

# New study shows impact of out-of-state students on the Maine economy

September 13 2016, by Margaret Nagle

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A new study about the University of Maine's out-of-state undergraduate students found that their activities generate a statewide annual economic impact of an estimated \$160 million, according to UMaine Professor of Economics Todd Gabe.

In addition to the annual economic contribution—including multiplier effects—in spending, Gabe found UMaine's out-of-state [undergraduate students](#) fill 1,332 full- and part-time jobs, and earn \$62 million in labor income (e.g., wages and salaries) each year. The direct economic impacts are interpreted as the economic activity supported by the spending of UMaine's out-of-state, undergraduate students on such expenses as housing and food, tuition, entertainment and clothing; and the expenditures made by their visitors.

In a School of Economics Staff Paper, released in August, Gabe based his analysis on UMaine's out-of-state undergraduates projected to be enrolled in fall 2016 and student expenditure figures collected in a primary survey.

This fall, nearly 45 percent of the incoming class of nearly 2,300—the largest in UMaine history—come from outside of Maine.

Gabe surveyed more than 300 students—more than 30 percent of them from outside Maine—enrolled in the spring 2016 semester about their spending habits on items such as housing, food, tuition, entertainment and clothing, as well as the spending on lodging and restaurants by their

friends and family members who visit from out of state.

Other key results of his analysis:

- UMaine's out-of-state, undergraduate students reside in the local area (Orono, Old Town, Bangor, Brewer, etc.) an average of 8.5 [months](#) per year; about 11 percent of these students are in the local area for 11 months or more. UMaine's out-of-state, undergraduate students spend an average of \$591 per month on housing—both on- and off-campus housing.
- UMaine's out-of-state, undergraduate students spend an average of \$518 per month in the local area on food and beverages, including expenditures on groceries, restaurant meals and drinks, and UMaine meal plans (for those students who live on-campus).
- UMaine's out-of-state, undergraduate students spend money on entertainment and recreation in the local area an average of three times per month, and spend an average of \$30 per month in the local area on entertainment and recreation.
- UMaine's out-of-state, undergraduate students spend an average of \$26 per month on clothing, and \$19 per month on games/hobbies/gifts/personal items purchased in the local area.
- UMaine's out-of-state undergraduate students host an average of six nonlocal visitors—"day only" and overnight—during the year. About 15 percent of these students host 10 or more visitors from outside the [local area](#).

Executive Vice President for Academic Affairs and Provost Jeffrey Hecker requested the study of the economic impact of out-of-state students.

"We made a conscious decision to increase the number of nonresident students enrolling at UMaine and President Hunter and I think it's important that we examine the short and long-term impacts of that

decision," he said. "Out-of-state students have an immediate and positive impact on Maine's economy and many of these students will contribute to Maine's future workforce. Attracting and educating the state's workforce of tomorrow is another way in which Maine's public research university serves the state."

Provided by University of Maine

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