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The University as a Contributor to the Local Economy: Key Thoughts for Local Planners

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The University as a Contributor to the Local Economy: Key Thoughts for Local Planners

by John R. Mullin, Ph.D. and Zenia Kotval, Ph.D.

As we move into the twenty-first century, economic development officials are increasingly attempting to find new ways to "jump start" their local economies. Traditionally, this has involved, among others, finding appropriate land, ensuring there is adequate infrastructure, helping to train the local workforce, bringing financial institutions on board and assisting local entrepreneurs to bring their ideas to the market place. More recently, it has been also oriented toward ensuring that human capital is being invested into the community such that the local schools, recreation facilities, cultural attractions and public safety systems are all first rate. What has been too frequently undisplayed and understated in this mix is the role of universities, colleges and community colleges in the local economy. It can be extremely powerful and beneficial when combined with the activities noted above.

This article represents a concise contribution toward coming to an understanding of how these institutions can help at the local level. It's based on our experiences as faculty and administrators at five different universities across North America and, as well, as practicing economic development consultants in more than 40 communities where institutions of higher teaching have been located. We hope it is informative and helpful to you. Here are our thoughts.

Key Points

1. It's important to understand the mission of the colleges in your jurisdiction and nearby communities.

Not all institutions are the same. Private Universities such as Stanford, MIT and Duke have worldly aspirations; Land Grant institutions are more apt to provide outreach services to their respective states; private colleges such as Colgate, Dartmouth and Amherst will tend to be cloistered, while community colleges will have a sub-state, regional focus. How these institutions perceive themselves represents a critical starting point in gaining their help.

2. It is important that economic development specialists either participate in or have a firm understanding of the institution's Master Plan.

We have worked in two communities where two of the most highly regarded private colleges in the land have had a policy of not sharing their plans with the local communities. And yet, both are expanding, adding dormitories, classrooms, theatres and recreation facilities. All of these have an impact on the future of the community.

We have worked in others where the city requires the University to prepare and submit its Master Plan for approval by the City Council: they cannot build anywhere without such approval.

Above all, it's important to be "at the table": We have participated in a recent re-zoning project in Middletown, Connecticut where, because of the leadership of Wesleyan College staff, a very contentious set of issues were resolved without great difficulty. On the other hand, news of an expanding stadium at Boston College and an Arts Center at Williams led to considerable dispute.

3. Higher institutions need the community as much as the community needs them.

We know many universities and colleges that have become quite concerned that they are losing "market share" because of quality of life issues. Admissions staffs tell us that parents and potential students will come to the campus and be most impressed with the faculty and the beauty of the campus. And yet, outside of campus, the community looks depressed or has few attractions. Mount Holyoke College, realizing there was no town center nearby, worked with its host town, South Hadley, to create such a center. Designed by the renowned architect Graham Gund, this center now houses restaurants, bars, bookstores, grocery stores and the like. Both Amherst College and Wesleyan invested in downtown hotels to improve their quality of life.

It should also be pointed out that, in order to hire an outstanding faculty member, an institution must ensure that the "trailing spouse" also can have professional job opportunities. If the area is depressed and the campus is isolated from the surrounding community,

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then the chances of attracting this desired faculty member may be slim. Williams college, in North Berkshire, Massachusetts, was so concerned with the erosion of the economy that it became a critical participant in revitalization efforts.

4. All major universities are attracting affiliated think tanks to their borders: These can be tremendous economic boosts to an area and do not need to be on campus.

Take a walk along a typical campus street: You will often see, in an old house, for example, the Institute for Popular Economics, the Center for Asian Studies or the Iowa Center for Social and Behavioral Research. All of these bring wages, jobs and sizzle to a community. They should be encouraged to be embedded in the community and placed as close to downtown as possible. There is a great opportunity here, for more and more universities are encouraging their faculty members to develop these centers. And, at times, these can be expanded into major businesses. We know of one faculty member, for example, who developed an idea at one of the University's think tanks, developed a spin-off company and is now the owner of the largest privately owned business in the town.

5. Encourage campuses not to build shopping centers on campus.

In fact, we once lived in a community where the "locals" referred to the local campus as "Idiot Hell." We know of others where loud, boisterous and rowdy students are not wanted in the downtown and police treat their activities with little sensitivity. In areas where the towns treat the students as foes, many campuses are endeavoring to provide for all student needs within their borders. These will include everything from bars to pharmacies, bookstores and department stores. While the net result is the students are out of downtown there is also a significant economic loss. Consider this: There is anecdotal evidence that each student at the University of Massachusetts (Amherst) campus spends approximately $10.00 per day in the local economy. Given that the typical student spends about 200 days in the region and that there are approximately 25,000 students, the direct dollars involved is approximately $50 million. Imagine if the University developed a shopping complex and entertainment center that would keep them on campus? The loss would be significant. Indeed, we can illustrate this with a case study involving St. Lawrence University in Canton, N.Y. The campus bookstore expanded and expanded until it became the largest store in town. Whereas the University marketed its products to the students and they left campus about the 15th of December for the holidays, all goods went on sale in the middle of the shopping season. The townspeople flocked to the campus store, local businesses suffered and the business community was quite upset. Clearly, rowdy behavior must be controlled. Just as clearly, students must be welcomed.

We need to make several other points here. First, while students have spending money, they do not make capital improvements. They do not buy housing, automobiles or furniture (other than at flea markets). Nor do they use legal, financial or other professional services. In this sense, they skew the typical market place. Planners need to be aware of this. Secondly, while students increasingly have cars, large percentages do not. Therefore, mass transit is important. We have seen mass transit as simple as virtual rickshaws at Arizona State University or as sophisticated as the Five College System in the Five College Area of Massachusetts (covering Smith College, Amherst College, Hampshire College, Mount Holyoke College and the University of Massachusetts), the fact remains that mass transit counts. Thirdly, downtown merchants must recognize that the campus population is typically quite different

from the "real people" who live in town. Campuses encourage diverse, "different" people. So many of our rural campuses have minimal experience with the counterculture that it drives a healthy market awry. What happens when a purple haired, ring pierced, all black dressed, minority enters into a shop where the typical purchaser of goods is a suburban white woman? We know from our surveys that the students, too often, feel unwelcome. And yet, they are part of the community and they have money. We know that many of the students are arrogant, self-centered, sophomoric and independent. Yet, they need to be, alas, tolerated. Finally, we need to remember that student time is different from typical shoppers. When is the last time that a downtown merchant has seen a student at his/her door at the opening time in the morning? Stated alternatively, merchants must be open when the students shop: Later is better!

6. Colleges are increasingly becoming anchors in outmoded structures.

Up to the moment, at least, Colleges have been less concerned with the expense of building than the private sector. Moreover, they tend to build their structures for a longer time then the business community. For this reason, they may be candidates for taking on the revitalization of old structures. We can illustrate this with three examples. In Springfield, Massachusetts, Springfield Technology Community College (STCC) took over virtually all of the space and campus formerly occupied by the former Springfield Armory and later the Digital Equipment Corporation. Over time, it rehabilitated the buildings for campus use, a college sponsored incubator and stimulated the creation of a national historic site. All three activities are prospering. In fact, STCC is a recent award winner for its outstanding accomplishments from the United States Economic Development Agency. In Manchester, New Hampshire, the University of New Hampshire now occupies one of the famed mill structures that once belonged to the Amoskeag Corporation while in Malone, NY, the North County Community College occupies one of the town's old mills. In all three instances, the importance of these institutions to the local economy has been profound.

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7. Downtowns make great sites for extension and night school activities.

Every downtown, in order to succeed, must expand its hours of operation. In fact, we endeavor to create downtown plans that emphasize sixteen hours of operation. A cornerstone of this effect is to maximize evening activity. One such option is to bring extension and night school students into a campus branch center to the Downtown. These students spend money downtown and help to increase street traffic that adds to local color. We have noted this in Providence where the University of Rhode Island operates an extension center in the middle of the City's emerging entertainment district and in Greenfield, Massachusetts where hundreds of students per week use the Greenfield Community College campus, located in the middle of the shopping district.

8. The market for hotels is different in college towns.

A typical hotel attracts its customers over four nights (Monday, Tuesday, Wednesday and Thursday). Hotels in college communities typically attract their customers on Thursdays, Fridays and Saturdays. Thus, hotels in college communities need to make their money in one day less than average. To insure that this happens, the college, town and hotelier need to partner to work together such that schedules favor the market place. Such events/activities as homecomings, commencements, summer camps and the "great college tour" are coordinated. A given note on the "great college tour": We have increasingly noted a new American "bonding" experience: Parents are increasingly packing up the SUV's and visiting five to six colleges to determine the best fit for their offspring. The payoffs from these visits can be enormous: We know one college where 7000 visits were made but no hotels were nearby. A given note: When we pointed out these numbers to the college, they quickly invested in a local hotel that matched the character of its campus: It has been a tremendous success. Clearly, there are opportunities here.

9. College icons and symbolism are important.

If one looks around the community on a Saturday

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morning, one will see sweatshirts, car stickers and other college paraphernalia regardless of where one lives across America. And yet, so many downtowns ignore the college symbolism. We have worked in one "Ivy" level community where you could not buy anything related to the college on Main Street. And the merchants wondered why students did not frequent downtown!

If there are thousands of students in your community who want to visit your downtown and who still want to tie into university icons, where do they go? We know that anyone who has gone to a four year college will remember a "downtown spot" where they have been welcomed. Whether it is as famous as Yale's Morry's or the sleazy bar in your town, the fact remains that they are major contributors to town-gown relations.

10. Negative perceptions must be corrected at once.

If your community has a history of unwelcoming student behavior, of brutal action concerning student behavior or antagonistic reactions to students trying to purchase goods, then change must occur. We have found incidents of all of the above. The citizens in Newton, Massachusetts, next to Boston College, have little good to say about student behavior. Minority students at Wesleyan report "passive-aggressive" behavior when they walk into a shop (i.e., a shop clerk looking over their shoulders wherever they roam in the store). Finally, we worked in one college community where a tragic murder occurred more than ten years ago. And yet, when we undertook a survey of perceptions of downtown as a place to visit, resident after resident made reference to this tragic happening. Clearly, the safety of downtown had to be addressed constantly.

11. Students need a place to protest.

While this may only be indirectly related to economic development, students want to express their opinions within the public realm off campus. Towns should be supportive of such activities. To this end, we urge towns to make available town commons, public parks and other central areas for these purposes. The end result is that the students have a sense that the town is part of their everyday life. We know that this approach will not be easy. However, given the notion of public protest within downtowns, we believe this approach will be meritorious.

12. The seriousness of life is a "turn-off" for student markets.

While no one wants to put obstacles in front of people who need employment, alcohol rehabilitation, drug assistance or social security assistance, the fact remains that, when they are located within major shopping areas, they take away from the vibrancy of the local market experience: They need to be located nearby but not on the central market street. In college communities, the location of anything that takes away from a youthful, free spirited market place will cause a decline in market sales: students do not want to be reminded of the struggle of everyday life.

13. College communities attract an "edginess" population.

We used to call such people "hippies." The fact remains that college communities continue to attract people who can be considered "counterculture." They range from the dropout to the druggie to the Ph.D. candidate driving a taxi. All of these folks will be frequent visitors to downtown. They must be welcomed.

14. College markets are "youth oriented."

The needs of college students are not the same as the typical marketplace. They tend to "impulse" buy inexpensive low end goods, purchase books and buy food. Above all, it is important to realize that the majority of students are under twenty one years of age (below legal drinking age!) In short, given snub appeal (Talbot's) or "The House of Second Chances," the latter will have a better chance of success.

15. Physical connections to the campus are important.

These connections range from walkways to bike routes, bus connections and walking trails. The key point is that the connections between campus and downtown must be seamless.

A Summary Note

There are others. We hope that you all can share them with this newsletter. As a final note, town gown relations are exciting, traumatizing, unique and special. They change so constantly that they keep economic planning on edge. At the same time, the contributions that they bring to the town are enormous. To us, nothing could be better.

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