

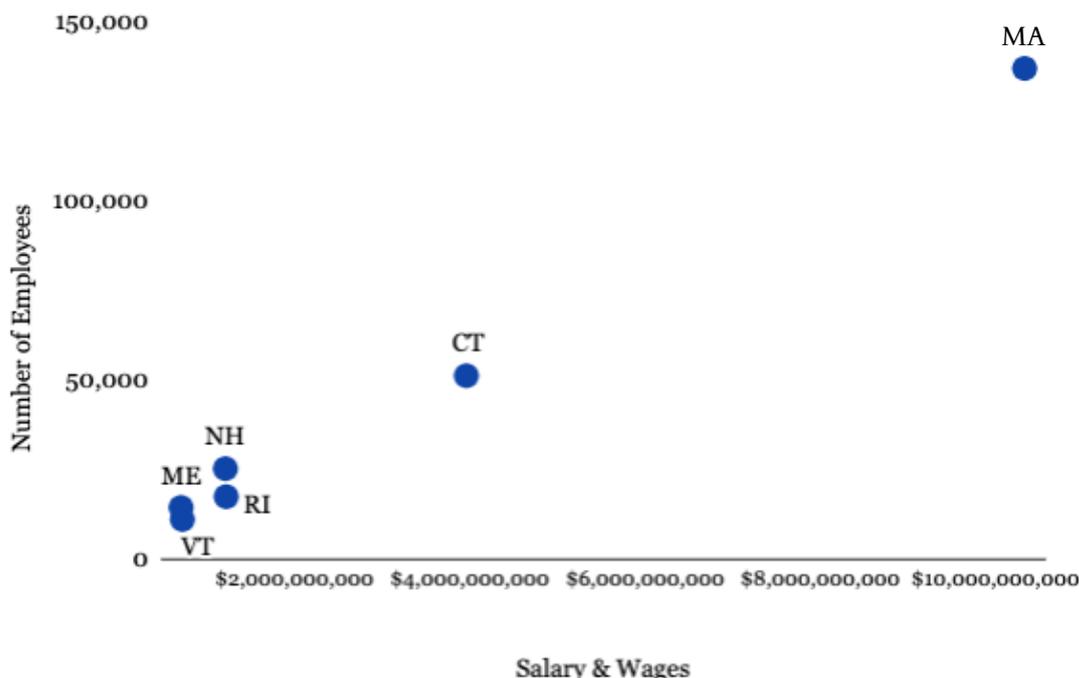
THE ECONOMIC IMPACT OF HIGHER EDUCATION IN NEW ENGLAND

New England is home to 250 Title IV, degree-granting colleges and universities, enrolling over a million students every year. The industry is a considerable resource for local, domestic and international students seeking to gain the skills and knowledge necessary to be successful in today's society and economy. In fact, nearly 50,000 first-time freshmen enrolling in New England's institutions travel from outside New England to be here, as do [roughly 100,000 international students](#).

Nonetheless, public perceptions of higher education can be critical. According to a [2018 Gallup survey](#), fewer than half (48%) of adults in the U.S. express confidence in higher education, down from 57% in 2015. Higher education's benefits to society can be difficult to measure. They are both public and private, tangible and intangible. Higher education attainment is linked to greater civic engagement, better health outcomes and financial stability and increased capacity for research and innovation.

[A previous NEBHE study](#) revealed that New Englanders who hold an associate degree or a bachelor's degree stand to earn roughly \$400,000 to \$1.5 million more over the course of their lives than individuals with a high school diploma alone. Additionally, there's no denying that colleges and universities fuel the region's growing high skill, high technology industries and anchor our communities.

Number of Employees vs. Salary & Wages (AY 2017-18)



Source: NEBHE analysis of IPEDS data

\$29.8 billion

Added by postsecondary education institutions to New England's Gross Regional Product

\$18.2 billion

Paid by postsecondary institutions in salary and wages to faculty and staff

This data brief focuses on measurable impacts of higher education, in terms of labor income and value added to the regional economy.

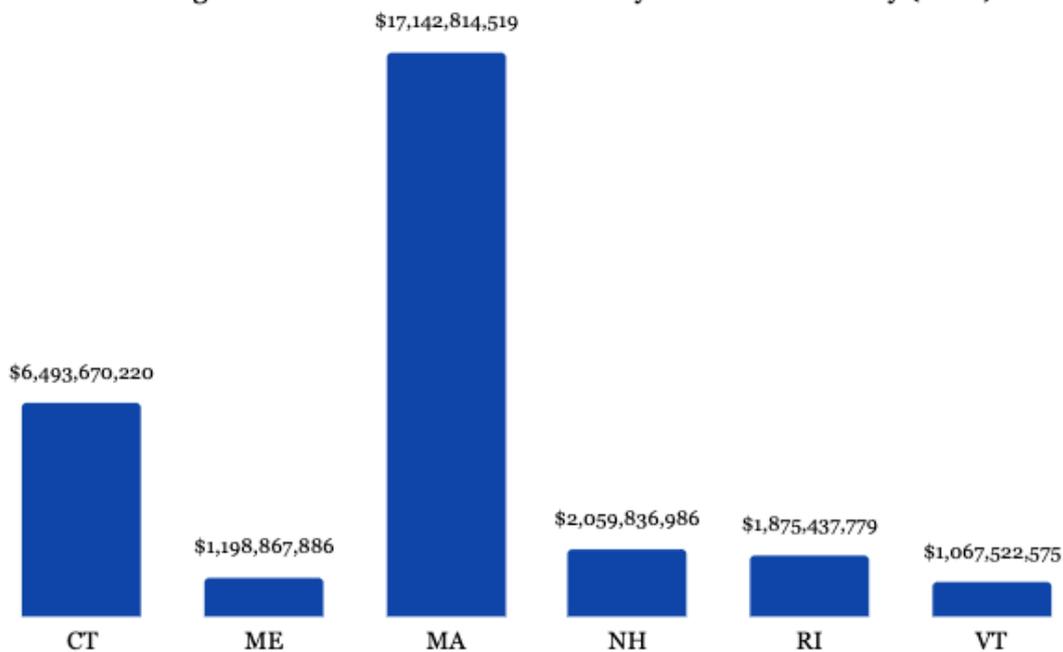
Just over 250,000 people are employed by a college or university in New England. Independent colleges employ 65% of higher education faculty and staff in the region, followed by 4-year public institutions (25%) and community colleges (9%).

Each year, these institutions pay approximately \$18 billion in salary and wages. This translates to an average yearly wage of \$70,807 per worker, which is above the region's family-sustaining wage benchmark of \$65,000 per year.

As employers, higher education institutions are vital to state and local economies. In New England, where there is a higher concentration of colleges and universities than elsewhere in the country, the financial stability of an institution is linked to the economic health of its community.

What's more, as an industry, higher education contributes the third highest Gross Regional Product (GRP), falling just behind hospitals and elementary and secondary schools. It added \$29.8 billion to the regional economy in 2018—more than corporate offices or portfolio management. In the last 10 years, controlling for inflation, higher education's GRP has increased 26%.

Gross Regional Product of the Postsecondary Education Industry (2018)



Source: NEBHE analysis of BEA and BLS data via Emsi's Labor Analyst platform.

Note: This analysis sums data across the following NAICS codes: 902612, 611310, 611210 and 903612. Gross Regional Product is defined as a measure of the final market value of all goods and services produced in a region. It is the sum of earnings, property income, and taxes on production.

For these and many other reasons, colleges and universities are often called New England's most valuable and renewable resource. COVID-19 and its effect on higher education institutions' fall reopening plans and enrollment, state budgets and postsecondary education appropriations and families' financial security present a confounding set of circumstances for many institution leaders. To be sure, gone unmitigated, these impacts will have ripple effects across the region's workforce and economy.

Despite these challenges, higher education institutions—public and private—are lynchpins in helping New Englanders get back to work through skill and degree attainment, creating the next generation of committed healthcare workers and supporting the innovation that will enable the economy to come back stronger than ever. Advocating on their behalf, for sustaining financial and regulatory support, is of the utmost importance to the New England region.