

SEPTEMBER 2015

The University of New Brunswick (UNB) creates a positive impact on the provincial economy and generates value in return for the investments made by its major stakeholder groups—students, society, and taxpayers. Using a two-pronged approach that involves an economic impact analysis and an investment analysis, the study calculates the benefits to each of these groups. Results of the analysis reflect the 2013-14 analysis year.

IMPACT ON THE PROVINCIAL ECONOMY

During the 2013-14 analysis year, UNB and its students added **\$1.2 billion** in income to New Brunswick's economy, approximately equal to **4.5%** of the province's Gross Provincial Product and 29,503 average-wage jobs. The economic impacts of UNB break down as follows:

University operations spending impact

- UNB employed 1,991 full-time equivalent (FTE) employees in 2013-14. Payroll amounted to **\$184.5 million**, a portion of which was spent in New Brunswick to purchase groceries, clothing, and other household goods and services. The university spent another **\$108.1 million** to support its day-to-day operations.
- The net impact of university payroll and expenses toward day-to-day operations (excluding research activities) in New Brunswick during the analysis year was approximately **\$194 million** in added provincial income.

Research spending impact

- Research activities of UNB impact the provincial economy by employing people and making purchases for equipment, supplies, and services. They also facilitate new knowledge creation throughout New Brunswick through inventions, patent applications, and licenses.
- Research spending of UNB generates **\$32.2 million** in added provincial income for the New Brunswick economy.

Business start-up & spin-off impact

- UNB creates an exceptional environment that fosters innovation and entrepreneurship, evidenced by the number of start-up and spin-off companies related to UNB in the province. In 2013-14, these companies employed 458 employees, who then created **\$48.1 million** in added provincial income for the New Brunswick economy.

Student spending impact

- Around **3,337** UNB students (including international) relocated to New Brunswick from outside

of the province and spent money at local businesses to purchase groceries, rent accommodation, and pay for transport.

- The expenditures of students who relocated to the province during the analysis year added approximately **\$18.9 million** in income to the provincial economy.

Visitor spending impact

- Out-of-province visitors attracted to New Brunswick for activities at UNB brought new dollars to the economy through their spending at hotels,

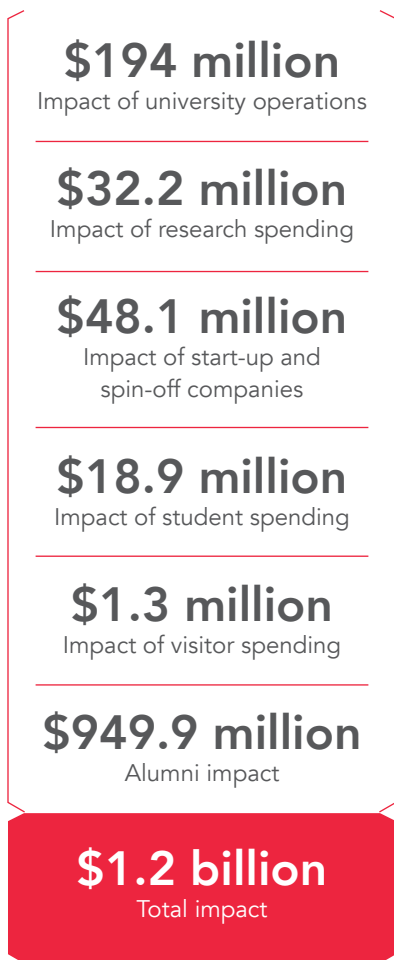
restaurants, gas stations, and other provincial businesses.

- Visitor spending added approximately **\$1.3 million** in income for the New Brunswick economy.

Alumni impact

- Around 53% of UNB graduates remain in New Brunswick and enter the provincial workforce with newly acquired skills.
- The accumulated contribution of UNB graduates currently employed in the provincial workforce amounted to **\$949.9 million** in added income during the analysis year.
- *While this figure is significant in itself, it will increase and be even more impactful if more UNB graduates are retained in the province due to the creation of better provincial employment opportunities for them.*

ADDED INCOME CREATED BY UNB IN 2013-14



JOB EQUIVALENTS BASED ON INCOME

Job equivalents are a measure of the average-wage jobs that a given amount of income can potentially support. They are calculated by dividing income by the average annual wages per worker in the province. Based on the added income created by UNB, the job equivalents are as follows:

- Impact of **university operations** = **4,599** job equivalents
- Impact of **research spending** = **764** job equivalents
- Impact of **start-ups and spin-offs** = **1,140** job equivalents
- Impact of **student spending** = **448** job equivalents
- Impact of **visitor spending** = **31** job equivalents
- Alumni impact** = **22,521** job equivalents

Overall, the added income created by UNB and its students and visitors supported **29,503** average-wage jobs in 2013-14.

RETURN ON INVESTMENT TO STUDENTS, SOCIETY, AND TAXPAYERS

Student perspective

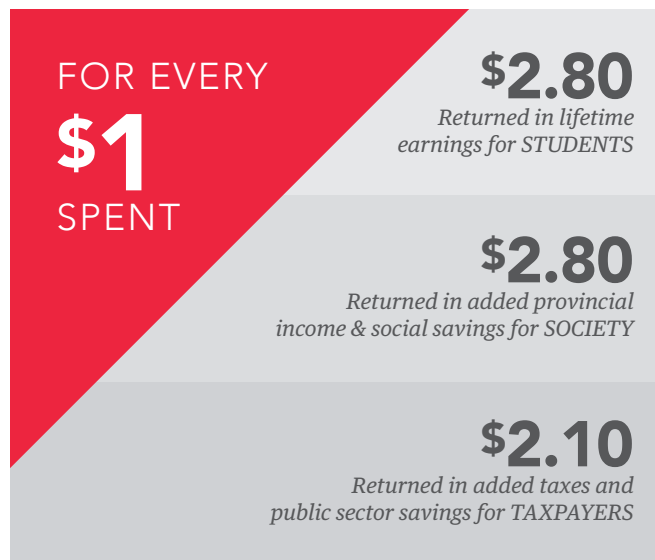
- UNB's 2013-14 students paid a total of **\$93.5 million** to cover the cost of tuition, fees, books, and supplies. They also forwent **\$198.2 million** in money that they would have earned had they been working instead of learning.
- In return for the monies invested in the university, students develop the skills required for an increasingly globalized workplace, receiving a present value of **\$818.9 million** in increased earnings over their working lives.
- Dividing benefits by costs yields a benefit-cost ratio of **\$2.80** in higher future income. In other words, students not only recover the cost of the original investment but also receive an additional **\$1.80** in benefits over and above every \$1 in costs.
- The average annual rate of return for students is **12.0%**.

Social perspective

- Society as a whole in New Brunswick will receive a present value of **\$1.4 billion** in added provincial income over the course of the students' working lives. Society will also benefit from **\$8.5 million** in present value social savings related to reduced crime, fewer demands for income assistance, and increased health and well-being across the province.
- For every \$1 that society spent on UNB educations during the analysis year, society as a whole will receive a cumulative value of **\$2.80** in benefits. This will occur for as long as UNB's 2013-14 students remain active in the provincial workforce.

Taxpayer perspective

- In 2013-14, provincial taxpayers in New Brunswick paid **\$127.5 million** to support the operations of



UNB. The net present value of the added tax revenue stemming from higher lifetime student earnings and increased output of businesses amounts to **\$265.5 million**. Savings to the public sector add another **\$3.4 million** in benefits due to a reduced demand for government-funded social services in New Brunswick.

- Dividing benefits to taxpayers by the associated costs yields a 2.1 benefit-cost ratio, i.e., every \$1 in costs returns **\$2.10** in benefits. The net return on investment thus comes to **\$1.10** in additional benefits over and above every \$1 in costs.
- The average annual rate of return for taxpayers is **11.1%**. This is above the 3.15% discount rate on government investments, meaning UNB not only pays its own way, but also generates a surplus that the provincial government can use to fund other programs.

ABOUT EMSI

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