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The University of New Brunswick (UNB) creates a positive impact on the provincial economy. This analysis looks at the effect of decreasing UNB's provincial funding by 5% and 15%, or by \$6.4 million and 19.1 million, respectively. Results of the analysis reflect the 2013-14 analysis year.

### IMPACT ON THE PROVINCIAL ECONOMY

During the 2013-14 analysis year, UNB and its students added **\$1.2 billion** in income to New Brunswick's economy, approximately equal to **4.5%** of the Gross Provincial Product. This significant impact stemmed from provincial government support. The two types of sub-impacts most directly affected by a decrease in provincial funding are the operations and direct research spending impacts, which make up **\$226.2 million** of the \$1.2 billion.

#### University operations spending impact

- UNB employed 1,991 full-time equivalent (FTE) employees in 2013-14. Payroll amounted to \$184.5 million. The university spent another \$108.1 million to support its day-to-day operations.
- The net impact of payroll and expenses toward day-to-day operations in New Brunswick during the analysis year was approximately \$194 million in added provincial income.

#### Direct research spending impact

- Research activities of UNB impact the provincial economy by employing people and making purchases for equipment, supplies, and services. They also facilitate new knowledge creation.
- Direct research spending of UNB generates \$32.2 million in added provincial income for the New Brunswick economy.

### DECREASING UNB'S FUNDING FROM THE PROVINCIAL GOVERNMENT

We use an implicit multiplier to calculate the estimated change of UNB's economic impact from decreasing provincial funds. This implicit multiplier takes total impact and divides it by the university's revenues, including provincial, used to achieve the impact. For the purpose of this analysis, the potential funding cut is distributed evenly across both operational and direct research activities.

#### Decrease in provincial funding by **\$6.4 million**

- A \$6.4 million cut evenly across the university (reduces provincial funding for day-to-day operations and research each by 5%) will decrease UNB's impacts in terms of provincial income by **\$7.3 million** and provincial sales by **\$9.3 million**.

#### Decrease in provincial funding by **\$19.1 million**

- A \$19.1 million cut evenly across the university (reduces provincial funding for day-to-day operations and research each by 15%) will decrease UNB's impacts in terms of provincial income by **\$21.9 million** and provincial sales by **\$27.8 million**.

#### SALES VS INCOME

Sales includes all the intermediary costs associated with producing goods and services. Income, on the other hand, is a net measure that excludes these intermediary costs and is synonymous with gross provincial product. For this reason, it is a more meaningful measure of new economic activity than sales.