

**Thomas R. Horgan, President & CEO, New Hampshire College & University Council  
Address before the Manchester Development Corporation  
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New Hampshire Institute of Politics, Saint Anselm College**

Good morning. Thank you, Skip, for your very generous introduction.

Let me begin by thanking all of you for giving me the opportunity to speak with you this morning. I have long been impressed with the work of the Manchester Development Corporation and the impact you have had on the Queen City. I sincerely applaud your efforts and dedication to ensuring that Manchester is a vibrant and high quality community

Before I get too far along in my remarks, let me take just a minute to tell you a bit about the New Hampshire College & University Council.

The NHCUC was founded in 1966. Our very simple mission then, and now, is the advancement of both public and private higher education in New Hampshire. For 48 years we have accomplished our mission by encouraging member institutions to seek out ways to be more efficient, more effective and more strategic in meeting the needs of students.

A few examples of our many collaborative programs are:

- Our shared library services. If you are a student at any of the NHCUC member institutions you have access to the collections of all our member institutions. And we joint purchase Library Data Bases to help lower costs and eliminate needless duplication.
- We also host the largest academic job fair north of Boston every year for graduating seniors and alumni. We just held our JobFair, here in Manchester at the Center of New

Hampshire, where over 80 businesses purchased booths from us and nearly 400 students had the opportunity to share their resumes and meet with prospective employers.

- We conduct professional development conferences for faculty and administrators. Last fall we hosted Jeff Selingo, the Editor of the Chronicle of Higher Education who writes frequently on how change is coming to higher education.
- We host the New Hampshire Forum on the Future – a breakfast series, usually held in this room where we bring interesting speakers to address leaders from business, public policy and higher education on emerging trends and issues.
- The NH Scholars Initiative prescribes a rigorous core course curriculum for high school students. It better prepares them for college and career. It builds partnerships between K-12, Higher Education and the Business Community. All of Manchester’s schools participate. We coordinate workshops and conventions for students to learn about college admission, how to pay for college, career exploration events, ESL College Fair, etc throughout Manchester as part of their NH Scholars program.
- And, we market New Hampshire as “Your Destination for Higher Education” to students, parents and guidance counselors. We have a domestic website ([www.visitnhcolleges.org](http://www.visitnhcolleges.org)) to promote NH colleges and also an international website attracting foreign students ([www.studynh.com](http://www.studynh.com)). We offer programs such as College Mini Fairs and Guidance Counselor Tours.

All our work is directed by the NHCUC Board, which consists of the presidents from the member colleges and universities, including the four University System institutions, representatives from the seven community colleges, and the presidents of twelve private colleges and universities including, Dartmouth College, St. Anselm College, Southern New Hampshire University, Manchester Community College and the New Hampshire Institute of Art..

When Skip invited me to address you I was pleased to have the opportunity to reflect with you about the important role higher education plays in New Hampshire, and particularly here in Manchester, most especially on the topic of the economic impact of higher education. Indeed, each of the colleges and universities in New Hampshire takes seriously their responsibility to work in partnership with local businesses, local governments and within their local communities.

Without question Manchester is a College Town, with 11 higher education institutions located within and around the city. A quick analysis we conducted in our office suggests that these institutions have, at a minimum, a combined economic impact on the City of Manchester in excess of \$600 million, with 3,500 employees and over 30,000 students who regularly enhance the quality of life of this community in countless ways. It definitely is a sector of the economy worthy of support, examination and enhancement.

Colleges and universities rely on local governments for important services – police, fire, and a wide array of other critical expertise. Local governments rely on colleges and universities to serve as educational centers, as community resources, as research partners, and as organizations that elevate the quality of life in a community.

The work of the colleges, like any organization of course, is impacted by a number of outside forces. We are all clearly living in “interesting times!”

The economy continues to operate in a state of great uncertainty, our nation is still plagued by concerns over terrorism, and recent reports indicate that our children's generation may be the first in our history not to live economically better off than their parents.

Like you, higher education is trying to navigate through these very rough waters while addressing all kinds of new challenges. Challenges in new federal regulations, increasing demands for cost controls, and significant demographic shifts that are changing the landscape of not only our state and Manchester, but demographic shifts that are directly impacting higher education enrollment trends.

According to the National Center for Education Statistics, the expected 10% national increase in K-12 enrollment between 2005 and 2017 plays out differently across the country.

While enrollment increases are expected in 37 states, the 13 states with an expected decrease in enrollment include Vermont (-11.7%); Rhode Island (-11.4%); Maine (-8%); Connecticut (-6.3%); Massachusetts (-4%); and New Hampshire (-3.8%).

Reasons for declining enrollments in New England include the migration of employment opportunities to the West and South, and the aging of the population in New England, resulting in fewer births.

Births are down statewide, and the number of school-aged children in New Hampshire dropped by more than 15,000 from 2002 to 2012.

Overarching all of this is the stark reality that as a nation the United States, in just one generation, has lost its preeminence as a leader in higher education. Today we are listed as the

**tenth** most highly educated country among the industrialized nations of the world. Twenty years ago, we were listed as number one.

President Obama has announced a national goal of reclaiming our educational leadership position by 2020. While I suspect all of us applaud this goal, exactly how we are going to reach it is a bit unclear. But, whatever the approach, I can assure you it will not be accomplished if we do not find new ways for higher education institutions, and local and regional governments, to work in new models of partnership.

Many people believe that colleges and universities should be able to figure out the answer to this challenge - and to the multitude of other challenges out there - on their own. Let me assure you, nothing could be further from the truth. If we as citizens of the United States, as citizens of New Hampshire, and yes, as citizens of Manchester do not become mutually engaged, and engaged soon, with a strategy to regain our educational prominence, we will surely continue to lose educational ground. And, we just as surely, we will collectively suffer the economic and social consequences.

My message to you this morning, I hope, could not be clearer – or more bell like in its clarity - and frankly more direct, than to say that without your active partnership with higher education in whatever way you can contribute has never been more critical.

Contrary to popular perceptions, most higher education institutions in our country, and most especially here in New Hampshire, are not well endowed, resource rich institutions. Indeed, most New Hampshire institutions, both public and private, rely heavily on tuition dollars from students, not investment income, to fund their educational operations.

Every few years, the New Hampshire College & University Council completes an economic impact study of the colleges and universities in New Hampshire.

Conservatively, we estimate that the higher education institutions in the Granite State have a combined economic impact of close to \$5 Billion on the state's economy. Total operating budgets of our public and private higher education institutions is reported at just under \$2 billion.

Unquestionably, this is a significant amount of money and you may wonder where does all that money go? Certainly, a very large percentage is allocated to salaries; to over 17,000 direct employees, which results in more than 28,000 total direct and indirect jobs in New Hampshire, or roughly 3.5% of the state's workforce.

Without question, higher education is a very labor intensive industry and the jobs produced are mostly high knowledge and high skilled. You might say those are just the types of jobs any community would welcome and the kinds of jobs that are key to our famous "New Hampshire Advantage."

Additionally, close to \$300 million is expended in direct aid to students each year in order to make a higher education degree within the reach of close to 48,000 students receiving institutional aid annually. Another \$227 million was expended in capital improvements on campuses in the most recent study year.

I suspect there is no other industry in New Hampshire helping to keep the construction trades busy today than our higher education institutions. Right here in Manchester I would direct your attention to the amazing growth of the New Hampshire Institute of Art, which in the last few years has quite literally transformed and revitalized downtown; to Southern New Hampshire University which has grown tremendously in recent years with two new major buildings on

campus and a rapidly expanding online operation located in the mill yard. To the Manchester Community College, who is building out its campus and have aggressive building plans for the future needs of their rapidly growing enrollments.

And, right here on the campus of Saint Anselm College, you may have noted the new 47,000 square foot, 150-bed residence hall to open in August 2014.

Southern New Hampshire University is building a new library, a parking garage and within the past few years has broken ground on a new dining center and academic center, as well as renovating their student center.

MCPHS University has invested more than \$15 million in the Manchester campus to date. They have created approximately 100 jobs in Manchester. They contribute \$5 million annually to the Manchester economy. They have over 1,000 alumni, approximately 60% of the registered pharmacists in the state – in other words more than half of NH pharmacists are MCPHS alumni.

Manchester Community College just built a new student center picture here. MCC also opened a downtown center on Elm Street to introduce the nearby campus to area high school students, as well as business and residential neighbors.

UNH Manchester continues to invest resources in the Pandora Building in the Mills. As part of their Emerging Technology program they are working with area businesses to engage students in STEM-related projects. Their new library in the Mill Building is pictured here.

These expenditures are funded, of course, largely through student tuition dollars, and in New Hampshire this is truer than in most states. Let me share a few facts:

- New Hampshire ranks last in state funding to higher education per \$1,000 in personal income.
- New Hampshire also ranks last in state support for higher education per capita.
- We are usually listed last in state grant dollars to students
- New Hampshire is the only state in the nation to offer its students no scholarship aid from general Fund dollars to stay in state and go onto college
- We have the highest community college tuition in the nation, and close to the highest four year public higher education tuition.

Not surprisingly, New Hampshire has the highest student debt load in the country.

- We have the second lowest share of high school graduates who remain in the state for higher education (just over 40%...just slightly above New Jersey). Typically, you would expect about 18% of your students to leave your state. The New England average is around 39%.
- And, private, nonprofit colleges and universities in NH pay property taxes on their dining halls and dormitories, placing them at a distinct disadvantage as they compete with other private colleges in neighboring states who are not subject to property taxes as non-profit organizations.
- And, as I mentioned earlier, higher education in New Hampshire is facing important demographic shifts, including a sharp decline in the pipeline of high school students.

Let me assure you, these facts have the attention of the higher education sector here in New Hampshire, and I trust they might be of interest to you as a resident of the Granite State.

Well, if I haven't totally ruined your breakfast yet, let me see if I can't move on to some more encouraging news and help stimulate some thoughts that you might consider in developing a Higher Education Economic Impact Report for Manchester

I've already mentioned the "New Hampshire's Advantage" a few times this morning, and I would like to share with you my own hypothesis on why our state so consistently ranks high in national "quality of life" ratings. I believe our status as the country's "most livable state" can be directly tied to the fact that we are one of the nation's most highly educated states.

Obviously, when your state and city are highly educated you enjoy relatively low unemployment rates; residents are generally healthy; they are engaged in their local communities; they tend to vote; and they do not need to access social services and their income levels are high.

We must be doing something right in New Hampshire to be such an attractive place for highly educated individuals and families to choose to live here.

At the risk of sounding a bit self-serving, I would like to propose that it is the strength and diversity of our higher education institutions including right here in Manchester that serve as a major factor in securing our New Hampshire Advantage. These institutions are educating the future residents, engaged citizens and skilled workforce of tomorrow. And, as our nation's demographics continue to shift to the south and west, we will only prosper if we can maintain and grow our own educated citizenry.

So, given both the good news and the not so good news, it seems to me that the important question for all of us to ponder is: How do we make certain we maintain our "New Hampshire Advantage", especially right here in Manchester moving forward? Will we continue to hold onto the nation's "most livable state" status if we simply keep on doing what we have always

done? I would suggest that without some new level of engagement and commitment by all of us, our “Advantage” can all too quickly slip away from us – just as quickly as our educational leadership slipped away from us as a nation.

As Manchester looks to its future, one obvious advantage is the large number of higher education institutions located in the area. Other communities around the nation have taken important steps at leveraging their higher education resources to improve their quality of life and economies.

An increasing number of communities, along with higher education institutions are finding ways -- directly or indirectly -- to promote a mix of commercial and residential development to better serve students, faculty, staff and the wider community.

The University of Connecticut and Rochester Institute of Technology are developing new downtowns in unpopulated areas. The University of Pennsylvania and Temple University are, in different ways, reshaping their Philadelphia neighborhoods.

Mixed-use developments, which combine residential and retail space, are popular models. Developers are building up, not out, and creating complexes that are pedestrian friendly and adhere to a school of design called new urbanism.

At the University of Connecticut's main campus in the Storrs neighborhood, retention rates sagged for years and a College Board survey showed that admitted, undecided students listed lack of a vibrant commercial district as a leading reason for enrolling elsewhere. In partnership with the University, the local community is addressing this challenge.

While Manchester may not be ready for this level of investment, it seems ripe for housing intended primarily for graduate students, married students, young alumni and senior citizens. We

know that people are increasingly interested in living in close proximity to a mix of local and national retailers,

Manchester is home to **11** colleges and universities that educate more than 30,000 students. Yet, the truth is the city lacks a "college town" feel that many other cities experience.

When some people think of a traditional college town, they're usually thinking about a community that has a walkable district with an eclectic mix of establishments which cater to a younger customer base. These walkable districts are typically located adjacent to or are incorporated into the college/university's neighborhood. What Manchester has are 11 smaller colleges and universities physically located in or near the city but geographically dispersed.

A central area with a mix of businesses in close proximity that would ideally include coffee shops, retail and restaurants would go a long way in changing the feel of the city. Development of a master plan that would focus on bringing parts of the colleges and universities to downtown, with the idea that they will bring students, eventually spurring business creation is worthy of exploration.

Possible projects attractive to students might include construction of an outdoor ice hockey rink in Downtown; greater utilization of the Palace Theater as an anchor for a theater district that highlights student productions or shows that would attract students. A movie theater in downtown would bring students and others to the area. I understand Manchester currently has no movie theaters located within the city limits. Other ideas to consider”

- Graduate student housing linked to internships at businesses downtown;
- Shared program space for the colleges.

- Or something as simple as offering off-campus meal cards for restaurants, better transportation and more venues for college students younger than 21 years old to help get them into the city and student discounts at area retailers with signs “welcoming” student to the area.

Manchester has the capacity to get on a path toward integrating college life with city life.

A lot of times towns try to lead with retail. Perhaps thinking of a different approach of bringing the students and density to the area first and retail will follow.

- One additional thought is to look at the idea of colleges as **clusters of intellectual** capacity. In New York Governor Cuomo has divided the state into regions and asked college president and business leaders to co-chair strategic planning groups to identify the region’s challenges and opportunities and to develop plans for how to grow the region’s economy. Bringing the higher education leaders, along with the right business and civic leaders together to have this kind of conversation seems critical to me. This would mean asking the colleges in town to engage in authentic thinking about how best to plan Manchester’s future. Let’s be honest, there will be some trust issues, as the campus and city experience I suspect has historically been more based on what can I get out of you?
- The Stay Work Play initiative is located right here in Manchester, in partnership with the State Department of Resources and Economic Development, businesses, and higher education institutions - working to build a coordinated effort encouraging recent college graduates and people of any age, to consider living, playing and working here in New Hampshire. Perhaps there are things to be learned here.

Clearly, working in partnership is a cornerstone of “The New Hampshire Advantage” and one we all need to cherish and encourage.

Let me conclude with this thought – Manchester is truly a special place because of people like you, who have a deep commitment to maintaining and expanding the quality of life of this community.

You obviously already have an interest in Manchester’s future and its success, so I most definitely feel like I am preaching to the choir.

As you consider ways to leverage the Economic Impact of higher education in Manchester, conducting a baseline of data on the current impact of these institutions on the community, and most importantly, using this data to outline a strategy to leverage these institutions to build the kind of community Manchester can be in the coming decades is critical.

Your involvement, support, and commitment will pay off in numerous ways and it will undoubtedly have a direct impact on maintaining our famous “New Hampshire Advantage”, not only for ourselves, but most importantly for generations to come here in the City of Manchester.

Thank you for your attention.