

The Economic Impact of The University of Bridgeport On Bridgeport and Connecticut



**Kevin B. Stokes
EconImpact LLC
Scottsburg, IN
502-645-7767**

KevinStokes@EconIMPACT.Com

www.Econimpact.com

May 8, 2013

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THE UNIVERSITY OF BRIDGEPORT ECONOMIC IMPACT

EXECUTIVE SUMMARY

This report examines the economic impact of the University of Bridgeport on the City of Bridgeport and on Connecticut. The purpose of this report is to detail the ways in which the University of Bridgeport contributes both directly and indirectly to the local economy.

Overview

In 2012 the University of Bridgeport contributed \$457 million to Connecticut. The University, its employees, students, and its visitors spent \$82 million. Firms which depended upon UB business spent \$87 million. Alumni contributed \$231 million in increased earnings and \$46 million in social benefits due to positive lifestyle choices. Taking into account the cumulative contributions of UB to the Government of the City of Bridgeport, the City treasury gained a net benefit of more than \$8 million from the presence of UB.

Impact on Fairfield County

Last year, the University of Bridgeport contributed \$265 million to the Fairfield County economy. 9,849 alumni reside in the County.

Impact on the Economy of Bridgeport

The University of Bridgeport had a great positive economic impact on the City of Bridgeport. This report finds that the University of Bridgeport produced 2.6% of the City's revenues, yet only accounted for 1.3% of the City's expenditures. Therefore UB made a net 1.3% contribution to City revenues.

Last year, the University of Bridgeport contributed more than \$65 million to the Bridgeport economy. 1,817 alumni reside in Bridgeport. Studies show that university educated residents enhance the quality of life for any community.

Impact on Jobs

The University provided excellent employment opportunities for the area: UB and its subcontractors employed 445 people and was responsible for creating 956 other new jobs in the State. Thus UB supports a total of 1,401 jobs in Connecticut

Community Service Impact

Over 51,000 hours of volunteer work were supplied by UB students and employees for a total annual value of \$2.1 million to organizations in the State.

Exhibit 1**UNIVERSITY OF BRIDGEPORT SPENDING IMPACT****DIRECT SPENDING BY UB IN CONNECTICUT**

University Spending	\$25,092,149
Employee Spending	\$25,258,354
Student Spending	\$25,298,000
Visitor Spending	\$6,397,500
	\$82,046,003

SECONDARY SPENDING IN CONNECTICUT

Secondary Spending by UB	\$26,597,678	
Secondary Spending by Employees, Students and Visitors	\$60,371,085	
	\$86,968,763	\$169,014,767

UNIVERSITY OF BRIDGEPORT KNOWLEDGE IMPACT

INCREASED EARNINGS OF ALUMNI	\$231,110,035
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SOCIAL BENEFIT IMPACT

Reduced Absenteeism	\$5,880,410
Reduced Alcoholism	\$1,570,392
Reduced Crime Victim Cost	\$2,575,908
Reduced Incarceration	\$7,498,834
Reduced Smoking	\$2,345,085
Reduced Unemployment	\$16,728,521
Reduced Welfare Expenditures	\$9,861,616
Total UB Social Benefit Impact	\$46,460,765

COMMUNITY SERVICE IN CONNECTICUT	\$2,123,215	\$279,694,015
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UNIVERSITY OF BRIDGEPORT GOVERNMENT IMPACT

Total Benefit to Bridgeport City Government	\$16,836,664
Total Cost to Bridgeport City Government	-\$8,689,275
Net Benefit to Bridgeport City Government	\$8,147,389

TOTAL CONNECTICUT ECONOMIC IMPACT	\$456,856,171
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INTRODUCTION

This report seeks to determine the importance of the University of Bridgeport to Bridgeport and Connecticut. It represents a careful examination of the evidence available from detailed research conducted according to the best practices in the industry. A summary of the University's impact numbers is presented below, followed by in-depth discussions of the University's impact on the City of Bridgeport and Connecticut.

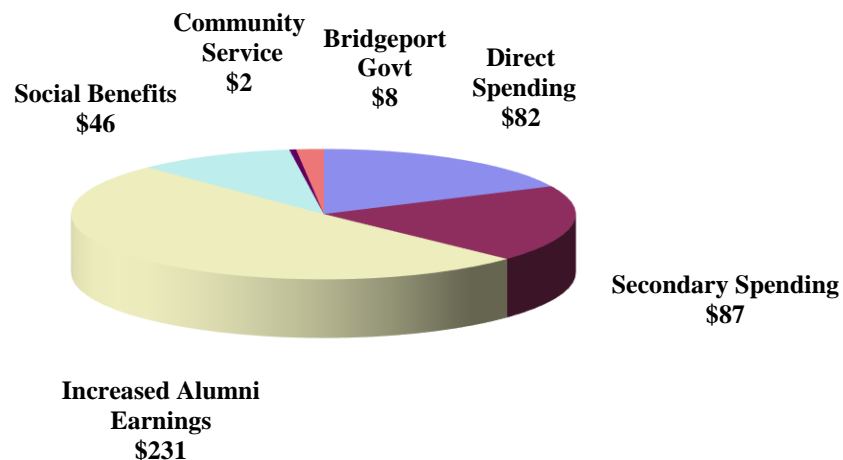
In 2012 the University contributed \$457 million in additional spending to Bridgeport and Connecticut including:

- \$ 82 million in direct spending
- \$ 87 million in secondary business spending
- \$231 million in increased alumni earnings
- \$ 46 million in social benefits
- \$ 2 million in community service
- \$ 8 million in direct benefits to the City of Bridgeport government

The University supported employment opportunities for 1,401 people:

- 445 full time jobs at the University of Bridgeport
- 956 other new full time jobs in the State

Exhibit 1
TOTAL UNIVERSITY OF BRIDGEPORT IMPACT
 (in millions of dollars)



These statistics were determined by tracing the dollars spent, the people employed, the assets added, the taxes affected, and the sales generated in Connecticut.

The University of Bridgeport is an export industry in Connecticut: 70% of UB revenue comes from outside the State, thus generating new money to stimulate the Connecticut

economy. This report counts the impact of this new money as well as the impact of alumni who reside in Connecticut.

The following provides a context for these impact numbers:

- \$1 of every \$320 spent in Fairfield County last year came from the University of Bridgeport community. UB was responsible for \$265 million of the \$85 billion in economic activity in Fairfield County last year.
- \$1 of every \$100 spent in Bridgeport last year came from the University of Bridgeport community. UB was responsible for \$65 million of the \$6.4 billion in economic activity in Bridgeport last year.
- 2.6% of City of Bridgeport revenues and 1.3% of expenditures resulted from the University of Bridgeport - a 1.3% net benefit to the City of Bridgeport.

The \$457 million added to the income flow in Connecticut by the University in 2012 can be broken down further:

- \$169 million in Direct and Secondary spending. This came out of the pockets of students, faculty, staff, and employees, as well as others associated with the University.
- \$231 million earned and spent by the almost 17,000 UB alumni in Connecticut. This was income generated by the improved economic standing of the alumni and represents what their education is worth to them on a day to day basis.
- \$46 million in Social Benefits. This consisted of the benefit of reduced alcoholism, incarceration, unemployment and welfare because of the choices made by the University of Bridgeport alumni who live in the community.
- \$2 million in Community Service activities.
- \$8 million in benefits to Bridgeport City government and to Bridgeport citizens.

THE UNIVERSITY OF BRIDGEPORT IMPACT

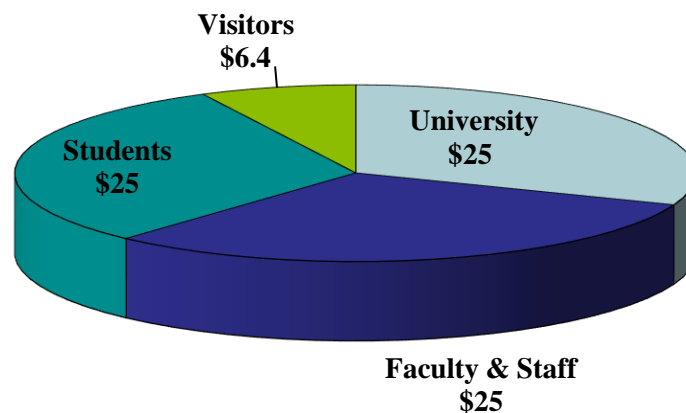
The University of Bridgeport made a considerable impact on the Connecticut business community in 2012. \$82 million was directly spent by the University and its faculty, staff, students, and visitors. This money was spent and re-spent several times in the community. Some of it was paid to local merchants or was received as income by local residents. The amount of the turnover was \$87 million in 2012. This is also known as the multiplier effect: that is how an infusion of revenue then echoes through an economy to stimulate additional revenue.

Of the \$82 million spent in the State by the University community, the University of Bridgeport itself spent 30% of that amount, or \$19.8 million, with area businesses. The employees contributed 31% of this flow, or \$25.3 million. The University's students who came from outside Connecticut accounted for \$25.3 million, or 31%, of the total spending on food, clothing, and other goods. Visitors to the campus and University events represented \$6.4 million or 8%.

Exhibit 2
THE UNIVERSITY OF BRIDGEPORT COMMUNITY IMPACT
 DIRECT IMPACT OF UB ON CONNECTICUT

Direct University Spending	\$25,092,149
Faculty & Staff Spending	\$25,258,354
Student Spending	\$25,298,000
Visitors Spending	\$6,397,500
TOTAL	\$82,046,003

Exhibit 3
THE UNIVERSITY OF BRIDGEPORT IMPACT
 (in millions of dollars)



DIRECT UNIVERSITY SPENDING

The University of Bridgeport spent \$35.9 million in 2012 in Connecticut. Of that amount, \$25.1 million can be attributed to out-of-area students who attended UB. Not included in this total are salaries to employees, loans and grants to students, and purchases of goods and services from organizations outside of the State. If salaries to employees were included, then the total amount of University spending in Connecticut would be even more significant.

The 2012 UB spending of \$35.9 million is less than the \$54.1 million shown in the Economic Impact Report for 2007-2008. The difference is explained by the construction costs involved in the renovation of Breul-Rennell Hall prior to the sale of that building to the City of Bridgeport.¹

FACULTY AND STAFF SPENDING

In 2012 the payroll for UB employees living in Connecticut was \$36.1 million. It also included the salaries paid to employees of subcontracting companies who managed food service, maintenance and campus security. Of this income, \$25.3 million was earned from out-of-area students and spent in Connecticut.

STUDENT SPENDING

There were 3,724 Full-Time Equivalent students attending the University of Bridgeport in the Fall of 2012. Seventy percent of these students originated from outside of Connecticut. Many of these students live in University housing and have higher spending than do commuters. These students spent \$25 million in the State.

VISITOR SPENDING

Over 69,000 people from outside of Connecticut came to the University of Bridgeport campus for basketball games, parental visits, musical performances, and conferences in 2012. Together they spent almost \$6.4 million. Almost 60,000 out of area visitors at conferences and events spent almost \$5.4 million at hotels, restaurants, gas stations, and other vendors in the area. Exhibit 4 describes these visitors who came to the area because of the University of Bridgeport.

Exhibit 4
SPENDING BY OUT OF AREA VISITORS TO THE UB CAMPUS

Category	Number of Visitors	X	Average Expenditure	=	Total Expenditures
Admissions Visits	2,050		\$140		\$287,000
Athletic Games	2,000		\$25		\$50,000
Conferences and Cultural Events	59,700		\$90		\$5,373,000
Graduation	4,500		\$125		\$562,500
Parent Visits	1,000		\$125		\$125,000
TOTAL	69,250				\$6,397,500

THE MULTIPLIER EFFECT

The total direct impact of the University of Bridgeport community in Connecticut was \$82 million in 2012. This amount went to area businesses, including utilities, plumbers, restaurants, property owners, hotels, and other services. Many of these enterprises depend on the University for a significant share of their revenue. In turn, the delivery driver to the dining hall buys some of his gas locally. The hotel that hosts a parent from Pennsylvania gets its cleaning supplies from local markets. Of course, both the food purveyor and the hotel pay their employees from money spent by the UB community. All of this accounts for \$87 million re-spent in the area in 2012.

The impact of this re-spending is known as the multiplier effect. Economic factors that take place outside the local economy - for example UB spending in New York City - are called leakages and reduce the multiplier and overall impacts. They are excluded when estimating regional economic impacts. While the direct effects of private colleges and universities can be measured by a straightforward methodology, secondary effects of institutional spending must be estimated using regional multipliers.²

Multipliers can vary widely by industry and area. Multipliers are higher for regions with a diverse mix of industries. Industries that make extensive use of goods and services from within Connecticut have higher statewide multipliers. Industries that buy most of

their material from outside the state tend to have lower multipliers. The same is true in the case of multipliers for counties or other sub-state areas. Multipliers tend to be higher for industries located in large urban areas, because more of the spending by the industry stays within the area. Smaller, rural areas generally have lower multipliers, because industries must use firms outside the area for supplies and services. Multipliers for the entire state are larger than sub-state multipliers, because the initial gains (or losses) in an industry are magnified over a larger geographic area.³

The multipliers used in this report were derived from the United States Department of Commerce Regional Input-Output Modeling System (RIMS II). Exhibit 5 shows that for every \$1.00 of UB Community spending there was an additional \$1.06 spent in Connecticut. Thus the multiplier for UB spending in Connecticut is 2.06.

Exhibit 5

THE UNIVERSITY OF BRIDGEPORT DIRECT AND SECONDARY EXPENDITURE IMPACT

	Direct Impact - Initial Community Spending	Secondary Impact	Total Impact
UB Community Multiplier	\$1.00	\$1.06	\$2.06
University Spending	\$25,092,149	\$26,597,678	\$51,689,828
Faculty & Staff Spending	\$25,258,354	\$26,773,855	\$52,032,209
Student Spending	\$25,298,000	\$26,815,880	\$52,113,880
Visitor Spending	\$6,397,500	\$6,781,350	\$13,178,850
UB DIRECT AND SECONDARY EXPENDITURE IMPACT			\$169,014,769

JOB IMPACT

There were a total of 349 faculty and staff members at the University of Bridgeport in 2012. Additionally, there were 96 people employed by subcontracting firms in food service, maintenance and security operations of the University. Most of the income of these 445 employees after taxes went into the local economy.

Additionally, there were 956 people who owed their jobs to the presence of UB. Overall, the University contributed 1,401 jobs to Connecticut.

ALUMNI IMPACT

The 16,733 UB alumni in Connecticut contribute \$231 million to the State economy. The University of Bridgeport contribution to Connecticut in human terms is substantial. It includes CEOs, computer engineers, dental hygienists, and high school principals. The value of the increased earnings of UB graduates spreads throughout the entire State.

The economic impact of UB alumni is based on several factors listed below.

- 1) The difference between the current earnings of the alumna and what she would earn without the UB degree
- 2) Personal characteristics of the alumna
- 3) The type of the degree that she received from UB
- 4) The subject area that she chose

It goes without saying that education pays. The vast majority of college graduates earn more than those whose education stopped at high school. People with master's degrees generally earn more than those with only bachelor's degrees. However it cannot be said that a particular university is responsible for all of these differences in earnings.

Individuals differ in ability, drive, and professional interest. Graduates of a university could have chosen a dozen other schools to attend. For this reason 50% of the increased earnings are counted as the economic impact of a particular university such as UB.

The value of the earnings contributions of UB alumni is based on the difference in earnings between the degree received and the next lower degree. Thus for bachelor's recipients it is the difference between the average earnings of a college graduate and that of a high school graduate. For holders of master's and professional degrees such as DC and ND, it is the difference between the degree and a bachelor's degree.

Holders of bachelors and masters degrees in business and engineering have higher average wages than others. These higher wages have been factored into the calculations.

UNIVERSITY OF BRIDGEPORT ALUMNI – WHERE THEY ARE

There are almost 32,000 alumni of the University in the United States. Almost 14,600 earned bachelor's degrees from UB. Over 12,000 earned master's degrees. People holding professional degrees and doctorates from UB totaled over 2,100. The most popular colleges are Arts and Sciences (9,715), Education (7,391) and Business (5,565) Exhibit 6 shows numbers of UB alumni in the US by college and degree.

More than half of UB alumni live in Connecticut, 16,733. The Fairfield County share of UB graduates is 9,849, which is about 1 of every 100 County residents. Greater Bridgeport (Bridgeport, Easton, Fairfield, Monroe, Stratford, and Trumbull) counts 5,826 graduates. The City of Bridgeport can claim 1,817 UB graduates, which is 1.2% of the population. Exhibits 7-10 show the numbers of University of Bridgeport alumni who live in Connecticut, Fairfield County, Greater Bridgeport, and Bridgeport.

Exhibit 6

UNIVERSITY OF BRIDGEPORT ALUMNI IN THE UNITED STATES

COLLEGE	AS/AA	BA/BS	MA/MS	CAS	PhD/EdD	DC	ND	TOTAL
Arts & Sciences	946	6396	2262	111				9715
Business	118	3584	1863					5565
Education/Human Resources		874	5400	979	138			7391
Engineering		1285	1590		12			2887
Public and International Affairs		916	47					963
Shintaro Akatsu School of Design		866						866
HEALTH SCIENCES DIVISION:								
Acupuncture			66					66
Chiropractic						658		658
Dental Hygiene	1442	654	12					2108
Naturopathic Medicine							211	211
Nutrition			962					962
TOTAL	2506	14575	12202	1090	150	658	211	31392

Exhibit 7**UNIVERSITY OF BRIDGEPORT ALUMNI IN CONNECTICUT**

COLLEGE	AS/AA	BA/BS	MA/MS	CAS	PhD/EdD	DC	ND	TOTAL
Arts & Sciences	483	2949	1258	69				4759
Business	67	1687	1115					2869
Education/Human Resources		332	4071	811	107			5321
Engineering		674	680		8			1362
Public and International Affairs		359	32					391
Shintaro Akatsu School of Design		392						392
HEALTH SCIENCES DIVISION:								0
Acupuncture			39					39
Chiropractic						183		183
Dental Hygiene	846	286	4					1136
Naturopathic Medicine							95	95
Nutrition			186					186
TOTAL	1396	6679	7385	880	115	183	95	16733

Exhibit 8**UNIVERSITY OF BRIDGEPORT ALUMNI IN FAIRFIELD COUNTY**

COLLEGE	AS/AA	BA/BS	MA/MS	CAS	PhD/EdD	DC	ND	TOTAL
Arts & Sciences	318	1811	826	44				2999
Business	51	1160	797					2008
Education/Human Resources		187	2123	482	61			2853
Engineering		389	450		8			847
Public and International Affairs		222	23					245
Shintaro Akatsu School of Design		214						214
HEALTH SCIENCES DIVISION:								0
Acupuncture			17					17
Chiropractic						66		66
Dental Hygiene	334	113	1					448
Naturopathic Medicine							54	54
Nutrition			98					98
TOTAL	703	4096	4335	526	69	66	54	9849

Exhibit 9

COLLEGE	AS/AA	BA/BS	MA/MS	CAS	PhD/EdD	DC	ND	TOTAL
Arts & Sciences	236	1267	440	27				1970
Business	40	770	506					1316
Education/Human Resources		126	825	198	40			1189
Engineering		272	342		8			622
Public and International Affairs		165	15					180
Shintaro Akatsu School of Design		131						131
HEALTH SCIENCES DIVISION:								
Acupuncture			9					9
Chiropractic						40		40
Dental Hygiene	217	66	1					284
Naturopathic Medicine							35	35
Nutrition			50					50
TOTAL	493	2797	2188	225	48	40	35	5826

Exhibit 10**UNIVERSITY OF BRIDGEPORT ALUMNI IN BRIDGEPORT**

COLLEGE	AS/AA	BA/BS	MA/MS	CAS	PhD/EdD	DC	ND	TOTAL
Arts & Sciences	71	487	111	5				674
Business	12	196	162					370
Education/Human Resources		31	209	43	7			290
Engineering		58	178		6			242
Public and International Affairs		86	13					99
Shintaro Akatsu School of Design		37						37
HEALTH SCIENCES DIVISION:								
Acupuncture			2					2
Chiropractic						17		17
Dental Hygiene	47	13	0					60
Naturopathic Medicine							13	13
Nutrition			13					13
TOTAL	130	908	688	48	13	17	13	1817

TOTAL EARNINGS IMPACT OF UB ALUMNI

Exhibit 11 shows the values of the increased earnings of UB graduates by college for five different regions - Bridgeport, Greater Bridgeport, Fairfield County, Connecticut, and the United States. The top colleges in order of their earnings impact in Connecticut are Education - \$83 million, Arts and Science - \$46 million, Business - \$31 million, and Engineering - \$23 million.

Exhibit 12 goes further and details the earnings impact by the degree level within each of the UB colleges.

Exhibit 11
EARNINGS IMPACT OF UNIVERSITY OF BRIDGEPORT ALUMNI
BY COLLEGE AND REGION

College	Bridgeport	Greater Bridgeport	Fairfield County	Connecticut	United States
Arts & Science	\$7,058,428	\$20,117,136	\$33,161,359	\$50,311,896	\$93,601,216
Business	\$4,443,413	\$15,528,187	\$24,447,979	\$34,467,110	\$61,277,754
Design	\$627,445	\$1,947,119	\$3,135,449	\$5,840,796	\$12,422,984
Education	\$5,057,705	\$20,115,648	\$50,289,011	\$91,437,931	\$123,974,857
Engineering	\$4,728,357	\$11,629,186	\$16,038,365	\$25,484,839	\$52,456,864
International	\$1,045,842	\$1,727,171	\$2,338,733	\$3,711,870	\$8,734,893
HEALTH SCIENCE DIVISION					
Acupuncture	\$26,204	\$117,015	\$227,310	\$531,541	\$922,239
Chiropractic	\$286,782	\$748,680	\$1,246,053	\$3,422,614	\$12,234,712
Naturopathic	\$366,870	\$1,026,021	\$1,585,919	\$2,804,516	\$6,171,569
Dental Hygiene	\$582,416	\$2,414,824	\$3,889,047	\$9,753,965	\$18,187,118
Nutrition	\$206,365	\$860,697	\$1,731,319	\$3,342,957	\$16,337,148
TOTAL	\$24,429,827	\$76,231,684	\$138,090,545	\$231,110,035	\$406,321,355

Exhibit 12

**TOTAL EARNINGS IMPACT OF UNIVERSITY OF BRIDGEPORT ALUMNI
BY REGION, COLLEGE AND DEGREE**

THE TOTAL VALUE OF INCREASED EARNINGS

College	Degree	Bridgeport	Greater Bridgeport	Fairfield County	Connecticut	United States
Arts & Science	Associate	\$4,827,015	\$10,704,182	\$15,043,883	\$22,864,695	\$43,959,245
Arts & Science	Bachelor	\$2,115,324	\$8,810,284	\$17,118,512	\$25,954,583	\$47,286,406
Arts & Science	Masters	\$116,089	\$602,670	\$998,965	\$1,492,618	\$2,355,565
Business	Associate	\$28,711	\$153,621	\$195,270	\$259,488	\$435,095
Business	Bachelor	\$1,889,803	\$5,783,631	\$8,870,526	\$12,524,645	\$24,108,963
Business	Masters	\$2,524,898	\$9,590,934	\$15,382,183	\$21,682,977	\$36,733,696
Design	Bachelor	\$627,445	\$1,947,119	\$3,135,449	\$5,840,796	\$12,422,984
Education	Bachelor	\$222,508	\$971,630	\$1,359,786	\$2,489,121	\$6,654,867
Education	Masters	\$3,908,678	\$14,631,154	\$38,773,810	\$72,636,136	\$97,171,182
Education	CAS	\$819,661	\$3,753,425	\$9,000,474	\$14,235,197	\$17,391,500
Education	PHD	\$106,857	\$759,439	\$1,154,940	\$2,077,477	\$2,757,308
Engineering	Bachelor	\$1,238,258	\$4,381,270	\$6,349,723	\$10,703,382	\$17,857,564
Engineering	Masters	\$3,381,199	\$7,102,715	\$9,543,442	\$14,636,257	\$34,380,597
Engineering	PHD	\$108,900	\$145,200	\$145,200	\$145,200	\$218,704
International	Bachelor	\$842,854	\$1,481,480	\$1,961,769	\$3,167,313	\$7,863,559
International	Masters	\$202,988	\$245,691	\$376,964	\$544,557	\$871,334
HEALTH SCIENCE DIVISION						
Acupuncture	Masters	\$26,204	\$117,015	\$227,310	\$531,541	\$922,239
Chiropractic	Doctor	\$286,782	\$748,680	\$1,246,053	\$3,422,614	\$12,234,712
Naturopathic	Doctor	\$366,870	\$1,026,021	\$1,585,919	\$2,804,516	\$6,171,569
Dental Hygiene	Associate	\$378,904	\$1,393,676	\$2,161,379	\$5,280,857	\$8,104,457
Dental Hygiene	Bachelor	\$203,513	\$1,008,046	\$1,714,566	\$4,421,603	\$9,929,956
Dental Hygiene	Masters		\$13,102	\$13,102	\$51,504	\$152,704
Nutrition	Masters	\$206,365	\$860,697	\$1,731,319	\$3,342,957	\$16,337,148
TOTAL		\$24,429,827	\$76,231,684	\$138,090,545	\$231,110,035	\$406,321,355

SOCIAL BENEFIT IMPACT

Education pays - not just in better incomes but also in better lifestyles. Better living pays benefits to society. University graduates tend to possess greater self-esteem; live longer, healthier lives; assume greater civic responsibility; enjoy more aesthetic interests; attend more athletic events; exercise better moral judgment; and nurture children more effectively than do those without University educations.

University of Bridgeport alumni incur lower health and human service costs than high school graduates do. UB alumni are less likely to be substance abusers and less likely to be unemployed or receiving welfare benefits. They also have lower probabilities of incarceration and incurring crime victim costs.

The total value of these reduced social costs is \$93 million. Fifty percent of this Social Benefit Impact of UB alumni or \$46.5 million in Connecticut is included in this report. This assigned some of the responsibility for social benefits to the University and left some credit to other factors such as family background and personal characteristics. Exhibit 13 below shows the total social benefits of UB.

Exhibit 13

<u>SOCIAL BENEFIT IMPACT IN CONNECTICUT</u>	
Reduced Absenteeism	\$5,880,410
Reduced Alcoholism	\$1,570,392
Reduced Crime Victim Cost	\$2,575,908
Reduced Incarceration	\$7,498,834
Reduced Smoking	\$2,345,085
Reduced Unemployment	\$16,728,521
Reduced Welfare Expenditures	\$9,861,616
Total University of Bridgeport Social Benefit Impact	\$46,460,765

IMPACT ON THE BRIDGEPORT ECONOMY

The Bridgeport economy is large - \$6.4 Billion! This is the value of all sources of the income received by Bridgeport residents in 2012. The University of Bridgeport, alumni, faculty, students and visitors contributed \$65 million to this \$6.4 Billion. This accounted for \$1 of every \$100 circulating in the City.

UB alumni added \$17.5 million to the City economy. The University itself brought in \$8.4 million to local spending. University of Bridgeport employees contributed \$11.7 million. Students left \$23 million in Bridgeport cash registers and visitors and prospective students, spent \$3.8 million.

THE UNIVERSITY OF BRIDGEPORT IMPACT ON BRIDGEPORT CITY GOVERNMENT

The University of Bridgeport provided a net benefit to the coffers of the City of Bridgeport of \$8.1 million in 2012. The University contributed 2.6% of City revenues and accounted for 1.3% of City expenditures. Therefore the University of Bridgeport produced a 1.3% net benefit to Bridgeport. Exhibit 14 summarizes the costs and benefits of UB to the City.

UB IMPACT ON CITY OF BRIDGEPORT REVENUES

The City of Bridgeport collected \$642 million in revenues from local taxpayers and grants to support governmental services in 2012. This was more than the City expenditures of \$627 million. A total of \$16.8 million of this revenue came from the University of Bridgeport, its faculty, students, alumni, and local firms which engaged in business with the University.

Bridgeport received higher tax revenues because many people educated by UB live in the community. These individuals pay property and other taxes to the City. Additionally, University graduates have lower involvement with the criminal justice, public health, and welfare systems, which reduces City expenditures.

Exhibit 14**THE UNIVERSITY OF BRIDGEPORT IMPACT ON THE**

CITY OF BRIDGEPORT GOVERNMENT
(in thousands of dollars)

	Total Revenue or Expenditures	UB Impact
Revenue		
Property Taxes	\$278,056	\$4,498
Intergovernmental Revenue	\$344,100	\$11,908
Charges for Service	\$19,576	\$424
Interest Earnings	\$306	\$8
Total	\$642,037	\$16,837
Expenditures		
General Government	\$47,585	\$898
Police	\$75,900	\$803
Fire	\$51,517	\$1,904
Public Facilities	\$35,583	\$503
Health Services	\$7,515	\$45
Recreation and Culture	\$5,230	\$63
Education	\$341,738	\$3,114
Special Services	\$16,737	\$300
Planning and Economic Development	\$3,630	\$69
Interest on Long Term Debt	\$41,870	\$790
Change in Fund Balance	\$14,732	\$199
Total	\$642,037	\$8,689
Net Benefit to the City of Bridgeport		\$8,148

Property Tax Revenues

Property taxes brought in a large share of City revenue: \$278 million. The University of Bridgeport community made a \$4.5 million contribution in property taxes in 2012.

The University paid about \$109,000 in property taxes to the City of Bridgeport. Alumni paid \$1 million in property taxes. Local business firms, as a result of their business with the University, contributed \$386,000. University employees paid \$254,000 and students paid \$260,000 in real estate taxes as a part of rental charges to their landlords. The State of Connecticut made a Payment in Lieu of Taxes (PILOT) for UB properties to the City of Bridgeport of approximately \$2.5 million.

These contributions totaled \$4.5 million. Exhibit 15 shows how the UB community contributed to Bridgeport property taxes.

Exhibit 15
UNIVERSITY OF BRIDGEPORT IMPACT
ON BRIDGEPORT PROPERTY TAXES

UB Community Group	Property Tax Revenue
Alumni	\$1,007,203
Business	\$386,492
Employees	\$254,201
Students	\$260,337
Payment in Lieu of Taxes from the State of Connecticut	\$2,480,588
University Property Taxes	\$108,839
Total Payments	\$4,497,659

State and Federal Funds

Funds from the State and Federal Governments provided \$344 million of City revenues. Most of this was to support the Bridgeport public school system. These revenues originally were generated from income taxes, sales taxes and other revenues paid to Hartford and Washington. The UB community contributed \$11.9 million of this intergovernmental revenue.

Other Revenues

Charges for services produced \$19.6 million for the City. These services included construction permits, park and library activities. The University community's share was \$424,000.

Interest earnings for the City totaled \$306,000. UB contributed \$8,000 to this.

UB IMPACT ON CITY OF BRIDGEPORT EXPENDITURES

The City of Bridgeport's governmental services to the public had a cost of \$627 million in 2012. These services included police, fire, education, public works, governmental operations, parks and other services. The cost of providing these services to the University of Bridgeport community was \$8.7 million.

The operation of City offices and other administrative operations amounted to \$47.6 million. Providing these governmental services to the University of Bridgeport community cost \$898,000.

Expenditures were lower than revenues. Thus there was a \$14.7 million change in fund balance. The UB contribution to these savings was \$199,000.

Emergency Services

Police services accounted for \$75.9 million of City spending. In 2012 there were 139 responses to the UB campus by Bridgeport police. This was about one thousandth of the more than 114,000 responses by the Bridgeport Police Department. Based on this percentage rate the cost of serving the University campus was about \$92,000. When service to other sectors of the UB community is included the total cost of police services to the UB community was \$803,000.

Fire services totaled \$51.5 of municipal expenditures. There were 158 responses by the Fire Department to the UB campus out of a total of 15,439 responses. This was about one percent of all responses in 2012. Thus the University incurred about one percent of Department expenses or \$527,000 in 2012. This amount plus the costs of serving employees, alumni, and firms that do business with UB brought the total cost of serving the UB community to \$1.9 million.

Education

The Bridgeport Public School System spent \$342 Million educating City students. The cost of serving students of UB employees, students, and alumni was \$3.1 million in 2012.

Other Services

Public facilities such as Sikorsky Memorial Airport and the City transfer station cost the City \$35.6 million. The University was responsible for \$503,000 of that total.

Health services costs amounted to \$7.5 million. The cost of these services to the University of Bridgeport community was \$45,000.

Recreation and culture, which includes Bridgeport parks and the public library, accounted for \$5.2 million of the City budget. UB alumni and employees use these services at a higher than average rate costing the City a total of \$63,000.

Special Services for youth, the disabled and the aged were a \$16.7 million item in City expenditures. The University of Bridgeport community assisted with \$300,000 toward these expenses.

The City paid interest on its long-term debt in the amount of \$41.9 Million. UB and its community contributed \$790,000 toward these interest payments.

Expenditures were lower than revenues. Thus there was a \$14.7 million change in fund balances. The UB contribution to these savings was \$199,000.

COMMUNITY SERVICE IMPACT ON BRIDGEPORT AND CONNECTICUT

The University of Bridgeport has a long history of community engagement. The University is committed both to being a partner in seeking ways to address the challenges of urban life and to using its facilities, resources, and the knowledge and imagination of its faculty and students to respond to the needs of the region and its various populations.

During 2012 University of Bridgeport students and employees were involved in over 51,000 hours of volunteer hours in Bridgeport and the surrounding area. These volunteer activities were valued at more than \$2.1 million. Almost 40,000 hours were performed by UB health science students in patient treatment and education activities. The remainder of the hours was contributed by undergraduate students at the University. Exhibit 16 shows the amount of volunteer hours and monetary values for colleges of the University.

During 2012 over 17,500 patients were seen at the University of Bridgeport Health Science Clinics.

Exhibit 16
UNIVERSITY OF BRIDGEPORT
COMMUNITY SERVICE ACTIVITIES

Program	Service Hours	Total Value of Community Service
Acupuncture	2,330	\$254,000
Chiropractic	8,072	\$445,590
Dental Hygiene	24,054	\$733,900
Naturopathic	4,100	\$540,000
Physician Assistant	1,403	\$35,075
Undergraduate	11,465	\$114,650
TOTAL	51,424	2,123,215

The following methods were used to assign monetary values to community service hours:

- Health Science Clinical hours (No Fee paid by patient) - The average market rate for medical services of the profession.
- Health Science Clinical hours (Discounted Fee paid by patient) - The average market rate for medical services of the profession minus the fee paid by the patient.
- Health Science student hours - \$25 per hour
- Undergraduate service hours - \$10 per hour. This approximates the value of undergraduate student labor.

Services to University of Bridgeport students, faculty and staff were not used in the Community Service calculations.

Institute of Acupuncture

The Institute of Acupuncture offered 1,850 hours of reduced fee services at the UB Clinics. There were also 480 hours of free services. The market value of these visits was between \$70 and \$95 per visit. Patient charges ranged from nothing to \$35 per visit. The total value of these services was \$254,000.

College of Chiropractic

Chiropractic students provided 1,008 hours of patient care at Optimus Care satellite clinics in Bridgeport and 2,100 hours at Veteran's Administration hospitals in West Haven and Newington.

The Chiropractic Clinic on the University campus was responsible for 8,504 patient hours. Of these, 40% or 3,402 people came from outside of the UB community. The market value for the services ranged from between \$50 and \$125 per hour.

Chiropractic faculty and students also offered over 950 hours of service facilities operated by Community Health Clinics in Meriden, New Britain, New London, and Waterbury.

Community service hours provided over 700 hours of service at health fairs, public schools and other venues.

The total value of chiropractic hours was \$445,590.

Fones School of Dental Hygiene

The Fones School of Dental Hygiene is an important health delivery resource in the Greater Bridgeport area and is highly regarded in Connecticut as well as nationally. The community dental health component of the Fones School is also well known in Connecticut.

Fones students and faculty provide oral health education, screenings, preventive services, and referrals to more than 12,000 people annually in Connecticut. Community facilities visited during clinical rotations include Yale-New Haven Hospital Dental Clinic, Norwalk Hospital Dental Clinic, the Southwest Community Health Center, and the Jettie Tisdale Elementary School. The facilities also include other public and private schools, day care centers, drug and alcohol rehabilitation centers, nursing homes and senior centers.

Fones faculty and students provided more than 24,000 hours of community service in 2012. The total value of the community service provided by the Fones School of Dental Hygiene students and faculty was almost \$735,000.

College of Naturopathic Medicine

Naturopathic students provided over 1,100 hours of medical services at six outreach clinics in Bridgeport, Danbury and Shelton. Patients received free care for services valued at \$150 an hour. This places the market value for the outreach clinics at \$165,000.

Three thousand patients were seen at the campus clinics. The fees were for \$25 an hour for services valued at \$150 an hour. This places the value of Naturopathic clinical community service at \$375,000.

The total market value of Naturopathic community service was \$540,000.

Physician Assistant Program

Physician Assistant students offered 1,403 hours of community service. The market value of Physician Assistant community service is \$35,075.

This included Diabetes education, obesity education and other types of health education. These services were offered on the University campus as well as at City Hall, the National Kidney Foundation, and AmeriCares in Bridgeport and the Fairfield Fire Department.

Undergraduate Community Service

The UB Office for Campus Activities and Community Services coordinates student service activities for undergraduate students. Last year 973 students contributed 11,465 hours of service in Bridgeport and elsewhere in Connecticut. The largest single event is the Rev. Dr. Martin Luther King Jr. Day of Service held each year in January. The day is coordinated by Service for Peace, an international community service organization. The event drew a large crowd of young men and women to serve in activities hosted by Bridgeport community organizations such as Prospect House, the School of Ethical Education, Astoria Park Nursing Home, and Color of Words.

The participants contributed to a variety of activities such as researching civil rights poetry, preparing meals for the homeless, visiting the elderly to discuss their thoughts on freedom, assembling a video collage of peace statements, working at local food pantries, knitting for hospice care patients and more!

Other significant Community Service programs included the 9/11 Day of Service and Remembrance, Challenge Day, Domestic Violence Vigil, Alternative Spring Break and the Sexual Assault Awareness Walk.

UB students also served at such agencies as the American Red Cross, Astoria Park, Cardinal Sheehan Center, Casey Family Services, Center for Women and Families, Connecticut Food Bank, and the United Way.

CONCLUSION

The significant economic impact of the University of Bridgeport on Bridgeport and Connecticut can be felt in a number of ways. The University produces alumni from Bridgeport and beyond who earn more than their counterparts who did not attend University. These alumni adopt better lifestyles and thus save the community on expenses such as healthcare. The University provides employment opportunities, not only through jobs on campus but also through jobs generated by business the University and its members conduct locally. The University and those associated with it pumped \$457 million into the Connecticut economy in 2012. A significant portion of this money was brought in from outside Connecticut. The City and Connecticut both receive substantial revenues from the University's operations. It is clear that in addition to the University's profound contributions to the cultural life of the community it is making sizable economic contributions as well.

METHODS USED IN THE STUDY

Connecticut Economy – The analysis of the Impact of the University of Bridgeport on the State of Connecticut was conducted in the tradition of the method developed for the American Council on Education (ACE) by Caffrey and Isaacs (1971) to determine the impact of higher education.⁴ The ACE method is still the primary method employed in economic impact studies (Siegfried, Sanderson, & McHenry, 2007).⁵

The University of Bridgeport Community - This group includes the University, its employees, students, alumni, visitors, and the local firms which do business with them.

Direct and Secondary Impacts - The impacts of the University of Bridgeport community are divided into direct and secondary impacts. These and other associated terms are explained below:

- Direct Impact - The initial impact on the local economy due to spending by UB, its employees, students, visitors, and alumni.
- Secondary Impact - Changes in other industries as they respond to the new demands made by UB community spending.
- Total Impact - the sum of the Direct and Secondary Impacts.

Multiplier - The ratio of Total Spending Impact to Direct Spending Impact (Multiplier = Total Spending Impact/Direct Spending Impact). An institution's Total Spending Impact is derived from some multiple of its direct expenditures. To determine the UB Total Spending Impact a multiplier of 2.06 was used. This multiplier was calculated specifically for the higher education industry in Connecticut by the U.S. Department of Commerce Regional Input-Output Modeling System (RIMS II). A multiplier of 2.06 means that for every \$1.00 of direct spending an additional \$1.06 is generated in secondary spending.

Out of Region Students - The Economic Impact of an organization on a region is derived from its ability to attract outside money to a region or to prevent funds from leaving it. The Economic Impact of a College comes from its ability to attract students from other parts of the country and to retain local students who would otherwise have attended College elsewhere.

The “outside money” received by a region from these out-of-region students determines the impact of a College on the economy. For instance, tuition revenue that UB receives from New Jersey is different from revenue received from Fairfield. The New Jersey family earned its income from outside Connecticut. When their tuition is paid to the College it is an outside injection into the economy of the State. Tuition revenue from the Fairfield family comes from within Connecticut and remains within it. Therefore local tuition revenue is not used to determine the UB Spending Impact, as it is “inside money” and typically would remain in the region whether the University was present or not.

The share of tuition revenue that came from outside of Connecticut in 2012 was 70%.

Student Spending - This was based on expected costs for student living expenses, calculated in accordance with accepted standards.

Visitor Spending - This is based on interviews with the University of Bridgeport and community authorities.

Alumni Earnings - The principal economic value of a university degree lies in the difference between the average earnings of a university graduate versus that of a high school graduate. This was calculated in the following manner: the number of alumni by gender, graduation year, and degree was multiplied by the average annual earnings for each category. The average annual income for high school graduates for each category was then subtracted. This process shows the additional earnings gained from a university education. Alumni employed by UB were not counted: Had they been included this figure would be even higher.

The University of Bridgeport Alumni Impact - Fifty percent of the increased earnings of UB alumni in Connecticut were included in this report. This assigned some of the responsibility for alumni earnings to the University and left some credit to other factors; for example, that these individuals could have received their degree from any of a number of other institutions and this could have contributed to their earnings potential.

Social Benefit Impacts - This is the benefit of reduced rates of alcoholism, incarceration, unemployment, and welfare because of the choices made by UB alumni who live in the area. Lower social costs reduce expenditures of businesses and governments.

New Jobs - Included are full-time jobs at UB and new full-time jobs at other firms and organizations generated by the purchases of the University, its employees, students and visitors.

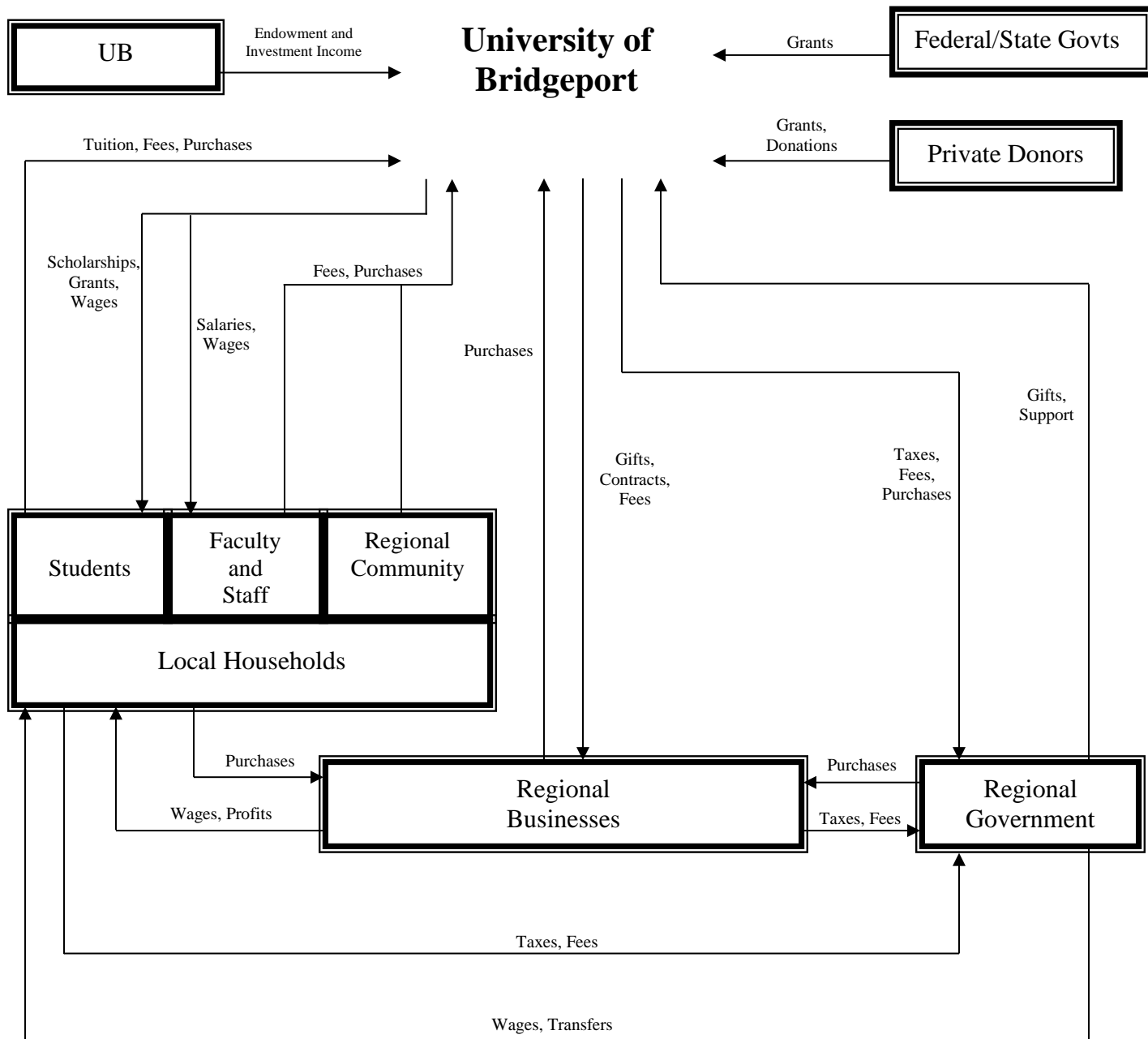
City of Bridgeport - This is based on a widely accepted method developed by EconImpact LLC using principles of revenue contribution and service use by community groups.

Contribution and Usage Rates - For each community group, federal, state, and local averages were used to calculate revenue contribution and service use. Rates for government functions were provided by the City of Bridgeport.

CASH FLOW MODEL

The flow chart on the following page represents the place of the University of Bridgeport in the flow of income and expenditures in a regional economy. The concept is the same for Connecticut. “The circular flow of income, where households earn income and spend, businesses receive revenues from household spending and pay their operating costs, and local governments receive taxes and fees which are transformed into municipal services, is illustrated by the chart. The income-spending/income-re-spending cycle constitutes the multiplier process,” (Rennie, 2002) to which reference is made earlier in this report.⁶

Economic Impact of UB Cash Flow Model (Rennie, 2002)



FOOTNOTES

- 1) University of Bridgeport Audited Financial Statement. Years Ended June 30, 2009 and 2008. NOTE 5 – PROPERTY, PLANT, AND NET EQUIPMENT. (Page 13)

On February 3, 2006, The University entered into a Development Agreement (Agreement) with the City of Bridgeport (the City) to determine the economic feasibility of the University renovating one of its existing buildings to as-new condition, as defined in the Agreement, in order for the building to become a new public school for the City.

In connection with the Agreement, the State of Connecticut authorized the purchase, alteration, and furnishing of the building and is to provide the necessary funds along with the City to purchase the renovated building from the University.

As of June 30, 2008 the project was substantially complete at a total cost approximating \$28,013,000. The project was classified as construction in progress in the accompanying statements of financial position as of June 30, 2008.

- 2) Ernie Goss. The Economic Impact of Phase II LEC Construction and Operations on the Area Economy. October 14, 2005. Omaha: Creighton University Economics Department.
- 3) “Using Multipliers to Measure Economic Impacts.” California Labor and Workforce Development Agency. California Economic Strategy Panel. 2002
- 4) Caffrey, J., & Isaacs, H. (1971). *Estimating the Impact of a College, or University on the Local Economy*. Washington, D.C. : American Council on Education.
- 5) Siegfried, J., Sanderson, A., & McHenry, P. (2007). The economic impact of colleges and universities. *Economics of Education Review*, 26(5), 546-558.
- 6) This chart was based on the following report. Henry Rennie. “Economic Impact of Heidelberg University on Tiffin/Seneca County.” Heidelberg, Ohio. 2002