



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

**For: Saint Joseph's College of Maine
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I. Executive Summary

By any measure, Saint Joseph's College is a substantial economic enterprise.

- ✓ It enrolls nearly 1,100 full-time equivalent students on its campus in Standish, Maine, and its Graduate and Professional Studies Division offers nationally prominent programs in distance education to approximately 3,600 students worldwide.
- ✓ The college has assets of approximately \$65 million, an annual operating budget of approximately \$27 million, employs 608 people (full and part time) whose salaries and benefits total nearly \$16 million.
- ✓ Its full-time equivalent employment of 322 is twice the size of the headquarters of Gorham Savings Bank in Gorham, roughly comparable to Energy East Corporation in New Gloucester and nearly half as large as such Portland area stalwarts as Wright Express, Idexx Labs and Fairchild Semiconductor. Counting its annual budget of \$27 million as "sales," the college is among the larger businesses in the Greater Portland economy.
- ✓ Over the past eight years, the college has invested over \$30 million in new buildings and nearly \$5 million in new vehicles and new academic and athletic equipment. This investment will continue as enrollment grows.
- ✓ The college is also an attraction, a business that draws its "customers" to it. Saint Joseph's attracts its students from all over Maine and many from outside Maine. Most of the students live in dorms on campus; some rent apartments and homes in the area. In addition, they attract family and friends as visitors. These students and their visitors spend money in the local economy, thus adding approximately \$1.8 million to the purely "business" impact of the college.

Together, this payroll, operational, investment and student/visitor spending add up to a **direct economic impact** on the State of Maine in 2007 of approximately **\$31 million**.

This spending does not, however, account for the college's entire economic impact on the state. Saint Joseph's College is—like all commercial enterprises—part of a complex web of interconnections. It employs Maine residents, buys from Maine suppliers and, through these commercial transactions, generates a wide range of tax and fee revenue for Maine state and local governments. The direct impact of the college payroll becomes—indirectly—payroll for local banks and grocery stores and doctor's offices and restaurants etc. The same holds for the money paid to college vendors and for the money spent by college students and by their families and friends when they come to visit. In short, the **total impact** of the college includes both the **direct impact** of its own spending and the **indirect impacts** of the flow of its spending through the local, regional and state economies.

The total impact of Saint Joseph's College (direct plus indirect) on the State of Maine amounts to:

- ✓ over **\$56 million** in sales to Maine businesses;
- ✓ almost **700 full time jobs** for Maine people;
- ✓ over **\$26 million in personal income**; and
- ✓ **\$3.5 million in tax revenues** for Maine state and local governments.

Finally, and most importantly, Saint Joseph's College is a creator of human capital. The financial impacts noted above are based on relationships among businesses and households derived from recorded employment patterns and existing technological production techniques. But these measurements do not quantify the most significant impact the college has on Maine's economy. Indeed, these measures cannot measure such system changing impacts because improving the quality of Maine's labor force and enhancing innovation *by definition* disrupts existing technological and commercial relationships. More highly trained and highly motivated workers and more innovative and entrepreneurial businesses create new products, invent new technologies and forge new commercial relationships. The widely publicized report from the Brookings Institution noted that Maine shows great potential in a series of potentially high-growth industries.¹ But those industries remain "thin" and "weakly organized." At the same time, Maine's traditional economic mainstays have seen their job bases erode seriously, and Maine has become the oldest state in the nation. Attracting energetic young people to provide a skilled labor force for the new industries with potential for growth is the most important challenge now facing Maine.

The graduates of Saint Joseph's College will live the rest of their lives with vastly greater knowledge and skill than they would have possessed had they not attended college. They are as a group certain to earn higher incomes, enjoy longer, healthier and happier lives and contribute more to their communities than had they not graduated. The fact that over 2,000 Saint Joseph graduates live and work in Maine (nearly 500 in the Greater Portland area) constitutes an element of the college's economic impact that must be noted however difficult it may be to quantify and link to the college.

Many future Saint Joseph's graduates will stay in Maine, helping offset the "brain drain" of Maine's own young so often decried in the press and public forums. In helping Maine meet the challenge of preparing a labor force for the global challenges they face, Saint Joseph's College has an impact that is truly immeasurable.

¹ The Brookings Institution [Charting Maine's Future: An Action Plan for Promoting Sustainable Prosperity and Quality Places](#) November 2006.