

A RIPPLE EFFECT FOR ERIE COUNTY



THE ECONOMIC IMPACT OF A STAND-ALONE COMMUNITY COLLEGE IN ERIE COUNTY

ERIE COUNTY, PENNSYLVANIA

FINDINGS & HIGHLIGHTS

KEY IMPACTS

BUILDING MOMENTUM

An Economic *Ripple* Effect for Erie County

A stand-alone community college can be a game-changer for Erie County.

Well-established research firm Emsi recently conducted an in-depth study of Erie County and concluded that a stand-alone community college would spin off key benefits in the economy for decades to come.

Below are key ways the research found that a community college will create a positive ripple effect throughout Erie County.

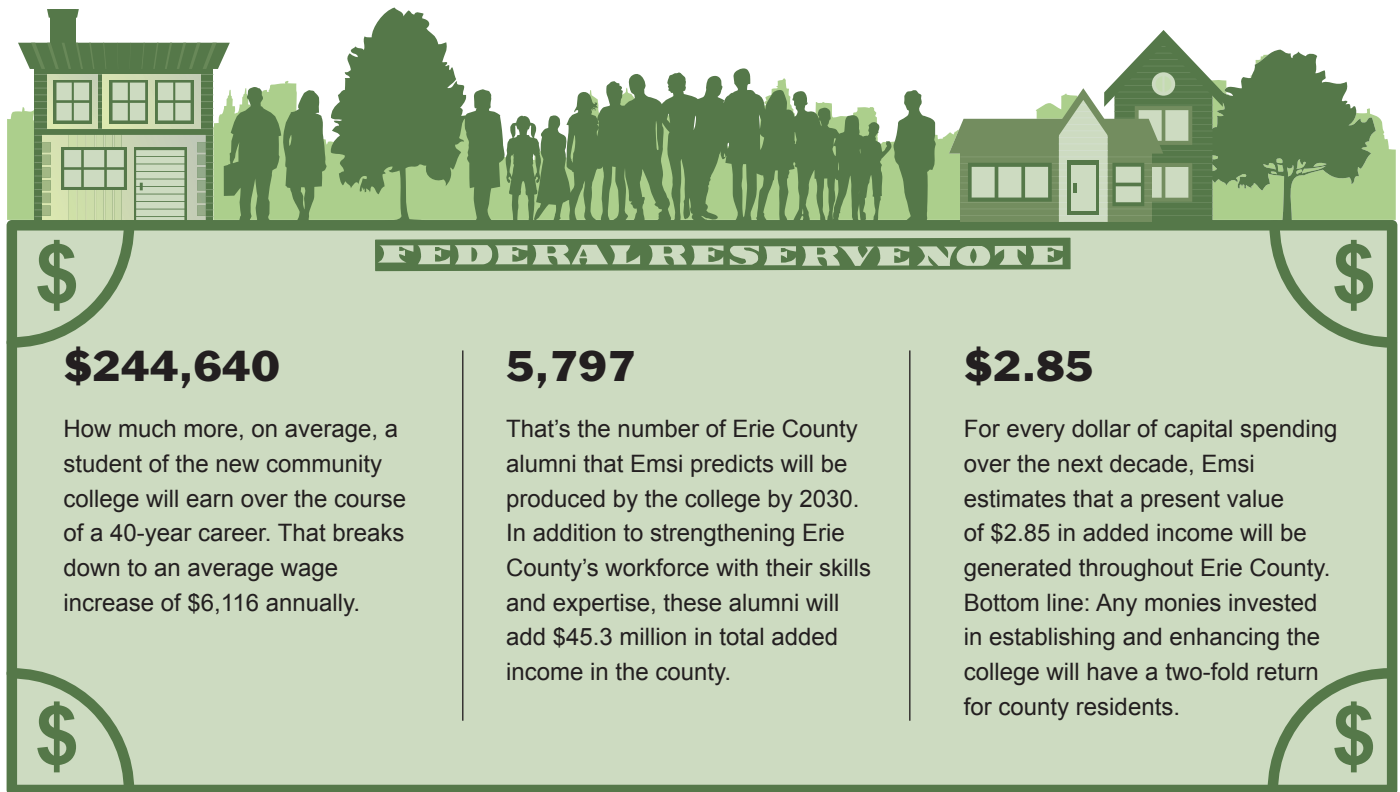
Erie County Community College Offers a AAA Opportunity

- ☑ **Affordable for Erie County families**
- ☑ **Accessible for Erie County students**
- ☑ **Accountable to Erie County taxpayers**

→	Getting the college established will result in new economic activity for Erie County. A total of \$44.4 million in capital spending, from 2020 to 2030, for leasing and eventual construction or renovations will create a present value of \$15.1 million in added income for the county. That's equal to supporting 24 jobs per year .
→	The investment in operations and staffing from 2021, the projected first year of operations, to 2030 will be sound, with \$60 million in the total added income for the county. By the fifth year, when the college becomes fairly stabilized, it will staff an estimated 101 full-time equivalent employees, adding \$6.9 million in total income annually, equal to supporting 122 jobs per year.
→	Once established, the community college will help stop "brain drain," as people opt to stay here. From 2021 to 2030, Emsi estimates that \$6.3 million in income will be added to the county's economy by students remaining in the county to get their education. That's money spent on housing, food, entertainment and transportation.
→	Armed with new skills, community college alumni will make more money – and spend more as well. By 2030, these alumni, projected to be 5,749 , are expected to add \$45.3 million in income. By 2030, alumni are estimated to add \$11 million in total income to the county's economy per year, supporting 147 jobs .
→	The big payoff? Through 2030, the college will add \$126.7 million in extra income in Erie County.

By the Numbers

Emsi research revealed some key insights about the many ways, both large and small, that a stand-alone community college would provide an economic boost in Erie County. The graphic below highlights some key findings and projections in the study.



The Multiplier Effect

The stand-alone community college is expected to generate what is known as the multiplier effect — additional economic activity that occurs across all industries in the economy:

The direct effect:

The economic benefit to companies and vendors that are paid to provide goods, services and support related to the start-up and operation of the community college.



The indirect effect:

The spinoff economic benefit for Erie County businesses and vendors contracted by the community college spend money to support their work.



The induced effect:

The economic activity created throughout Erie County as businesses affected by the community college raise salaries and hire people.

Helping Students. Supporting Employers. Improving Our Community.

The opportunity to build a rewarding second career after a layoff.

A second chance at higher education.

An affordable path for a first-generation college student to escape poverty.

These are the hopes and dreams that can become reality with a stand-alone community college in Erie County.

Yet the community college benefits reach beyond students by creating a stronger pipeline of talent for Erie County employers and more economic stability for the entire community.

Helping Students



- Receive the most affordable post-secondary education in the region, with first-year annual tuition and fees projected at \$3,528.
- Get training that is directly aligned to the needs of local employers, and not offered at four-year colleges.
- Stay in the Erie community to get an education, instead of moving out of town for affordable college offerings.

Supporting Employers



- Meet staffing needs of top employers such as Erie Insurance and UPMC Hamot, which have expressed public support for the college.
- Provide training that can scale quickly enough to address Erie County's anticipated loss in the next decade of 25-30 percent of its manufacturing workforce due to retirements.
- Create public-private workforce development efforts that have been successful elsewhere.

Improving Our Community



- Put Erie County on equal footing with 14 other Pennsylvania communities that benefit from existing community colleges.
- Help strengthen Erie County's competitive edge for attracting and retaining businesses.
- Build greater prosperity and stability for all Erie County residents.

Community College: A Proven Catalyst for Economic Growth

Community colleges are making an impact in the U.S.

\$809 BILLION

THE ANNUAL NET TOTAL IMPACT OF COMMUNITY COLLEGES IN THE U.S.

Put another way, the added income created in the U.S. through increased student productivity and the spending supported the equivalent of 15.5 million jobs in 2012.

\$304.9 BILLION

THE AMOUNT COMMUNITY COLLEGES GENERATE IN TAXPAYER BENEFITS ANNUALLY — 6.8 TIMES MORE MONEY THAN THEIR PUBLIC FUNDING.

This means that for every \$1 of public investment, taxpayers reap a cumulative value of \$6.80 over the course of students' working lives.

\$4.80

THE AMOUNT IN HIGHER FUTURE INCOME RETURN FOR EVERY \$1 STUDENTS INVEST IN THEIR EDUCATION, NATIONALLY.

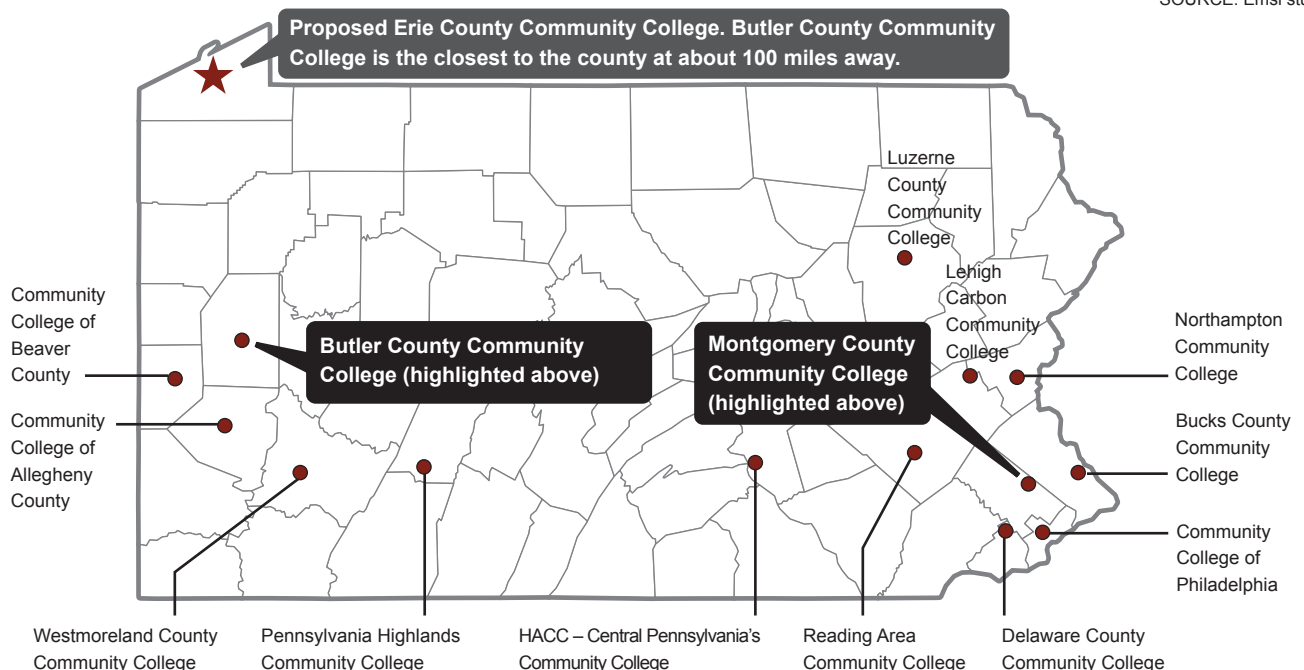
The average associate degree graduate will make \$10,700 more each year than someone with a high school degree or equivalent — \$41,900 compared with \$31,200.

... and in Pennsylvania

Studies by Emsi offer proof positive that community colleges boost the local economy in a range of ways. Below are economic data from community colleges serving Butler and Montgomery counties.

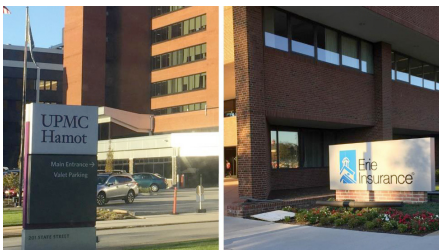
Community College	Added regional gross income (in millions)	Estimated annual income county receives from college's operations	Taxpayer return on their investment	NOTE:
Butler County	\$180.5	\$16.2 million	12.1%	Most recent data available shown: Montgomery (2009-10); Butler (2010-11).
Montgomery County	\$362.4	\$52.6 million	7.2%	

SOURCE: Emsi studies



Local Impact: A Stand-alone Community College Can Boost Careers — and Erie County's Economy

It's difficult to measure the full impact of a community college beyond dollars and cents. As the Emsi study states: "The real mission and purpose of the proposed college will be to foster human capital — i.e., knowledge, creativity, imagination, and entrepreneurship. The college will be able to serve students otherwise not served in the county economy, and respond to growing needs of local employers."



Erie County's Top Employers: We Need Erie County Community College Now

Businesses have rallied behind the community college effort, including Erie's top two employers, UPMC Hamot and Erie Insurance. UE Local 506 union at GE Transportation — which rounds out the top three county employers — also endorsed the plan.

Among the many other backers are the Erie Regional Chamber and Growth Partnership, the Erie Regional Manufacturer Partnership, and the Manufacturer & Business Association.



Local Manufacturers Lead Push for Erie County Community College

Manufacturing remains a key driver of Erie County's economy.

Yet Erie County manufacturers fear they are falling behind as they face a growing skills gap and an aging workforce. Only a stand-alone community college can offer the scale necessary to train workers to fill the jobs needed to allow manufacturers to thrive and grow, says Tim Hunter, president and CEO of McInnes Rolled Rings in Erie.

"It's hard to describe the significance a community college could have on all our businesses," Hunter says.



A Blueprint for Job Creation in Erie County?

Beaver County Community College offers a glimpse into what is possible for Erie County. There, the presence of a community college helped Beaver County beat out several communities vying for a \$6 billion Royal Dutch Shell ethane cracker plant.

The plant will employ more than 600 people, with some making as much as \$90,000 a year. The community college is training students for two-year associate degrees in process technology, a high-demand job at the plant.

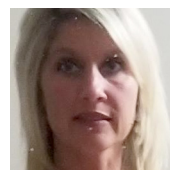
Hoop Dreams Come True



For Erie BayHawks Director of Sales Scott Mondy, Kalamazoo Valley Community College was the first crucial step to a promising future.

Banking on a Community College

Becky Kiser understands the value of community college. She took classes at a local community college in Ohio to save money and expand her skillset while also working toward a four-year degree. Today, she is a branch manager of Key Bank in Cleveland, formerly managed the main branch of First National Bank.



Building Momentum in Erie County

A stand-alone Erie County Community College is one of several transformative initiatives underway that position Erie County for a long-awaited economic resurgence.

A community college is a key element in a local infrastructure to attract new business and investment, and assure a well-trained workforce. The range of projects highlighted on this page demonstrate the positive momentum that will only be furthered with establishment of a stand-alone community college.



Promising economic growth

- ▶ The Erie Innovation District, an initiative led by Mercyhurst University and Erie Insurance, is making progress. It has hired a CEO and secured a headquarters. The goal of the district is to make Erie a hub for innovation centered on data science and cybersecurity.
- ▶ State officials have announced that Erie will get \$32.5 million in funding, including \$30 million to design and build traffic improvements along the Bayfront Parkway. Part of that would establish what's being called an iconic connection between downtown Erie and the bayfront, which will require bridging the parkway for vehicular traffic, pedestrians and bicyclists.

Better quality of life

- ▶ The city of Erie's comprehensive plan, Erie Refocused, is getting a big lift with the new Erie Downtown Development Corp. The corporation is raising up to \$40 million in a first phase to undertake large-scale downtown projects. A key focus? Market-rate housing and other amenities such as attractive streetscapes and places for people to live, grab a bite to eat and enjoy downtown cultural and sporting events.
- ▶ Plans are in the works on Erie's bayfront to develop the former 12.5-acre GAF site for mixed uses that would include housing, offices, restaurants, retail, green space and much more. Total construction costs could run as high as \$300 million, with the project expected to generate between \$7 million and \$10 million annually in property taxes for the city of Erie, Erie County and the Erie School District.
- ▶ Also on the bayfront, just east of lower State Street, construction is underway on Scott Enterprises' Harbor Place project. That \$150 million project will include a \$15 million Hampton Inn and Suites.

A thriving workforce

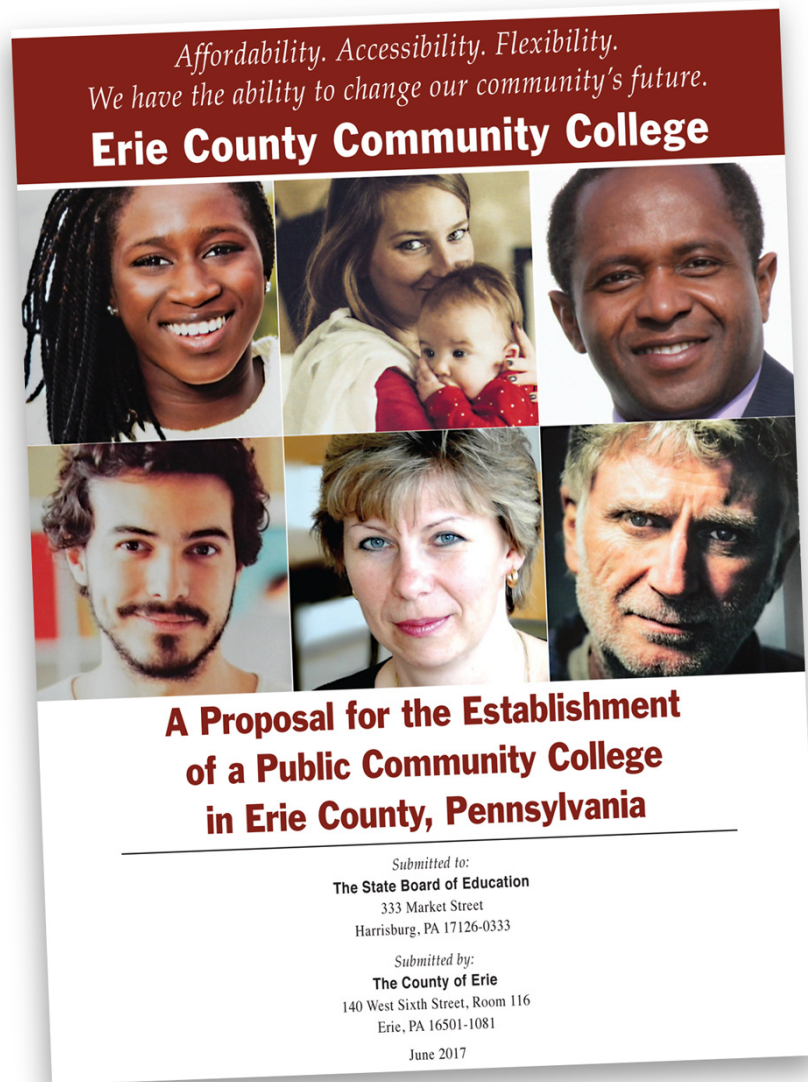
Many local employers are in growth mode that will increase the need for a more highly skilled workforce. Key projects include:

- ▶ Erie Insurance's 7-story, \$135 million new office building, where 1,200 employees will work.
- ▶ UPMC Hamot's \$111 million office tower addition.
- ▶ Velocity Net's renovation and relocation to the former Rothrock Building is a \$7 million project expected to create 53 full-time jobs over three years.
- ▶ Logistic Plus' investment of at least \$1.2 million for a planned expansion that will create 44 new jobs.
- ▶ Saint Vincent Hospital's \$140 million expansion/improvements.
- ▶ The Erie County-led Choose Erie online portal aims to create a one-stop shop for companies looking to relocate. It will be fortified with data on our community assets, including Erie County's high-quality workforce and strong tradition of manufacturing.

FOR MORE INFORMATION

Want to Learn More?

Additional resources and information about the proposed Erie County Community College is available by visiting empowererie.org.



A Proposal for the Establishment of a Public Community College in Erie County, Pennsylvania

Submitted to:
The State Board of Education
333 Market Street
Harrisburg, PA 17126-0333

Submitted by:
The County of Erie
140 West Sixth Street, Room 116
Erie, PA 16501-1081
June 2017

Empower Erie
1001 State Street
Erie PA, 16501
814-480-5717
info@empowererie.org

Note: Cover photograph of
economic impact by VIA Agency
has been modified.