

Engines of Growth: Colleges Animate New England's Economy

In a typical year, Greater Boston's eight research universities secure more than 250 patents and spawn 40 startup companies. The University of Connecticut generates \$3.1 billion in economic activity and, among other things, brings a half million basketball and football fans to Greater Hartford. New Hampshire college students and faculty perform \$6 million in volunteer work. The University of Rhode Island employs 2,437 staff and generates nearly \$5 for every \$1 it gets in state support. Despite its exemption from property taxes, Smith College can claim to be the largest taxpayer in the city of Northampton, Mass.

If New England campuses are prone to boasting about their economic impact these days, it's for good reason. They spent about \$20 billion last year on day-to-day operations including instruction, research, building maintenance and student services. That spending, along with endless construction projects and considerable local purchasing by the region's 850,000 students and

their visitors, reverberates through the economy creating a potent "multiplier" effect—one that an industry of economic consulting firms is ready to calculate and package for legislators, regulators and anyone else who needs hard data to know that higher education is an economic goldmine.

In reality, however, those are just surface impacts. Colleges and universities power New England's economy much more profoundly by nurturing technology transfer in cutting-edge fields from fuel cells to genetics, by educating an enlightened, tolerant citizenry, by developing the skilled workforce sought after by high-wage employers and by rejuvenating urban and rural communities.

To be sure, those benefits also have a way of "boomeranging" as college towns occasionally become victims of their own success.

Following are some diverse perspectives on higher education institutions as economic engines ...

—J.O.H.

Sharing University Intellectual Capital: The Role of Continuing Education

HUGH O'NEILL

New England's research universities are widely recognized as major contributors to the region's economy. In many of the communities in which they are located, they rank among the largest employers. They purchase goods and services from New England companies, and are often among the leading procurers of construction activity. Each year, they bring billions of dollars in federal research funding into the region.

Research universities are not only significant enterprises in their own right—they are also part of the infrastructure that supports other sectors of

New England's knowledge-based economy. They are an important source of the new knowledge that drives the region's growth. At both the undergraduate and graduate levels, they play a central role in meeting the region's near-insatiable demand for people with higher-level skills. Moreover, many of New England's leading universities have over the past decade become much more effective at "technology transfer," facilitating the translation of academic research into new businesses and new jobs.

There is, however, one aspect of the research universities' role in the regional economy that has not been as widely recognized: some of New England's leading research universities are also leading providers of continuing education for working adults. Harvard

University's Extension School, for example, has been characterized as "Harvard's best-kept secret." The Extension School offers associate and bachelor's degrees. It also offers post-baccalaureate certificate and master's degree programs in a variety of career-oriented fields, including computer science, e-commerce, publishing and communications, museum management, environmental management and teaching mathematics. In addition to enrolling in degree or certificate programs, students may choose to take just one or a few courses—either for career purposes or simply for personal enrichment. In the spring of 2002, 8,431 individuals took courses at the Extension School, averaging about 1.7 course enrollments each. If the Extension School were a freestanding community college, it would be one of the largest in eastern Massachusetts.

The Extension School's students are very different from those who attend Harvard College or Harvard's graduate and professional schools. Whereas nearly 90 percent of all Harvard undergraduate and graduate students come from outside the Boston metropolitan area, nearly 90 percent of Extension School students live in the five-county metropolitan Boston area. Their median age is 30, and about 60 percent are women.

Harvard is not alone. Boston University's Metropolitan College, for example, is also a leading provider of continuing and career education in the Boston area. It also offers undergraduate, graduate and certificate programs—including a degree-completion program for working adults who had once started college, but never finished. Metropolitan College offers courses at four locations in the Boston area—and also provides specialized programs for corporate clients.

In some ways, focusing on continuing and career education makes good business sense for research universities. It is the fastest-growing segment of the higher education market. Continuing education programs can also—at least for some institutions—provide a way to spread fixed costs over a broader revenue base.

More importantly, research universities' involvement in the market for career and continuing education can be of great value to the communities in which these institutions are located. Research universities often bring to this market a variety of resources that other providers may not be able to match: access to libraries, laboratories and a wide array of on-line resources; the ability to link career-oriented courses to cutting-edge research in fields like biotechnology and computer science; opportunities to transition from undergraduate to graduate-level programs; and a different set of connections into the job market. University continuing ed programs are not a substitute for high-quality community colleges, but they can be an extremely valuable addition to the services that community colleges provide.

For elected officials and other local leaders who confront the challenge of ensuring that the continued growth of major universities benefits their communities, the record of Harvard, BU and other institutions in this field may suggest an area of real opportunity. Along with commitments to local hiring, involvement in efforts to improve local schools, support for development of affordable housing and other "community benefit" requests, local leaders should look to career and continuing education as an area in which their constituents can benefit from the presence of a major university.

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Local officials could, for example, ask a university to develop new associate-level or post-baccalaureate certificate programs specifically targeted at helping local residents prepare for (or advance in) careers in fast-growing local industries. Or they could ask that the university provide management training programs for local small business owners.

Not all research universities, of course, have embraced career and continuing education to the extent that Harvard and Boston University have. Some see it as inconsistent with their primary mission. In these cases, local officials might produce better results for their communities by promoting university collaboration with a local community college. Such collaborations could involve university faculty in the design and delivery of community college courses, research internships for community college students and expanded student access to university libraries and other facilities.

There are many examples of such cooperative approaches; in Troy, N.Y., for example, years of collaboration between Rensselaer Polytechnic Institute and Hudson Valley Community College helped make Hudson Valley a leader in the education of associate-level engineering technicians.

Whether through individual university initiatives or through partnerships with other institutions, an expanded commitment to career and continuing education for working adults can provide local communities with a way to ensure that the economic benefits of the research university are widely shared.

Hugh O'Neill is president of Appleseed Inc., a New York City-based consulting firm that works with colleges and universities and other types of organizations to promote economic growth.