

# **The Economic Impact of The University of Baltimore on The State of Maryland Economy**

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## **Executive Summary**

The University of Baltimore impacts the Maryland economy in many ways. The primary impact of the University is through its role as a means of investing in the “human capital” of the state by improving the education and skills base of graduates. By attending a college or university, a student enhances his or her basic education and develops new skills. Improvements in education and skills generally lead to better employment opportunities and, thus, increased income. The incremental increase in lifetime earnings for University of Baltimore graduates is:

- \$1.2 million for a 1985 University of Baltimore bachelor’s degree recipient;
- \$1 million for a 1985 master’s degree recipient; and
- \$1.3 million for a 1990 professional degree graduate.

This increase in earnings is a good investment for the State. For the 1985 cohort of University of Baltimore graduates the average bachelor’s degree recipient who remains and works in Maryland pays \$5 in additional taxes for every dollar of State subsidy received. The tax revenue/subsidy cost ratio for a 1985 master’s degree recipient was 5.3 to 1 and for a professional degree recipient was 5.2 to 1.

The University of Baltimore is also an important source of economic activity in Maryland. The increased earnings of University of Baltimore graduates stimulate new economic activity in the State. The incremental earnings of the 1985 cohort of University of Baltimore graduates creates \$484 million in economic activity (in constant 1999 dollars) over their work-life and the 1990 cohort of University of Baltimore graduates creates \$382 million in additional economic activity over their work lives. The University also contributes to Maryland’s economic base by attracting new spending, from non-resident student tuition and living expenditures and federal research grants and student aid. These sources of spending total nearly \$15 million in out-of-State supported economic activity associated with the University of Baltimore. This spending creates \$32 million in economic activity in the State and supports 419 jobs earning nearly \$10 million. These economic impacts occur in addition to the increases in economic activity associated with the incremental earnings of University of Baltimore graduates.

Using the broadest measures of both the state support for and revenues derived from the University of Baltimore, the University returns more tax dollars to the State of Maryland than it receives in subsidies, with the State receiving \$2.10 in revenue for each \$1 invested in the 1985 cohort and \$1.10 for every \$1 invested in the 1990 cohort.

The University of Baltimore also plays a critical role in providing a skilled and educated workforce for Maryland employers. Some of the workforce development impacts of the University are as follows:

- The University of Baltimore has a strong focus in training and educating persons in business and legal fields, with the University awarding degrees to 9% of the business majors and 57% of the law majors from all public and private colleges and universities in Maryland in 1999.
- The University of Baltimore awarded 2% of total bachelor's degrees issued, 4% of total master's degrees, and 28% of all professional degrees in 1999.
- The University of Baltimore is one of only two universities in Maryland that offers a professional degree in law. The University issued over half (56%) of the law degrees in 1999.
- In awarding degrees in business the University of Baltimore meets 6% of the estimated statewide demand for all business-related occupations. The University meets 7% of the arts occupations (communications and publications design). The University meets 9% of the State demand for psychologists. Finally, the University of Baltimore meets total demand in Maryland for lawyers.

The University of Baltimore also makes numerous important contributions to the educational, cultural diversity, and quality of life standards in Maryland. The University of Baltimore's role in supporting neighborhood and community development in and around Baltimore City is an important aspect of the University's mission and include the important role played by the University of Baltimore in supporting the revitalization and redevelopment of the midtown area in Baltimore City and the many outreach efforts of the University's faculty, staff, and students.