new building spending total of \$3.690,000 as a direct impact into IMPLAN sector #38, Commercial and Industrial Building;
- ✓ the average new vehicle spending total of \$46,000 into IMPLAN sector #401, Motor Vehicles and Parts Dealers; and
- ✓ the average new equipment spending total of \$ 530,000 into IMPLAN sector #403, Electronics and Appliance Stores.

The total impact of each of these spending flows is listed below, Operational Expenditures in Table A2 and Capital Spending in Table A3.

Table A2

Economic Impact on Maine of Operational Expenditures, Saint Joseph’s College, 2007

Activity	Sales (\$million)	Jobs	Income (\$million)
Direct Impact	\$24.4	305	\$14.4
Indirect Impact	\$6.4	70	\$1.8
Induced Impact	\$14.4	170	\$5.1
Total Impact	\$45.2	545	\$21.3
Multiplier	1.9	1.8	1.5

Table A3

Economic Impact on Maine of Capital Expenditures, Saint Joseph’s College, 2007

Activity	Sales (\$million)	Jobs	Income (\$million)
Direct Impact	\$4.3	60	\$2.0
Indirect Impact	\$1.1	10	\$0.4
Induced Impact	\$2.2	25	\$0.8
Total Impact	\$7.6	95	\$3.2
Multiplier	1.8	1.6	1.6

Calculation of Student Spending Impact on Maine

An additional element of the college's economic impact—quite apart from its operational expenditures—is the spending of its students in the area. While certainly not tourists in intent, students from outside Maine have an economic impact quite similar to that of tourists—they bring money into the state and spend it in the local economy. And, just like tourist spending, student spending circulates through the local economy creating indirect and induced effects.

Unlike operational and capital expenditures where precise data are available, spending by non-resident students must be estimated. Planning Decisions made this estimate in three steps:

1. We estimated the number of students coming from outside Maine and the number of students coming from Maine who would, in all probability, have gone to college outside of Maine had they not attended Saint Joseph's College; these are the students whose spending adds to the state economy; we estimated that number as 560 for 2007;
2. We allocated these impact creating students into two sub-groups:
 - a. those living on campus (and thus not making expenditures in the local economy for rent, groceries and other items provided through the college); we estimated this number at 460 for 2007; and
 - b. those living off campus (and thus spending as an area resident of a given income level); we estimated this number at 100 for 2007; and
3. We estimated the income distribution of these student households, calculated their spending totals and used these figures as consumer spending input into the IMPLAN model.

Table 4A outlines the basis for these student spending estimates.

Table 4A
Estimated Distribution of Non-Maine Students by Income and Housing Status

Number of Households by Income Level		On-Campus	Off-Campus	Total
< \$10,000	\$ 7,500 per Household	230	50	280
\$10 to \$15,000	\$12,500 per Household	115	25	140
\$15 to \$25,000	\$20,000 per Household	115	25	140
Total		460	100	560
Total Household Spending		On-Campus	Off-Campus	Total
< \$10,000	\$ 7,500 per Household	\$640,000	\$360,000	\$1,000,000
\$10 to \$15,000	\$12,500 per Household	\$530,000	\$300,000	\$830,000
\$15 to \$25,000	\$20,000 per Household	\$850,000	\$480,000	\$1,330,000
Total		\$2,020,000	\$1,140,000	\$3,160,000

Sources: Enrollment data from SJC; distribution by income level and location estimated by Planning Decisions, Inc.

To estimate the economic impact of the students living off-campus, Planning Decisions ran the IMPLAN model for the spending patterns of the appropriate income levels. For the students estimated to be living on-campus, we made similar model runs but subtracted the spending that would have gone for food, housing, health care and other goods and services related to on-campus living. Spending by on-campus students on these items had already been paid to the college in the form of room and board and had been accounted for in the analysis of the college’s operational spending.

In short, if the estimates of income per student household and the assumptions about the number of students living on- and off-campus are correct, the volume of non-Maine resident student spending flowing into the Maine economy because of the existence of Saint Joseph’s College is approximately \$1.6 million. The total economic impact of this student spending is summarized in Table 5A below.

Table 5A
Economic Impact of Saint Joseph College’s Non-Maine Resident Students, 2007

Activity	Sales (\$million)	Jobs	Income (\$million)
Direct Impact	\$1.6	15	\$0.7
Indirect Impact	\$0.4	5	\$0.1
Induced Impact	\$0.8	10	\$0.3
Total Impact	\$2.8	30	\$1.1
Multiplier	1.7	2.0	1.6

Source: IMPLAN Pro 2.0 operated by PDI

The \$1.6 million spent in Maine by non-resident Saint Joseph's students, supports 15 Maine jobs and about \$0.7 million in Maine income. Adding the indirect and induced impacts of this spending indicates a total sales impact of nearly \$2.8 million, supporting about 30 Maine jobs and generating Maine income of nearly \$1.1 million.

Calculation of Student Related Visitor Spending Impact on Maine

Another impact created from the existence of the college is the spending of visitors that are attracted to the area, whether they be sporting event viewers or people coming to campus for summer programs. Much in the same way as student spending, these visitors have an economic impact like that of tourists—they bring money into the state and spend it in the local economy. And this spending circulates through the local economy creating indirect and induced effects.

Again, like student spending, visitor spending must be estimated. Planning Decisions made this estimate in two steps:

1. We estimated the number of visitor days coming from outside Maine generated by athletic events and summer event attendees. Based on information provided by Saint Joseph's staff and the residency distribution of students presented previously, we estimated the number of people from outside Maine who attended athletic events at the college to be 2,300 and the number of summer, overnight, attendees to be 280 for 2007.
2. We estimated visitor spending distribution and totals based on "*The Maine 2006 Visitor Study*"¹¹ and used these figures as consumer spending in the appropriate industry sectors in the IMPLAN model.

The estimated non-Maine resident visitor spending flowing into the Maine economy created by the existence of Saint Joseph's College is approximately \$0.4 million. The total economic impact of this student spending is summarized in Table 6A below.

¹¹ Longwoods International. "*Travel and Tourism in Maine: The 2006 Visitor Study.*" June, 2007.

Table 6A
Economic Impact of Non-Maine Resident Visitors, 2007

Activity	Sales (\$million)	Jobs	Income (\$million)
Direct Impact	\$0.4	8	\$0.1
Indirect Impact	\$0.1	1	< \$0.1
Induced Impact	\$0.2	3	\$0.1
Total Impact	\$0.7	12	\$0.3
Multiplier	1.7	1.5	1.7

Source: IMPLAN Pro 2.0 operated by PDI

The \$0.4 million spent in Maine by non-resident visitors, supports about 8 jobs and about \$0.1 million in income. Adding the indirect and induced impacts of this spending indicates a total sales impact of about \$0.7 million, supporting about 12 Maine jobs and generating about \$0.3 million in personal income.

Appendix Two: Calculating the Impact on the Economy of Greater Portland

To estimate the impact of Saint Joseph's College on the economy of the Greater Portland region alone (York and Cumberland counties), we made the following adjustments:

- ✓ We limited payroll expenditures to those paid to employees in York and Cumberland counties as determined by a payroll zip code list;
- ✓ We limited non-payroll and capital expenditures to those paid to suppliers in York and Cumberland counties as determined by a vendor zip code list;
- ✓ We adjusted student spending to include:
 - Out of state students;
 - Non Maine students from outside York and Cumberland counties;
 - A percentage of York and Cumberland counties students who would, based on estimates from college admissions officials have gone out of state to another college if they had not gone to Saint Joseph's;
- ✓ We used the same student-spending estimation methodology as noted above;
and
- ✓ We entered all of these newly calculated direct impacts into a separate IMPLAN model based only on the transactions within York and Cumberland counties.