

Rooted in Growth

## **Understanding and communicating institutions' roles as engines of economic development**

By Jennifer J. Salopek

Council for the Advancement and Support of Education

CURRENTS

November/December Issue

**Washington, DC**-Knowledge is power. More than a ubiquitous catch phrase used in numerous public awareness campaigns, it's a truth that education institutions universally embrace. The collective knowledge that professors, researchers, and students gather and share is the force that keeps campuses running. It drives not only mission statements and campus ideals, but also bottom lines as a growing number of campuses transform that knowledge into wealth for their communities.

In a July 2000 speech before the National Governors Association, U.S. Federal Reserve Chair Alan Greenspan said, "In a global environment in which prospects for economic growth now depend importantly on a country's capacity to develop and apply new technologies, our universities are envied around the world.... If we are to remain preeminent in transforming knowledge into economic value, the U.S. system of higher education must remain the world's leader in generating scientific and technological breakthroughs and in preparing workers to meet the evolving demand for skilled labor."

Education administrators have long known the economic impact their institutions have on surrounding communities and beyond. Increasingly, they are telling this important story as a way to build and strengthen good will.

In 2002, two national organizations, CEOs for Cities and the Initiative for a Competitive Inner City, released the results of their national study on the impact of higher education on urban economies. Although the study focused specifically on urban institutions, the insights it offers and action steps it outlines are applicable to virtually any institution.

The report, "Leveraging Colleges and Universities for Urban Economic Revitalization: An Action Agenda," points out that higher education institutions, in particular, are a stable economic influence. "More than half of the nation's colleges and universities are located in central cities and their immediate surroundings," it states. "Unlike corporations that relocate or are transformed by mergers and acquisitions, colleges and universities are largely enduring components of urban economies."

The report outlines six major ways in which these institutions can have "meaningful impact" on their communities: by purchasing goods and services, employing community members, developing real estate, incubating business, advising business and building networks, and developing and training segments of the larger workforce.

Whatever their size or location, virtually all education institutions participate in at least some of these economic development activities as a function of conducting their daily business. Recognizing the value of this economic development role and positioning and conveying it to important constituents are significant tasks for campus communicators. To carry them out successfully, they need to become informed advocates who think carefully about what to assess, how to coordinate the research and gather the data, and ultimately how to explain them.

## REASONS FOR ASSESSMENT

Knowing why to assess economic impact is an important first step. “Campuses are increasingly called upon to prove themselves good neighbors,” says Don Smith, vice president of economic development for the Mellon Pitt Carnegie Corp., a joint venture of the University of Pittsburgh and Carnegie Mellon University.

For public institutions, “It is a larger effort to explain how investments in the college or university benefit not only students but the public at large,” says Trey Davis, director of special projects for the University of California System. “We want to communicate a better sense of the value of the system as a whole as opposed to that of just one individual campus.”

Because public and many private institutions don’t pay property taxes, “The municipality may feel that it is not being compensated. An economic impact study brings those contributions to light,” says Irene Hegarty, director of community relations at the University of California, Berkeley.

Aligning an institution’s economic development role with its mission helps ensure that the assessment of economic impact gets the attention it needs. This task is easier for some institutions than others. “The business and economic development of the greater community is one of the college’s eight main mission purposes,” says Jana Kooi, president of Pima Community College’s Community Campus in Tucson, Arizona. And in the mid-1990s, the University of Illinois “almost made economic development our fourth mission, after teaching, research, and public service. However, some people got nervous; now we call it an ‘overarching role,’” says Lex Tate, associate director of university relations.

## WHAT TO ASSESS

Deciding what and how to measure also varies by institution. For Carnegie Mellon and the University of Pittsburgh, technology transfer is an important factor in attracting and keeping business in Pittsburgh. “CMU’s fortunes are tied to the fortunes of Pittsburgh,” Smith says. “We are dependent on the health and vitality of the local economy. Therefore, sharing our own contributions is enlightened self-interest.”

Technology transfer, a major area of activity that wasn’t included in the CEOs for Cities strategic framework, is “a formal transferring of new discoveries and innovations

resulting from scientific research conducted at universities to the commercial sector,” according to the Association of University Technology Managers. Smith says tech transfer is an economic development activity that somewhat levels the playing field for institutions because “impact is no longer directly proportional to institutional size.”

In an impact study released in October, the University of Hong Kong decided to define its impact in the broadest sense of the term. “[The study assesses] the impact of HKU graduates vis-à-vis the general economic, social, and political development of Hong Kong in the last century,” says Kitty Wong, assistant director of development and alumni affairs. One of the study’s major goals, according to a planning document, was to “bring out the role of the university as a breeding ground for leaders and pioneers, as a catalyst for change, and as a magnet for attracting expertise and talent.” It focused on the university’s role in preparing graduates for medicine, law, architecture, engineering, education, politics, social and civil service, and cultural endeavors.

Most of the information-gathering was done in-house; instead of number-crunching, however, the assessment was conducted mainly through interviews with alumni, faculty, staff, and prominent Hong Kong figures.

UC Berkeley communicators decided what to measure by asking themselves two questions: What is our story and to whom do we want to tell it? “We wanted a story that was not exclusively about Berkeley but about the whole Bay Area economy and how a major research institution fuels the economy,” Hegarty says. “But we also wanted to focus on the cultural and quality-of-life benefits, the ripple effect that results in things like an arts district, coffeehouses, and restaurants,” not just dollars and cents.

## COMMUNICATOR'S ROLE

The role of campus communicators is especially vital because “the notion of schools as engines of economic development has taken root but is poorly understood,” Smith says. Deciding what to say to constituents and how to say it should not be communicators’ sole responsibility, however. Instead they should be part of the decision-making processes.

Hegarty urges communicators to take an active role early on and help design the study. “For example, we wanted to include the volunteer activity at Berkeley in our report, so we asked for that at the start,” she says. Communicators also can provide a great deal of information to the consultants who often research and write the impact studies, she notes.

Knowing early on how the institution intends to use the information also can help determine the best vehicles for explaining economic impact results, something campus communicators know best. The University of California System will be releasing the results of a new study in spring 2003. “The information will be used to help tell the university’s story, and will take many forms,” Davis says.

## STORYTELLING

Once campus officials have assessed economic impact, they may choose to tell the whole story or to emphasize certain parts of it, depending on the audience and goals of the communication. Davis identifies city, county, and state government officials; business and industry leaders; and alumni as the primary audiences for the economic impact message of the UC System.

When the University of Illinois conducted its last economic impact study in 1998, the goal was to assess the “impact of a dollar spent” on the university, Tate says. Having studied other institutions’ reports, she concluded they were “too big, too dense, too detailed.” So out of the 100-plus pages of economic impact information U of I compiled, the communications staff spelled out 13 key facts and created a six-panel brochure for a general audience. “Impact Illinois: 13 Ways the University of Illinois Benefits the State” makes the numbers accessible and focuses on things most people can readily understand, including spending impact (\$1 of state money equals \$7.41 in economic activity), direct and indirect job creation, graduates’ lifetime earnings (more than double those of the average high school graduate), tax revenues garnered from those higher earnings, and long-term wealth, which compares the annual return of a U of I education to Treasury bills, stocks, and bonds. “You want people to say, ‘I didn’t know that!’” Tate says.

“Economic impact reports are usually so dry,” Hegarty says, so Berkeley staff members identified three goals for their communications effort: Make information accessible, put it in a format people can understand, and get the message across. The resulting eight-panel brochure her office created, “The Buck Starts Here,” focuses on four themes: jobs, business, talent, and ideas. UC Berkeley also created an interactive Web site based on the brochure that allows users to click directly to their main area of interest. “The data gathering took much longer than expected and delayed the release of the report” because some of the data were not routinely kept, Hegarty says. “In the future, we are likely to collect data annually and to publish it more often.”

A UC Berkeley newsletter, “Cal Neighbors,” which it distributes to 55,000 area residents quarterly, was also used to publicize the results of the impact study; a front-page story conveyed some of the most significant findings about direct and indirect spending, employment, and quality of life. As is the case with other institutions, Berkeley’s publication makes the information easily digestible with facts like these: “Every dollar UC Berkeley spends generates another 67 cents in Bay Area spending—a total of \$1.4 billion annually”; “Bay Area companies have been founded by 247 UC Berkeley alumni”; and “Every \$1 million UC Berkeley spends generates more than 20 Bay Area jobs.”

The University of Hong Kong published the results of its study in a book that breaks down the university’s contributions to the community into five major categories: a supplier of human capital, a provider of education opportunities, a seed for growth and prosperity, a pioneer, and a source of ideas, leadership, and problem-solving skills. The book takes an anecdotal approach, telling the stories of prominent roles played by graduates in industry and in the campaign to make Chinese the official language of Hong Kong.

Pima Community College's story is about work-force development. Pima updates its economic impact data annually and presents it both through the college's Web site and through the "pocket profile," a small printed publication. "The general community is not aware of our capabilities and the resources that are available," Kooi says. "We try to send a consistent message through marketing and public relations efforts using advertising and mailings, including the pocket guide, which we issue every year." Pima's five campuses also produce community newsletters that tell success stories and reach out to their respective regions.

Tate offers these tips on communicating economic impact:

Do a reality check. Assess what you have and what your institution is about. For example, U of I makes a great story out of its Institute for Competitive Manufacturing, which sends students to small to mid-size Illinois companies to help them solve problems.

Be imaginative with your interpretation of the numbers, without making things up. "It doesn't have to be a harsh calculus," Tate says.

Live in your niche. Know how people think about your institution, and tread carefully. "Economic impact may cause people to look at the university in a different way," Tate says. "Many don't like to think of it as businesslike; for them, it's all about teaching. You need to think through what you're saying so as not to seem like just another corporate entity."

Do honest research, and be extremely conservative in your estimates of impact.

Use everyday language and calculations to be clear and unambiguous. "Once you get the basic information and develop it as an important message, you can find lots of audiences," Tate says. "For the most part, people are very receptive. It turns their brains around as they learn to think of the university as more than a producer of students."

Find ways of recycling economic impact data. You can repeat the same message 10 different ways and it will still get an "Oh, wow" reaction from the audience, she says. "We use it until it's stale, then we use it a little more."

The University of Wisconsin System takes a somewhat different approach to publicizing impact. For three years it has sponsored an annual economic summit, most recently in October. "The summits have involved bringing together university, government, and private sector leaders in the state to address the state's economic development challenges," says Linda Weimer, the system's vice president for university relations. "They are part of our strong public service mission and the summits represent the only statewide conversation on these issues. They also serve as a communications tool to showcase what the university is doing in economic development."

IS THE STORY HEARD?

The success of these efforts depends in part on the initial goals. For some institutions, financial results are key. “Our efforts were broadly recognized to the point that legislators added some funding for the university to the governor’s budget in this biennium to enable us to do some special economic development projects,” Weimer says. “I think our work on the economic summit helped make that happen.” Tate suggests a different financial goal. “If you take the message to alumni and donors, they can then express their gratitude and approval by directing gifts to specific areas of interest,” she says.

For other institutions, a heightened sense of community awareness is all that counts. Ultimately, success depends on always keeping in mind the people on the receiving end of your economic impact messages. After all, Davis says, “The value of an economic impact report is measured by the extent to which you communicate the results.”

Jennifer J. Salopek is a freelance writer in McLean, Virginia.