



University at Buffalo: Impact on Economic Development

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1. What is the local impact economic impact of UB?

The University at Buffalo, a state funded university, is responsible for \$1.5 billion gross economic development annually.¹

2. How does UB help stimulate business via research?

- The University at Buffalo has an office of Science, Technology Transfer, and Economic Outreach. This office serves identify research done at UB that has potential commercial application, incubates and matches the research with potential investors, and tries to work out licenses for commercial use of UB discovered technologies.² Tech Transfer Offices in places like California and Minnesota have been extremely successful in executing similar plans in the name of economic development.
- The Tech Transfer Office's philosophy is to utilize current new technologies to get companies off the ground. To that end, there is a Technology Incubator on UB's North Campus that provides the new companies with affordable office and lab space, administrative support, and business assistance. This, in conjunction with efforts at the Center of Excellence in Bioinformatics and Life Sciences in downtown Buffalo, has resulted in over 1,000 jobs in the region since 1988. While this may not seem to be an overly large number, it is important to note that while other sectors are losing jobs, the knowledge-based economy is gaining jobs.³

3. How can the University of Buffalo attract good jobs to the region?

- The old economy is dead. Large, manufacturing based businesses are no longer the norm nor do they hold a competitive edge in this region. Where this region does have an edge is in providing a well-educated labor pool for the knowledge-based economy.⁴
- In this new economy, universities play the role that steel mills tended to play in the old. Where steel mills would locate and produce their materials, manufacturers that needed steel for their goods would tend to locate close by to take advantage. In the new, knowledge based economy, a pool of well-educated individuals is likened to the steel, and the

manufacturers are being likened to companies in the financial, educational, and health services are likened to manufacturers.

- While the steel industry is essentially gone, the region must adapt as a hybrid of the aforementioned new economy sectors along with improving our still existing manufacturing sector. Even companies whose focus is manufacturing benefit a great deal from what UB can offer. Martin Berardi, Vice President of Moog Inc., a local manufacturing bastion, considers UB's pool of well-educated individuals to be a significant local resource, "... [UB engineering graduates] provide the company with a steady stream of new ideas and innovations, as well as a pipeline of talented biomedical engineers who graduate from UB."⁵
- An example of UB's contribution to regional competitiveness in the new economy is the percentage of engineering and science degrees conferred to graduates. The state percentage of engineering and science degrees conferred to graduates is average is 28.9%, the national average is 29.7% and UB's rate is 34.3%. Buffalo has the 4th highest percentage of science and engineering graduate students (per total students) in the country. This shows that UB is leading the way in providing new-economy style degrees and education.

4. What is UB 2020?

UB 2020 is a comprehensive plan for University growth over the next 12 years. The tactic the University is taking in order to acquire the necessary legislation and funding is to present the plan as a driver for regional economic growth. Given the requisite funding and legislation, UB projects the following for 2020:

- 10,000 more students
- 3,000 more faculty and staff
- \$300 million more in research spending
- \$125 million more in construction spending
- 8,000 more jobs generated beyond UB
- \$30 million more income and sales tax revenue returned to the State and County⁶

5. How does state and national funding to UB furnish economic development?

- Ryan McPherson, Vice-President of Government and Community Relations at UB, suggests that investing in UB represents a more efficient alternative to economic development than traditional subsidy programs, where often times the government is funding an agency to first to exist and then to dole out more money. Mr. McPherson says the impact of investment in UB has more of an impact on the local economy too, "Each dollar the state invests in UB will equal five dollars in economic impact throughout the region."⁷
- UB gets money from state aid, tuition, and research grants, among other things. The University then pours the money directly into the economy. It purchases goods and services for their operations like supplies, equipment,

and maintenance. It pays wages and salaries to faculty and staff. It delivers academic programming to students (this is a direct investment because these students pay rent, buy food, buy books, etc... It also develops the human capital necessary for the new economy). The University also holds sports, cultural, and special events that provide business for local lodging and dining industries.⁸

6. How does UB work with community groups?

The University of Buffalo is involved with a number of community groups, and has many projects and groups that serve the community.⁹ Examples include

- The Leadership Initiative for Tomorrow's Schools, which serves to foster leadership in regional education,
- The Urban Design Project, which contributed to the a master plan of downtown Buffalo, and
- The Community Economic Development Clinic, which does tax preparation for low-income residents in the region.¹⁰

7. What is the current and future economic impact of the Buffalo Niagara Medical Campus?

- The Buffalo Niagara Medical Campus is home to the region's top clinical, research, and medical education institutions. In 2001, these institutions came together in partnership with the City of Buffalo, the County of Erie, the Allentown neighborhood and the Fruit Belt neighborhood, to form BNMC and create a master plan for the development of a world-class medical campus in downtown Buffalo.¹¹
- The Campus is currently a burgeoning center for jobs in the bio-sciences and medical services industry. It includes the Hauptman-Woodward Medical Research Institution, Roswell Park Cancer Institute Center for Genetics and Pharmacology, and the NY State Center of Excellence in Bioinformatics and Life Sciences at the University at Buffalo.¹²
- According to Ryan McPherson, the end goal of the Buffalo Niagara Medical Campus is to have an entire academic health center. The center, he says, would bring over 13,000 jobs and students downtown, and all parties involved would benefit from proximity and shared resources.¹³
- The Citizens Budget Commission, an independent think-tank, has recommended to essentially cease funding to the Center of Excellence in Buffalo and keep the "somewhat successful center at U. Albany" in order to help balance the perennially bloated state budget.¹⁴ This would be a blow to the Medical Campus, as a great deal of what is supposed to be marketable technology is researched there.
- While the development of the Allentown area around the BNMC has been somewhat visible, the Fruit Belt area on the other side of the BNMC has seen fewer benefits. UB is, however, committed to working with area community leaders like Reverend Chapman of St. John the Baptist Church and Assembly Member Crystal Peoples in community initiatives like Head Start.¹⁵

8. What efforts need to be made to change UB's 2020 plan in the midst of our current state and national fiscal and economic crises?
- Three things remain necessary for economic development to come about as a result of UB 2020: operational funding, capital funding, and favorable public policy.¹⁶
 - Obviously, the state is in bad shape already in terms of its budget. This problem is going to be deepened by the fact that Wall Street bonuses are a large part of our state tax revenue, and such bonuses are going to be relatively slim by comparison to past years. Given the weighting of state governmental power towards downstate, the saying "When Wall Street sneezes, Upstate gets a cold" applies most readily to the levels of capital and operational funding that UB is expecting to receive.¹⁷
 - While this may seem to be the death knell for UB 2020, Ryan McPherson suggests a "high impact, no cost" tactic that may be a solution to operational and capital funding woes. Currently, under the state statutory scheme, the University cannot borrow money easily. UB is calling for a reform of state policy that would allow the University to bond on its own to procure capital for 2020 expenditures. In order to mitigate the loss of funding for operational expenses, UB wants the state to reform legislation that doesn't allow the University to set up a rational tuition increase scheme, so that more revenue would be generated to be put towards operating expenses.¹⁸ *See question 12 for more.*
9. Who is left out or harmed by UB's efforts to spur the economy?
- No one is left out by UB's efforts, according to Ryan McPherson, who states that "People always seem to say or think that this whole system is only for rich white kids, when in fact more of the opposite is true in this case." While it is true that much of UB's economic activity takes place in Amherst, an affluent suburb, it is also true that UB is making an effort for greater impact and presence in the city as well. Additionally, the rational tuition increase (which private universities use to great effect) would actually make college more affordable to a greater number of people. With the increased revenue, UB could make more investments to pool money for need-based financial aid. Under the scheme UB wants to implement, 30% of the increased revenue would go towards providing more need based financial aid.¹⁹
 - There has been some disagreement on UB's economic development plan, notably in relation to the BNMC campus downtown. In 2002, Professor Henry L. Taylor of UB's Planning Department suggested that the economic development that was being planned for was shifted towards more the more affluent Allentown area rather than the Fruit Belt of which the BNMC is actually a part. If the areas targeting for development are only or primarily to that side of the BNMC, Taylor and others worry about further racial segregation and neighborhood gentrification.²⁰ To this point, the BNMC is responsible for \$300 million per year in economic impact to Buffalo, but much of the development and neighborhood improvement

initiatives on the Michigan Ave. side of the BNMC have been slow to develop.²¹

10. How can the public contribute input to decisions made by Universities to stimulate economic growth?

First, the UB 2020 plan is inclusive and highly publicized. You can become a UB Believer, an advocacy group that tries to raise awareness about UB's potential among elected officials and policy makers. The link can be found here:

<http://ubbelievers.buffalo.edu/ubbelievers/join.tcl>. Second, the public can volunteer to either help fund or to assist in UB's community efforts. The link the can be found here: http://www.buffalo.edu/community/involved_intro.html.

Other helpful websites include:

- http://www.buffalo.edu/community/impact_economic.html: UB's community website dedicated to their contribution to economic development.
- <http://www.buffalo.edu/ub2020/overview/>: UB's website dedicated to its comprehensive expansion/economic development plan

Links:

<http://www.cicu.org/news/oped.php?id=34>

<http://www.cicu.org/CMT/reports/1-Western.pdf>

<http://www.buffalo.edu/ub2020/overview/>

<http://www.encyclopedia.com/doc/1G1-120501122.html>

<http://www.wgrz.com/news/local/story.aspx?storyid=59875&catid=13>

http://ubbelievers.buffalo.edu/campaign/Action_Nowisthetimetoeact

http://ubbelievers.buffalo.edu/ubbelievers/for_the_media

http://www.buffalo.edu/ubbelievers/files/UB_ImpactSummary.pdf

<http://www.buffalo.edu/news/8782>

http://www.buffalo.edu/community/impact_economic.html

<http://www.research.buffalo.edu/stor/>

¹ http://www.buffalo.edu/community/impact_economic.html

² <http://www.research.buffalo.edu/stor/>

³ "The Difference a University Makes: An Impact Analysis of the University at Buffalo."

⁴ Interview with Ryan McPherson, Associate V.P. of Government and Community Relations, SUNY Buffalo, 10/20/08.

⁵ http://www.buffalo.edu/news/9638_10/31/08

⁶ UB Believers Booklet: The Difference a University Makes.

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- ⁷ Interview with Ryan McPherson, Associate V.P. of Government and Community Relations, SUNY Buffalo, 10/20/08.
- ⁸ “The Difference a University Makes: An Impact Analysis of the University at Buffalo.”
- ⁹ Interview with Ryan McPherson, Associate V.P. of Government and Community Relations, SUNY Buffalo, 10/20/08.
- ¹⁰ “The Difference a University Makes: An Impact Analysis of the University at Buffalo.”
- ¹¹ <http://bnmc.org/>
- ¹² <http://bnmc.org/>
- ¹³ Interview with Ryan McPherson, Associate V.P. of Government and Community Relations, SUNY Buffalo, 10/20/08.
- ¹⁴ http://www.cbcny.org/Press_Release_6_31_2008.html
- ¹⁵ Interview with Ryan McPherson, Associate V.P. of Government and Community Relations, SUNY Buffalo, 10/20/08.
- ¹⁶ Interview with Ryan McPherson, Associate V.P. of Government and Community Relations, SUNY Buffalo, 10/20/08.
- ¹⁷ Interview with Ryan McPherson, Associate V.P. of Government and Community Relations, SUNY Buffalo, 10/20/08.
- ¹⁸ Interview with Ryan McPherson, Associate V.P. of Government and Community Relations, SUNY Buffalo, 10/20/08.
- ¹⁹ Interview with Ryan McPherson, Associate V.P. of Government and Community Relations, SUNY Buffalo, 10/20/08.
- ²⁰ http://www.bnmc.org/BNMC/News/comm_news_May.pdf, 10/29/08
- ²¹ http://www.ub-ensntp.com/documents/Neighborhood_Reports/Final%20Final%20Final%20Advance%20Newsletter%20-%20full%20version%203.2008.pdf, 10/29/08