Economic and Community Impacts of the University of Pittsburgh at Bradford, 2012

Final Report

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Executive Summary

The University of Pittsburgh at Bradford has generated important impacts in the city of Bradford, the Bradford community and North Central Pennsylvania region over the decades. In the most recent years, the institution has expanded and become an even more critical part of Bradford and its regional economy. As we move further into the 21st century, Pitt-Bradford’s role will likely expand even more, helping to grow the region, improve the quality of life of its residents, and add to prosperity across sectors.

This report analyzes the extensive economic and community impacts of Pitt-Bradford in the region. The University of Pittsburgh at Bradford has the following important economic impacts from its expenditures in the local economy:

- The University of Pittsburgh at Bradford contributed $39.7 million in direct expenditures to the North Central Pennsylvania region in 2011, with a concentration of funds in McKean County. Students through off-campus living and discretionary spending in the region contributed an additional nearly $10 million in direct expenditures to the region.
- Pitt-Bradford generated $67.5 million in the regional economy in 2011. This includes the direct expenditures of the University and its students plus the indirect and induced effects created from these expenditures.
- The University of Pittsburgh at Bradford contributed $45.3 million in economic output in the McKean County/North Central Pennsylvania region.
- The University of Pittsburgh at Bradford supported a total of 740 jobs in the region in 2011, attributable to activities of the University and spending of its students. This included 555 direct jobs plus an additional 184 positions produced by the indirect effects of the University’s expenditures in the region and the induced effects of consumer spending for goods and services.
- Expenditures on capital projects at the University of Pittsburgh at Bradford campus have increased significantly over the most recent decade. Between 2001 and 2010, capital project expenditures averaged over $6.3 million annually, a significant increase from just under one million dollars annually, on average, between 1996 and 2000.
- Pitt-Bradford contributed $134,682 in local taxes between July 2010 and June 2011 through local payroll taxes.
The University of Pittsburgh at Bradford also plays a critical role in community development and planning in Bradford and the region. Key findings include:

- The University of Pittsburgh at Bradford has developed into an anchor institution in the region. Its civic engagement extends from community economic development through local capacity building and scholarly engagement in growth sectors in the region, particularly energy, natural resources and tourist management.
- Pitt-Bradford is a critical source of increased educational attainment in the region and a major force in the education and skill development of the current and future workforce of the region. Pitt-Bradford’s presence has raised the level of human capital in the North Central region, attracting newcomers to the area and retaining local students who choose to attend the campus and stay in the area.
- For many local employers, Pitt-Bradford graduates are critical for their workforce and for continued and future hiring. For many professions in the region, Pitt-Bradford graduates are retained in the region through employment in firms and organizations, especially in the nursing, human relations, and business management fields.
- The legacy of the oil and gas industry represents a significant opportunity for the institution. The Energy Institute and related activities, including its resurrected Petroleum Technology associates degree are strong building blocks for this continued growth.
- Pitt-Bradford is an engaged partner in planning in the City of Bradford. The Seneca Building in downtown Bradford represents an important asset for both the University and city. Along with concerted planning efforts and engagement, the University has an active role in planning for revitalization in the downtown area.
- Pitt-Bradford and the greater Bradford community have developed additional strong partnerships in several mutually beneficial areas, including leadership on boards and advisory councils and applied scholarship in growth sectors of the regional economy, including tourism management and outdoor resources. Its role in partnering in trail development and its location within a few miles of the Allegheny National Forest (ANF) offer numerous opportunities for continued and expanded University engagement through academic coursework, engaged scholarship, community initiatives and partnerships.
- Pitt-Bradford collaborates with the Bradford Regional Medical Center, the principal medical institution in the area, and, in so doing, has laid the groundwork for broader future collaboration.
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Economic and Community Impacts of the University of Pittsburgh at Bradford

The University of Pittsburgh at Bradford plays an important role in the community and economic life of McKean County and the North Central region of Pennsylvania. The impact of Pitt-BRADford has evolved over the decades, as the institution has grown and developed, but, in recent years, it has become an increasingly influential force in Bradford, McKean County and the North Central region of Pennsylvania. Pitt-BRADford embarked on systematic strategic planning in 2003 to grow the institution and expand its impact in the region, and over the decade, it has succeeded in both.

Higher education institutions in Western Pennsylvania perform multiple roles in their municipalities and regional economies. Most importantly, they educate our next generation, which represents a critical component for most regional economies. Higher education institutions are also among the largest employers in their regions, having important economic impact roles. Their importance extends from economic development to community impacts, as well as their important work involves civic engagement in their local communities.

The University of Pittsburgh at Bradford was established in 1963, and, over its first fifty years, the institution has seen a remarkable growth and change. From a two-year regional campus institution of the University of Pittsburgh, today Pitt-BRADford has over 1,600 students, most of whom remain at the institution for their full four-year program. Pitt-BRADford offers 36 majors in its four-year degree programs, with 2 graduate degrees, 5 associate degree programs. More than forty percent of Pitt-BRADford students are the first in their family to attend a higher education institution and over 90 percent receive some form of financial aid.

As Pitt-BRADford has developed and grown, so has recognition of its multiple roles as an institution: teaching, research, job-related training, community involvement, engaged scholarship and service learning, volunteerism, recreation and enrichment. Its maturation as a community presence is well developed, and, as a result, it has become an important anchor institution in McKeans County and the North Central Pennsylvania region. It is a major source for economic and community development in helping to improve the quality of life in the region and, as the institution moves into its second half century, it will continue to expand its impacts in the region.

BRADFORD CONTEXT

As in many communities across Western Pennsylvania, Pitt-BRADford is located in a county and a community that faces significant challenges due to the interrelated loss of both industrial
The city of Bradford had a population of 8,770 in 2010, down 4.4 percent from 2000 and an 8.8 percent drop from 9,625 residents in 1990. The region has seen losses in manufacturing, retail and employment. Nevertheless, Bradford is still the most significant economic generator in North Central PA and the most important center of employment between Erie and State College.

The pillars of the Bradford area economy are: a) oil and gas refining, b) paper and wood production, and c) metal fabrication. The oil and gas industry, a long-standing specialization for this part of Pennsylvania, is crucial to the regional economy, both in terms of current employment, future prospects and research. The American Refining Group (ARG), a company that was re-structured and expanded under new owners in the mid-1990s, plays a major role in the range of employment opportunities both for Pitt-Bradford graduates and for the workforce at large, and has long standing ties to the University.

The Zippo Corporation, probably the region’s most widely known company, continues to market successfully the metal lighters that were originally sold in the 1930s. Zippo purchased W.R. Case and Sons and, in recent years, has expanded into other fields as well. Zippo/Case is not only the largest single employer in town, 1,117 employees in 2009, and the 2nd largest employer in McKean County, it is also a major regional marketing asset because of the worldwide recognition of its products.

Other significant corporations located in Bradford or nearby include: Bradford Forest Inc. (hardwoods), Bradford Forest Products, Allegheny Bradford Corp. (sanitary stainless steel products), Dresser Manufacturing (pipe fittings, valves and couplings), Georgia Pacific Packaging (corrugated cardboard products), KOA Speer Electronics (distributor of electronic components), Keystone Powdered Metal Products (powdered metal parts), Microtech Knives (firearms and cutlery for the military and law enforcement), Saint-Gobain Containers, Wal-Mart, and Werzalit (wood products.)

There are also significant employers in the governmental and non-profit sectors and these are among the largest employers in McKean County: Bradford Regional Medical Center, Beacon Light Behavioral Health, Bradford Area School District, Federal Correctional Institute—McKean and the University of Pittsburgh at Bradford.

The range of employment opportunities is unusual for a town the size of Bradford and a rural region. In comparison to many other small Western Pennsylvania towns where the economic

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1 Though Pitt-Bradford is located in Bradford Township and not the city of Bradford, its proximity and presence make Bradford the “home” community for the purposes of understanding the institution’s role in civic engagement. It is equally engaged in Bradford and Foster townships, but the extensiveness of its presence in Bradford is more of the focus of this section.
base has declined, the regional economy retains an expansive private sector base alongside a significant group of governmental and non-profit organizations. There is a strong basis for future growth and the University is a critical element in this process.

ECONOMIC IMPACTS

This report estimates the economic impact of the University of Pittsburgh at Bradford in McKean County and the greater North Central region of Pennsylvania. Pitt-Bradford’s economic impact on employment, income and economic output in the economy in the Bradford area goes beyond the direct expenses of the University. We estimate economic impacts through a regional input-output model that uses the institution’s revenues and expenditures, student data, investment returns, and off-campus spending by students, parents, alumni and other visitors to calculate the total economic impact of the institution on the region.

That the University of Pittsburgh at Bradford is a unique institution is reflected in both its history and geography. That is important in estimating its economic impact with an Input-Output model. The fact that no college or university existed in the region before Pitt-Bradford was established in 1963 argues that as an economic engine, Pitt-Bradford is entirely a net gain for the county and region. The institution is competitively selling a product to students who have the option of enrolling at other institutions elsewhere in Pennsylvania or in other states. By attracting students from elsewhere and retaining local students who could have enrolled elsewhere, the spending of both Pitt-Bradford and its enrolled students contributes to the size and growth of the region’s economy.

Students who come from the local region and students who come to Pitt-Bradford from outside the region are treated somewhat differently in the model. For those students who come from outside the region, it is likely that many of them would have enrolled elsewhere if the University of Pittsburgh at Bradford were not an option and thus, would have taken their economic activity to other locations. They bring dollars to the region.

Direct economic impact also is derived from local students who attend Pitt-Bradford instead of attending college out of the area. When local students enroll at the local institution, the economic activity they generate is retained in the region, creating an import substitution effect. For this reason, the economic impact analysis can be interpreted as if the bulk of the economic activity being generated were regional “exports,” that is economic activity that would not have occurred in the region, if not for the presence of Pitt-Bradford.

The direct economic impacts presented in here are based on financial data provided by the University of Pittsburgh at Bradford supplemented by calculations based on assumptions discussed in the following sections. The direct economic impacts are assumed to include all
institutional expenditures at the University of Pittsburgh at Bradford campus as well as the subset of expenditures of students enrolled at the institution where those expenditures are not captured by direct expenses of the university itself. These additional expenditures will include 1) housing for students who are not residents of university-owned or leased housing and food, and 2) related expenditures for those expenditures not captured by university services and billed to students directly.

The total economic impacts, including total spending, total jobs, and total value added (gross domestic product), were calculated using the IMPLAN economic impact software package. The specific geography studied using the IMPLAN software included the counties of McKean, Elk and Warren in Pennsylvania and Cattaraugus County, New York (see Figure 1). Other nearby counties, including Cameron, Potter and Forrest, were excluded because their small population and employment base limited the data available for them; their inclusion would only have minimal impacts on the final results.

Figure 1. Four County Economic Model Region
This economic impact calculation was completed using IMPLAN version 3 model distributed by MIG Inc. IMPLAN is a standard economic impact tool based on Input-Output methodology. The IMPLAN model traces back to work by the U.S. Forest Service to develop an impact model in the late 1970s that focused on forestry and resource based communities. As such, it is an ideal model for studying the regional economies of areas such as North Central Pennsylvania. Beginning in the 1980s, the University of Minnesota developed a version of the IMPLAN model for a broader range of users and in the 1990s, the Minnesota IMPLAN Group (MIG) was formed to maintain and update the IMPLAN model. The University Center for Social and Urban Research used the basic IMPLAN data from the MIG group for the following four counties: McKean, Elk and Warren in Pennsylvania and Cattaraugus in New York. Except where specified, all results presented represent the total economic impacts across these four counties, though the bulk of all impacts is estimated to occur in McKean County.²

² The basic methodology for setting up the IMPLAN model follows from Alward (1999).
Input-Output analysis examines the linkages across industries in a specific region. Because most establishments purchase goods and services from other establishments in a given region, the total economic impact for an enterprise is not limited to its direct impacts. Direct impacts are generated by the spending and economic activity of a specific establishment. Input-Output models then trace the flow of those direct purchases and expenditures to the indirect and induced spending they generate. These flows are measured as originating with a change in economic activity from direct spending in the region, in this case from the University of Pittsburgh at Bradford. Indirect economic impact is created by the supply requirements and linkages of the project or institution analyzed. Indirect economic activity is also measured as indirect employment, also called intermediate employment. Induced economic impact is generated from the purchases made from the wages and salaries directly distributed to workers, and induced employment means the jobs that are created by the re-spending of these wages by both the employees of the project being analyzed and the employees of any secondary economic activity simulated by the project. For this study the change is the total economic activity associated with the University of Pittsburgh at Bradford.

In addition to the expenditures of Pitt-Bradford itself as captured by university accounting, a significant amount of economic activity is generated by enrolled students and their spending activity within the region. Patterns of student spending are presumed to differ between those residing in university housing and those residing in the community. For students staying in on-campus housing, all food and housing expenditures are presumed to be provided university services which will be captured by the university’s direct expenditures.

Students residing on campus are presumed to use university-provided services for their primary food expenditures, with estimated additions. Certain other expenditures including course-related books and specific services provided by the campus on a fee basis will be captured by the direct expenses of the university itself. Students in off-campus housing may directly generate housing demand in the local community and are presumed to generate demand for food and meal services during the portions of the year they reside in the region.

The economic impact of the Bradford Campus includes both the impact of its ongoing operations and capital expenditures which vary over time. The economic impact here includes the total project expenditures on capital projects in 2011. While the economic impact associated with capital projects, generally construction expenditures, are temporary in themselves, the sustained level of capital expenditures has been increasing. Average capital project expenditures have exceeded $6.4 million annually over the years 2001 through 2011, significantly higher than the average level of capital expenditures of $987,000 dollars annually between 1996 and 2000 (see Figure 2).
Inputs

Direct spending of the University of Pittsburgh at Bradford for fiscal year 2010-2011 (July 1 through June 30) was calculated to be $39.7 million in FY2011 (see Table 1). This amount was used as the primary input into the IMPLAN model. Following spending on salaries, fringes and supplies, auxiliary fees and capital projects for construction added an additional $16.0 million to UPB expenditures in 2011.

<table>
<thead>
<tr>
<th>Area</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and General</td>
<td>$21,326,579</td>
</tr>
<tr>
<td>Auxiliary fees</td>
<td>$7,169,184</td>
</tr>
<tr>
<td>Restricted</td>
<td>$1,166,896</td>
</tr>
</tbody>
</table>

3 University direct expenditures were allocated among IMPLAN Sectors #293: Private junior colleges, colleges, universities and professional (also NAICS industry code 6112-3), #413: Food services and drinking places, #386 Business Support Services, #393, and Other private educational services.
The largest amount of direct economic activity not captured by the university’s own expenses comes from additional student spending. These expenses are included both for students residing in university housing and for those who reside off-campus. For the 2010-2011 year, Pitt-Bradford enrolled 1,463 full time and 129 part time students. The full time students included 963 students residing in university housing and 465 students who were not residents of university housing. The impact of housing expenses for on-campus students are captured in the university’s direct expenses above as largely auxiliary fees. Students in off-campus residences can be expected to have a direct impact on local real estate markets. Even in situations where students reside at home, if they were to attend school elsewhere, it is likely they would incur expenditures for housing in another region. The ability to capture or retain those expenses is considered a benefit to the region and is included for all off-campus fulltime students.

To estimate the spending on housing for students not living in University housing, estimates for housing costs were obtained from the American Community Survey (U.S. Census, 2012). In the 2006-2010 period, the median gross rental housing costs per person in McKean County were $553 per month. This results in total real estate expenses of $2.4 million for the year. These real-estate specific costs were input into the model as industry changes for IMPLAN sector #360 Real estate establishments.

While many students were residents of the region prior to matriculation at Pitt-Bradford, a basic assumption is that those students would seek similar opportunities outside the region, creating a potential loss of economic activity when local students matriculated to institutions elsewhere. This situation is not presumed to be the case for part-time students. Based on an assumption that the part-time students would likely not leave the region if not enrolled at Pitt-Bradford, the additional spending of these part-time students is not included in the inputs to the economic impact model.

We also estimate the food expenses for students living in off-campus housing. Off-campus students are presumed to spend an average of $268 per month on food expenses not including prepared meals and other expenditures at eating and drinking establishments.\footnote{The U.S. Department of Agriculture (USDA) 2011 estimate of average expenditure for food per month for a single person, aged 19-50, with a moderate budget was $329.35. Based on other research, student expenditures for non-}
students living off-campus who are presumed to be in the Bradford area year-round, the total food expenditures are estimated to be $1.5 million per year. These total food expenses were input into the model via a change in industry sales for IMPLAN sector #324 Retail Stores – Food and beverage.

Finally, students spend other money in the region. Students residing both on campus and off-campus were presumed to buy meals and beverages at restaurants and other establishments in Bradford and the area. This generates an additional $93 of spending per student per month, for a total amount of additional food and beverage spending of $1.2 million over the course of the year.\(^5\) Student discretionary spending other than on housing and food expenditures is estimated to be $366\(^6\) per student with on campus students presumed to reside in the region part of the year while off-campus students are presumed to reside in the region twelve months per year. These expenses are spread over a number of individual industries that are an input into the model via IMPLAN sector #426 Retail Stores – general merchandise. Pitt-Bradford students were estimated to contribute an additional $10.8 million in spending for goods and services in the local economy in 2011 (see Table 2).

\(^5\) Also based on Paulin (2001), a ratio of 34 percent between expenditures of ‘Food away from home’ and ‘Food at home’ for college students was employed.

\(^6\) An estimate of these discretionary expenses other than room and board comes from Harris Interactive (2002) which estimated that in that 2002, college students spent an average of $287 a month on discretionary items, such as snacks, entertainment, travel and technology, or $366 per month in 2012, adjusted for inflation.
Table 2. Local Expenditures by University Students for Goods and Services, 2011

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>Number</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Off-campus students -- housing</td>
<td>465</td>
<td>$2.4 million</td>
</tr>
<tr>
<td>Off-campus students – food expenses</td>
<td>465</td>
<td>1.5 million</td>
</tr>
<tr>
<td>All students, discretionary spending</td>
<td>1,592</td>
<td>5.7 million</td>
</tr>
<tr>
<td>Total Effect</td>
<td></td>
<td>$9.6 million</td>
</tr>
</tbody>
</table>

Results

Using the IMPLAN model, the total economic impact of the University of Pittsburgh at Bradford in 2011 for McKean County and a four county region of North Central Pennsylvania was $67.5 million. This economic activity produced a total of 740 jobs. These impacts reflect permanent and long-term changes in the region’s economy that result from the ongoing operation of the campus.

The breakdown of how this economic impact is distributed between direct, indirect and induced economic activity is summarized below. The direct effects of $45.3 million (see Table 3) and 555 jobs reflect both the economic activity of the university campus itself and the direct impact of expenditures of resident students within the community. Indirect economic effects of $10.3 million and over 77 jobs are generated by the supply requirements and linkages of the project or other economic activity analyzed. Induced economic impact of $11.8 million and over 106 jobs results from the further re-spending of wages by both university employees and the economic activity that spending generates within the community.

Table 3. Economic Impact Summary – University of Pittsburgh at Bradford, 2011

<table>
<thead>
<tr>
<th>Impact Type</th>
<th>Value Added</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Effect</td>
<td>$21,950,422</td>
<td>$45,330,599</td>
</tr>
<tr>
<td>Indirect Effect</td>
<td>$5,932,457</td>
<td>$10,346,152</td>
</tr>
<tr>
<td>Induced Effect</td>
<td>$7,151,103</td>
<td>$11,795,994</td>
</tr>
<tr>
<td>Total Effect</td>
<td>$35,033,982</td>
<td>$67,472,745</td>
</tr>
</tbody>
</table>
Economic impact can be measured in multiple ways. Economic output is the broadest measure of economic impact and includes purchases of intermediate goods, plus value-added, or compensation and profit. Output can also be thought of as gross sales. If the university were not to exist, some jobs and economic activity would shift within the region. Value added is a measure of Gross Regional Product, analogous to the national concept of Gross Domestic Product (GDP) that broadly reflects the net impact of the university compared to an alternative where the institution was not present in the region. Labor income measured here also reflects the net impact on the region’s economy compared to the alternative without the campus.

The institution’s net contribution to Gross Regional Product was estimated to be $35 million in 2011. A total of 740 jobs can be attributed to the University of Pittsburgh at Bradford in 2011. This includes direct full-time equivalent jobs of 555, plus the indirect and induced jobs generated by employee spending and University induced expenditures (see Table 4).

<table>
<thead>
<tr>
<th>Impact Type</th>
<th>Employment</th>
<th>Labor Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Effect</td>
<td>555.4</td>
<td>$16,715,777</td>
</tr>
<tr>
<td>Indirect Effect</td>
<td>77.5</td>
<td>$2,500,229</td>
</tr>
<tr>
<td>Induced Effect</td>
<td>106.8</td>
<td>$3,545,638</td>
</tr>
<tr>
<td>Total Effect</td>
<td>739.8</td>
<td>$22,761,644</td>
</tr>
</tbody>
</table>

The impacts of Pitt-Bradford extend across many sectors of the economy beyond the educational sector. University purchases, salaries paid to faculty and staff, and student spending all generate additional economic impacts in the region. The impacts are concentrated in local goods and services, including the hospitality industry, business support services, food services, retail stores, real estate establishments, hospitals, and health practitioners.

In summary, the economic impacts reported here represent the permanent and long run impacts of the University of Pittsburgh at Bradford on the region. The estimates are inherently conservative in nature. Being based on the direct expenditures of the university and direct expenditures of the students while enrolled at the University, the estimates reflect the economic impact of Pitt-Bradford as if it were a commercial enterprise operating in the region. Intangible benefits of the university e.g. enhancing the human capital of the region, go beyond the economic impacts quantified here and are discussed in the following section.
COMMUNITY ENGAGEMENT

Pitt-Bradford plays an important community role in the city of Bradford as well as in Bradford and Foster Townships. From our interviews, respondents clearly recognized the importance of the institution to the region and were positive about relations. Without exception, respondents supported the University’s efforts to interact with the community. Several suggested ways that the university could expand its successful record of positive community relations in order to pursue more extensive partnerships throughout the region.

From a strong base in volunteer support to a growing number of service learning projects between faculty and students and community partners, Pitt-Bradford’s community impact is expanding. With civic engagement efforts across the institution and faculty/student projects spread throughout the region, Pitt-Bradford today can be accurately called an “anchor institution” in McKean County and the North Central Pennsylvania region. Anchor institutions across the country have helped to create conditions and partnerships to improve conditions in their home communities and help to improve residents’ quality of life. The University of Pittsburgh at Bradford plays major roles across both community and economic affairs of the area, and its engagement works well with its mission in education, service, training and increasing human capital in the region.

Anchor institutions help to improve community relations in the neighborhoods and communities “in which they reside,” (Axelroth and Dubb, 2010, p. 3). We have identified four areas of community activity.

1. Community economic development
2. Local capacity building
3. Scholarly engagement and community partnerships
4. Neighborhood events and participatory activities

Community economic development

In terms of general community development for Bradford and the two adjoining townships, Pitt-Bradford has collaborated extensively with community economic development organizations, and, particularly, with Bradford’s Office of Economic and Community Development. This agency serves as a facilitator for companies interested in investing in the Bradford area and handles inquiries regarding investment opportunities, real estate, economic and population information, potential investment sources. The five person staff -- four of
which graduated from Pitt-Bradford -- manages the Bradford Development Project, a non-profit agency, the Keystone Opportunity Zones and an Enterprise Zone.

Pitt-Bradford recently participated in the development of Building a Better Bradford Master Plan, with President Livingston Alexander and Vice President Rick Esch as members of the steering committee. Under the direction of the City of Bradford Office of Economic and Community Development, the impact of this Master Plan, once completed, is expected to be significant. It includes a number of projects that focus on beautification and appeal as well as several that will have economic benefit. It builds a multi-municipal plan for the City of Bradford, Foster Township, and Bradford Township. Its main elements focus on residential development, economic development, building improvements, zoning, infrastructure, health issues in McKean County, and revitalization of the core.

The University has also taken an important real estate stake in downtown Bradford through the Seneca Building. The University received the building from a donor Robert J. and Mary B. Weiss of Warren, PA, in 2006, one of the largest gifts to the institution. They gave the gift in memory of Pitt alumnus Dr. Paul Orville Keverline, with whom they owned the Seneca Building and who died in a twin-engine plane crash in 2002. The Seneca Building serves as a high-profile presence for Pitt-Bradford in downtown Bradford. With the gift, the institution invested in improving the building. Today, the Seneca Building houses the Division of Continuing Education and Regional Development, the Business Resource Center, the Center for Rural Health Practice and classrooms for continuing education, the entrepreneurship program, and a number of commercial enterprises. With a real estate holding in downtown Bradford, Pitt-Bradford has expanded its presence in the City and brought more people to downtown through its programs and other businesses in the building.

Pitt Bradford is an active partner in planning in the region, as a member of the North Central Pennsylvania Regional Planning and Development Commission, the designated Local Development District (LDD) and Rural Planning Organization (RPO) of the six counties near Bradford (McKean, Potter, Elk, Jefferson, Cameron and Clearfield). Dr. Alexander serves on the board for McKean County and thereby establishes an active link to the state LDD and RPO in the region.

An area of concern relative to community revitalization is the condition of housing in the city and the lack of rental apartments for students as well as other residents. Incentives for renovations and improvements are limited. Recognizing that student housing in downtown Bradford would have an enormous impact on the life of the town, several community agencies have attempted to interest developers in upgrades for rental housing that would attract Pitt-Bradford students. Developers, however, have not been convinced that the student market is
sufficiently active to justify the expense of building renovations, and it appears to date that most students would rather live on campus.

**Local capacity building**

Pitt Bradford has had a significant positive impact on capacity building in the local economy in a number of ways. Through its numerous academic and continuing education programs, Pitt-Bradford helps to enhance and expand human capital and the skills base of the regional population. It acts to attract newcomers to the region and helps to retain educated residents. It also helps area high school students advance their education while still in high school. And it supports local industries with area-specific training and degree programs.

Pitt-Bradford has a strong continuing education presence throughout the region through its Continuing Education and Regional Development (CERD) program, which focuses on workforce education and training, youth programs, business assistance, professional development, customized trainings, camps, conferences and community engagement. Its workforce development programs extend from non-credit one-day seminars to longer-term offerings and customized training for individual firms. Through CERD, Pitt-Bradford is one of 31 educational organizations who are partners in WEDnetPA, Workforce and Economic Development Network, that provides employment training for qualifying local firms. Pitt-Bradford also operates its courses mainly from the Seneca Building but also offers off-campus courses in Kane, Coudersport, St. Mary’s, Warren and Port Allegany.

The legacy of the oil industry and the importance of the energy sector in today’s economy, coupled with the restructuring and resurgence of American Refining Group (ARG) in Bradford, have led to new opportunities and programs at the University. Three new Pitt-Bradford programs – criminal justice, hospitality management, and petroleum technology – are important examples of the University connecting to local employment opportunities.

In 2009, ARG and the Halloran Philanthropies donated a half million dollars to the University, with funds for a scholarship endowment and funds to establish the Harry R. Halloran Jr./ARG Energy Institute, currently led by Professor Matt Kropf. The Energy Institute is developing at a critical time for the region and represents an important opportunity for the University to expand its energy expertise in educational programming and research in the field and region.

Building on its long-term strengths, the University has reinvigorated its Petroleum Technology program, an associate degree program. Also driven by the new market in Marcellus Shale-related opportunities, CERD offers a noncredit Landman Training program for those interested in working in oil and gas lease negotiation.
Pitt Bradford has also strong connections to the local high schools. The Bridges Program and the College in High School program offer local students the opportunity to experience college through these programs on the Pitt-Bradford campus and also earn college credits. For many area high school students, these programs not only offer college experience and credits, but also help to make Pitt-Bradford the college of choice for many local graduating high school students.

Does the University’s presence result in a more educated population in the North Central counties? The answer is yes and several sources of information document this outcome. One important impact of Pitt-Bradford is its role in expanding knowledge and building human capital in the region and this, by extension, also works to help to stem “brain drain” from the region (see Table 5).

Table 5. University of Pittsburgh at Bradford Alumni, Known Residence by County

<table>
<thead>
<tr>
<th>County</th>
<th>Alumni</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cameron</td>
<td>63</td>
</tr>
<tr>
<td>Cattaraugus</td>
<td>268</td>
</tr>
<tr>
<td>Elk</td>
<td>493</td>
</tr>
<tr>
<td>McKean</td>
<td>1,627</td>
</tr>
<tr>
<td>Potter</td>
<td>130</td>
</tr>
<tr>
<td>Warren</td>
<td>288</td>
</tr>
<tr>
<td>Total Alumni</td>
<td>2,869</td>
</tr>
</tbody>
</table>

Do companies remain or expand because of the higher skills levels available regionally with a higher education institution and does this help to bring greater economic growth to the region (Gottlieb 2011)? We believe that the evidence clearly indicates that Pitt-Bradford has a positive and major impact on private sector investment and expansion. In McKean County, for instance, there are significant numbers of Pitt-Bradford alumni working in all the large private sector employers in the county, such as American Refining Group, Zippo and Case, as well as in nonprofit and public entities, such as Bradford Regional Medical Center, Beacon Light Behavioral Health Systems, Pitt-Bradford, and Bradford Area School District (see Table 6). Across the region, the impacts on the local and regional workforce are equally significant and important. In Elk County, 23 Pitt-Bradford grads are employed in the Elk Regional Health Center, along with another 4 from McKean and Warren counties.
Table 6. Pitt-Bradford Alumni, McKean County, Place of Work by Firm/Organization

<table>
<thead>
<tr>
<th>Firm/Organization</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bradford Regional Medical Center</td>
<td>54</td>
</tr>
<tr>
<td>Beacon Light</td>
<td>52</td>
</tr>
<tr>
<td>University of Pittsburgh</td>
<td>47</td>
</tr>
<tr>
<td>Bradford Area School District</td>
<td>36</td>
</tr>
<tr>
<td>American Refining Group</td>
<td>25</td>
</tr>
<tr>
<td>McKean County various</td>
<td>24</td>
</tr>
<tr>
<td>Zippo</td>
<td>17</td>
</tr>
<tr>
<td>FCI - McKean</td>
<td>11</td>
</tr>
<tr>
<td>Case &amp; Sons</td>
<td>10</td>
</tr>
</tbody>
</table>

The presence of Pitt-Bradford has raised the overall skill and educational attainment base of the Bradford area population both by attracting and retaining talented individuals. First, for those Pitt-Bradford alumni not originally from the immediate area who remained in the region after graduation, it is reasonable to conclude that, at least for a sizable number, attending Pitt-Bradford was the reason they are in the McKean County and the North Central Pennsylvania region today.

Second, there is a set of local students, who, without Pitt-Bradford’s presence, would have attended college elsewhere, as we discussed above, and perhaps would have lived elsewhere based on that out-of-region college experience. Today, these students are Pitt-Bradford alumni living and working in McKean County and the North Central region. According to studies of other rural institutions (Blackwell et al. 2002), where students attended college influences their post-graduation residence -- they are more likely to remain where they studied than move back to their home region if they attend college elsewhere. Furthermore, a recent study concluded that students choosing rural residences post-graduation were most likely to have originated from rural regions (Artz and Yu 2011). Pitt-Bradford has important impacts on the area’s workforce by retaining students who remain in the region to work.

Information on recent Pitt-Bradford graduates confirms that many choose to live and work in the Bradford area post-graduation. Overall, 55.6 percent of Pitt-Bradford graduates between December 2000 and August 2010 were working in the six-county Bradford region (see Table 7). Alumni living in McKean County, for example, represented 61 percent of regional workers and 34.3 percent of total graduates from December 2000 and August 2010. Clearly, for the fastest growing occupations in the region, Pitt-Bradford grads are in high demand and fill many positions. Among particular majors, the number and proportion of 2000-2010 Pitt-Bradford
graduates working in the six counties in the Bradford area show strength in retention among Nursing (ASN), Business Management, Criminal Justice, Human Relations, and Nursing (BSN).

Table 7. University of Pittsburgh at Bradford Graduates Working in the Six County Bradford Region, December 2000 – August 2010

<table>
<thead>
<tr>
<th>Major</th>
<th>McKean, PA</th>
<th>Number in region</th>
<th>Total numbers working</th>
<th>Percent in region</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>338</td>
<td>548</td>
<td>985</td>
<td>55.6%</td>
</tr>
<tr>
<td>Nursing (ASN)</td>
<td>39</td>
<td>91</td>
<td>126</td>
<td>72.2%</td>
</tr>
<tr>
<td>Business Management</td>
<td>42</td>
<td>82</td>
<td>167</td>
<td>49.1%</td>
</tr>
<tr>
<td>Criminal Justice</td>
<td>27</td>
<td>40</td>
<td>73</td>
<td>54.8%</td>
</tr>
<tr>
<td>Human Relations</td>
<td>30</td>
<td>39</td>
<td>68</td>
<td>57.4%</td>
</tr>
<tr>
<td>Nursing (BSN)</td>
<td>18</td>
<td>29</td>
<td>47</td>
<td>61.7%</td>
</tr>
<tr>
<td>Psychology</td>
<td>23</td>
<td>26</td>
<td>36</td>
<td>72.2%</td>
</tr>
<tr>
<td>Elem Education</td>
<td>15</td>
<td>25</td>
<td>43</td>
<td>58.1%</td>
</tr>
<tr>
<td>CIS&amp;T/Comp Science</td>
<td>12</td>
<td>17</td>
<td>28</td>
<td>60.7%</td>
</tr>
<tr>
<td>Biology</td>
<td>15</td>
<td>17</td>
<td>37</td>
<td>45.9%</td>
</tr>
<tr>
<td>Social Science</td>
<td>10</td>
<td>15</td>
<td>18</td>
<td>83.3%</td>
</tr>
<tr>
<td>Information Sys</td>
<td>4</td>
<td>16</td>
<td>21</td>
<td>76.2%</td>
</tr>
<tr>
<td>Public Relations</td>
<td>12</td>
<td>14</td>
<td>29</td>
<td>48.3%</td>
</tr>
</tbody>
</table>

Region includes Cameron, Elk, McKean, Potter, Warren and Cattaraugus counties.

Pitt-Bradford graduates are spread throughout the North Central Pennsylvania and nearby New York region. Following McKean County, Pitt-Bradford graduates in numbers are most likely to live in Elk County, Potter County, and Cattaraugus County (see Figure 3).

Finally, a third set of alumni includes those who would not have attended a higher educational institution at all, except for the opportunity and proximity provided by Pitt-Bradford in their community. For similar origin reasons as indicated above, many have remained in the region.

Pitt-Bradford thus has important impacts on the region’s skill levels and human capital. Younger aged cohorts of men and women in McKean County are attaining higher levels of education than older workers. Women have also achieved higher levels of educational
attainment in the McKean County and the region than men. Just over half of women in McKean County between 25 and 44 have some college education or more. Clearly, the rise in regional human capital is benefited by Pitt-Bradford.

**Figure 3. Alumni by County, December 2000 – August 2010**

While educational attainment in many rural areas has been rising, it’s safe to conclude that Pitt-Bradford alumni are a critical component of the region’s workforce. Haaga (2004) identified areas of increasing educational attainment in the Appalachian Region, but the North Central counties, including McKean County, showed lower levels of college graduation for individuals over 25 years of age than the regional in general. Nonetheless, given the stark cohort increases of the past twenty years, it is safe to conclude Pitt-Bradford has had a significant impact on rising educational attainment levels among residents of the region and that this trend should continue into the future.

Finally, the President and his Cabinet regularly and extensively engage in community activities, including board and leadership positions in many nonprofit organizations around the region and on the Bradford City Council. President Alexander and his Cabinet members serve on regional boards in many organizations, including:

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7 American Community Survey data do not allow us to examine educational attainment for men without including men in residence at FCI McKean. Prisoners tend to be younger and less well educated, on average, and the numbers will generally differ from residents, on average.
The University does not have a community outreach office or person who is identifiable to both internal and external constituents to build connections between the institution and community. Many people on the staff engage in community partnerships, as per list above, but the connections remain informal. No one person, department, or office is the “one stop shop” for community members to connect to faculty and student applied scholarship or outreach programs.

**Scholarly engagement**

Service learning is – and can be -- strategic across the institution and the community. The National Community Service Act passed in 1990, promoted and supported service learning and civic engagement by higher education institutions. While service learning was already important in some higher educational institutions, its prominence and position has increased during the 1990s and 2000s. This is true of rural institutions as well as urban ones.

While the University has not promoted service learning or set up any formal networks for university-community engagement, service learning and applied scholarship could represent areas of growth for Pitt-Bradford, especially with the area’s natural and historic resources. Some key elements are already in place:

- In 2011, the University created the Office of Community Engagement, with a full time position. While its main mission is coordinating student volunteer activities, an Office of
Community Engagement could help faculty bridge their applied knowledge and interests to community constituents and stakeholders.

- The Allegheny Institute, reinvigorated following the retirement of its founder, has developed several interesting service learning projects with ties to the expanding tourism sector: a) information to promote preservation of historic homes in Smethport, and b) collaboration with the Allegheny National Forest to develop trail information as a way of promoting tourism in the region. This work is invigorating service learning opportunities for students on the campus and tying faculty interests and courses directly to an expanding sector in the region in tourism and tourism management.

- The Energy Institute also represents an important center on campus for advancing scholarly engagement in applied research areas.

- The Center for Rural Health Practice, located in the Seneca Building, has important community connections and includes publications on community health needs assessment for McKean County (2005) and Warren County (2006). In light of anticipated changes in health care delivery and management over the next decade, it appears that this Center could be expanded to play an even larger role in the region.

- Given the aging of the community, the campus does not have a specific continuing education program for retired persons, akin to the Osher Lifelong Learning Institute at the University of Pittsburgh Oakland in the College of General Studies.

**Neighborhood events and participatory activities**

The University of Pittsburgh at Bradford has developed over the years what we might call multi-layered connections to the community. Pitt-Bradford has made facilities available to town residents in order to promote special events and lectures. New facilities -- the Harriett B. Wick Chapel and the Bromley Family Theatre -- are important venues that attract local and regional residents to the campus for events and activities. The library is accessible to the public, and the extensive Kessel Athletic Complex is widely used by many in McKean County, with recent renovations completed with a partnership between the University of Pittsburgh at Bradford and the City of Bradford, along with support from state elected officials at a cost of $2.5 million.

The campus hosts events tied to different constituent groups. It holds popular campus activities, including Alumni and Family weekends, for its students and alumni. These events bring dollars to the region, as people stay overnight in hotels, eat at restaurants, and take advantage of other attractions.
As is the case at many other higher education institutions, its campus serves various non-University-related groups and organizations, including youth camps held on the campus. The campus is also the location for the Jeep Jamboree, sponsored by the Chrysler Corp., which brings 250 Jeep owners for a weekend festival in the summer. The Kinzua Fly Fishing School offers a variety of classes to tourists and rents space on campus. Pitt-Bradford and the Kinzua School have collaborated to repair and re-structure the stream banks near the college. Nonetheless, the organization doesn’t seem to have direct ties to educational programming, student organizations, or environmental class offerings. This is perhaps an opportunity to expand educational experiences to the campus’s natural environment.

Pitt-Bradford has long been committed to connecting its campus with the surrounding communities. The performing arts center, the work of BCPAC -- Bradford Creative & Performing Arts Center -- and the Harriett B. Wick Chapel have had strong positive impacts with attractions that local residents enjoy. In coming years, another development likely to increase interaction between Pitt-Bradford and City of Bradford residents is the new bicycle/walking trail that crosses the campus and is part of the nearly 33 miles of trails constructed by the TUNA Valley Trail Council. The trail is important not only for the recreational opportunities it provides, but for the link between the campus and the city that is used by hundreds of people, many of whom had no previous contact of any kind with the college. Students also can connect quickly to the downtown via the trail, which is certainly a part of strengthening town-campus connections.

Pitt Bradford is a member of the Allegheny Mountain Collegiate Conference, a Division III intercollegiate sports league. There are 10 member colleges and universities. At Pitt-Bradford, there are 14 teams – seven each for women and men. Other members of the Conference include Penn State Behrend, Penn State Altoona, Mount Aloysius, Pitt Greensburg, and Hilbert College.

However, the University of Pittsburgh-Oakland, a Division I school with competitive football and basketball programs that generate considerable interest among students at Pitt-Bradford, is not broadcast in any way through the local media. Bradford is in the Buffalo media market and, therefore, does not get Pitt sports generally. This could be an area for the communications program to develop some practical Pitt connections and thereby enhance students’ skills.

CONCLUSIONS

This report captures the current impact of the University of Pittsburgh at Bradford on the economy of Bradford and a four county region of North Central Pennsylvania and its
community impacts within McKean County. These impacts have grown significantly since the campus began operation in 1963 and are likely to continue to expand in the future.

As an economic engine, the scale of employment generated by the University already makes it one of the largest single employers in the region. When indirect and induced impacts are estimated, over $67.5 million and 740 jobs in the region are generated by Pitt-Bradford and its enrolled students. Much of this economic activity would not exist within the region if Pitt-Bradford had not been formed and grown to its present size.

The institution also has a significant impact on the current and future workforce of the region. By providing an option for local students, the existence of the institution is a vital part of retaining younger workers to the region following graduation. Many other alumni, not originally from the area, also make their residence in McKean County and the North Central region, influenced by their Pitt-Bradford educational experience to remain in the area following graduation.

Pitt-Bradford alumni are invaluable to the region’s workforce. It’s safe to say that they are employed in all the major firms, institutions and organizations in significant numbers. Among younger alumni graduating in the past decade or so, some majors show over 50 percent of their graduates residing somewhere in the broad North Central region, employed in their field. For rural regions, the research shows that students originally from a rural region are more likely to choose to remain in a rural region following graduation, and Pitt-Bradford graduates strongly follow that model. Many firms in the Bradford area are able to grow and expand in the region with Pitt-Bradford graduates making up important parts of their labor force.

The impacts of the institution go beyond the estimated employment impacts. Despite its short history the University of Pittsburgh at Bradford has become a major economic and community force in the region. University involvement now extends to the civic institutions of the region and McKean County. This growth is mutually beneficial to the university and community, and Pitt-Bradford is well positioned for future growth and expansion in its community impacts and scholarly engagement. Pitt-Bradford has become an anchor institution in economic and community development in McKean County and the North Central Pennsylvania region, and an important source in working to improve the quality of life in the region.
References:


