

Date: November, 14, 2014
Subject: **New report estimates the economic impact of Memorial University**

A new report that quantifies the significant, substantial and sustainable economic impacts of Memorial University within Newfoundland and Labrador was released today by Memorial's Collaborative Applied Research in Economics (CARE) initiative.

According to Dr. Wade Locke and Prof. Scott Lynch of Memorial University's Department of Economics, and two of the principal investigators with CARE, the current prosperity of the province has been enabled, enhanced and facilitated by the activities of Memorial University, which in turn benefits from the strong economy.

The report, which was commissioned by Memorial's Office of Public Engagement, includes an assessment of Memorial's impact on employment levels, provincial GDP, inter-firm sales, and on municipal, provincial and federal government revenues. The report also quantifies the impact of a more educated populace on the provincial economy.

"Determining the economic impact of Memorial on the province of Newfoundland and Labrador is a complex and multi-faceted exercise," said Dr. Locke. "Aside from considering employment, GDP and tax revenue impacts, we also looked at the various components of the study by geographic region to illustrate the impact of the campuses independently."

According to the report, more than one billion dollars of the province's annual Gross Domestic Product (GDP), or 3.1% of the total provincial GDP in 2012, can be attributed to the university.

One of the biggest GDP impacts for the province is derived from university graduates who generally have significantly higher earnings over the course of their careers. These earnings are further enhanced if a student achieves a masters or PhD. The report estimates \$366.1M annual impact on the province due to the increased earnings of Memorial degree recipients who remain in the province.

Based on a 10-year average of employment levels at Memorial, the report estimates that the university has a direct and induced employment impact of 11,160 person years annually, or 5.6% of all full-time jobs reported for the province in 2013. The salaries and benefits associated with this employment impact is \$566.4M, which is 4.2% of the total provincial labour income reported in 2013.

Another area of study was the impact of the university on municipal, provincial and federal government tax revenues. The overall benefit to the three levels of government is estimated at nearly \$256 million, of which \$24.0M is municipal, \$138.8M is provincial and \$92.9M is federal.

"Without a doubt Memorial is having a significant impact on Newfoundland and Labrador's economy," said Dr. Rob Greenwood, executive director of public engagement for Memorial. "While generating economic impact isn't at the heart of a university's mandate, it is a clear indication that investments in post-secondary education are investments yielding benefits that extend well beyond the students who

sit in classrooms today. From field-placements, research projects and sharing expertise province-wide, to the impact on the future of this province, those benefits are immeasurable.”

The CARE initiative brings together applied research economists who are located in Newfoundland and Labrador or in the Maritimes. CARE’s objective is to promote applied economic research within the region with a view to promoting a greater understanding of regional economies and any associated wider social impacts. CARE is administered through the Department of Economics at Memorial University of Newfoundland by Wade Locke, Scott Lynch and Doug May. It is funded by the Atlantic Canada Opportunities Agency, Husky Energy, the Government of Newfoundland and Labrador, and Memorial University.

To read the full report please visit www.mun.ca/care

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