

The Economic Impact of Keene State College on the City of Keene



KEENE STATE COLLEGE is a vital economic force in the City of Keene and Keene's economic impact area, Cheshire County. In addition to the College's \$75 million operating budget and the spending power of 5,200 students, the College brings approximately 39,000 visitors a year to Keene, provides jobs to 1,235 people, and draws federal and state money into the area for grants, research, and scholarships.

The College's 1,025 full- and part-time employees who live in Keene and the surrounding area receive over \$27 million in compensation. After taxes, their disposable income is nearly \$22 million. The most recent Bureau of Labor statistics estimate that the average person spends 61% of his or her discretionary income on food, clothing, entertainment, transportation, child care, household services, furnishings and supplies, and personal care. Using this conservative percentage, Keene State College's employees spend approximately \$13 million for goods and services in the local area. Additionally, an estimated \$3 million in benefits are paid to local medical and dental care providers.

A conservative estimate of spending by KSC's 4,460 undergraduate and graduate students in the city of Keene is \$23 million a year. Students who live on the Keene State College campus spend approximately \$3.5 million a year on food, clothing, entertainment, travel, and other items. Students who live in Keene and the surrounding area spend approximately \$19.5 million a year on rent and living expenses.

There are many types of impact that Keene State College has on the area – including academic, social, and cultural impact. This study measures the economic interactions that occur because of Keene State College's location in the city of Keene.

The total financial impact of Keene State College on the city of Keene and its surrounding communities is estimated to be at \$118 million a year. The total financial impact of Keene State College on the state of New Hampshire is \$160 million a year.

Keene State College's impact on the city of Keene extends beyond the financial. The voluntary activities of Keene State's students, faculty, and staff is estimated to be worth close to \$10 million.

The College offers many cultural, athletic, and alumni events that draw visitors to the area throughout the year. Approximately 39,000 people come to Keene State College for Homecoming activities, Parent-Family weekends, Alumni reunions, Commencement ceremonies, athletic events, open houses, Redfern Arts Center performances, Thorne-Sagendorph Art Gallery exhibitions, the Children's Literature Festival, Elderhostel, and Freshman orientations. The estimated spending by visitors is \$2 million.

The College purchases nearly \$10 million worth of goods and services in the Keene economic area and spends another \$8 million locally on capital building construction and renovation. These dollars include stipends for schoolteachers, health workers, and nonprofit organizations who provided learning experiences for students. They also include reimbursement to the City of Keene for services provided to the College.

As a result of the employee spending (\$13 million), benefits (\$3 million), visitors (\$2 million), College purchases and capital construction (\$18 million), and student spending (\$23 million), the College has a direct impact of \$59 million on the city of Keene and its surrounding communities. Keene State College's direct impact on the state of New Hampshire is estimated to be \$80 million.

In order to determine the total impact of a dollar spent in a local economy, a multiplier is used, based on the number of times a dollar is expected to turn over before it leaves the local area. The multiplier used in this study is 2.0. Applying this multiplier to the direct impact amount results in a total financial impact of \$118 million a year on the city of Keene and its surrounding communities. Keene State's total financial impact on the state of New Hampshire is estimated to be \$160 million.

Keene State College purchased \$28 million worth of goods and services in the state of New Hampshire and from 2003 to 2005 spent an average of \$19 million on capital projects.

Local community groups—including religious and nonprofit organizations, schools and school districts, city and state governance committees, and special interest and political groups—use Keene State's facilities and grounds for their meetings and events, at little or no cost.



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