



**UNIVERSITY OF
SOUTHERN MAINE**

Economic Contribution Analysis 2025

Acknowledgements

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Executive Summary

The University of Southern Maine (USM) was founded in 1878 as the Gorham Normal School for the primary purpose of educating teachers to support the state's adoption of compulsory universal public education. More than a century later, USM has evolved into a public regional comprehensive university with three campuses in the Portland-Lewiston-South Portland Combined Statistical Area, which comprises ~50% of Maine's population and employment and generates ~58% of the state's GDP. This dynamic marketplace facilitates progress toward USM's four academic pillars: *Focus on Relationships*, *A Future-Forward Curriculum*, *The Integration of Learning and Work*, and a *Mission of Service and Citizenship*. Every day, USM serves as a source of ideas, talent, and opportunity — shaping Maine's workforce, fostering innovation, expanding access to higher education, and enriching the state's cultural landscape. In addition, through K-12 summer camps, early college, professional development opportunities, graduate programs, and senior college, USM serves more than traditional high school graduates, addressing the educational needs of students across the age spectrum.

To capture our economic contribution, the university commissioned the first comprehensive economic analysis of USM, which establishes a benchmark for future studies, documents the ways in which we strengthen Maine's economy, and serves as a foundation for strategic partnerships, institutional policies, and community engagement. This analysis provides a snapshot of economic activity for a 12-month period, including the effects of expenditures on operations, construction, and visitation, along with the cultural and community benefits of applied research, programs and services, and special events. A summary of highlights is provided below.

USM By the Numbers

| | |
|----------|--|
| 7,326 | Student enrollment which ranks 2 nd in Maine |
| 40% | First generation college students |
| 20.8% | Minority student enrollment |
| 77% | USM students who are Maine residents |
| \$384.5M | USM's economic contribution to the state's economy |
| 2,582 | Jobs generated by USM employment and spending |
| \$25M | Federal, state, and private grants and contracts for research |
| 1,092 | Businesses assisted with the development of products & services |
| 600+ | Organizations served by training, technical assistance, & interns |
| 63,200 | Visitors to USM for conferences, attractions, and special events |
| 14,993 | K-12 students served through camps, field trips, and early college |
| 1,845 | Students age 50+ enrolled in non-credit courses |
| 63% | Alumni who live or work in Maine |
| 11% | Alumni who list themselves as founders and entrepreneurs |



Part I: Introduction

I. Introduction

A. Motivation for this study

Simply by conducting its day-to-day work, a university contributes to the economy of its host communities through payroll and purchasing activities. Most traditional economic contribution analyses focus on these activities and their ripple effects.

However, the economic impact of universities goes above and beyond such activities. Goldstein et al. (1995) classified the diverse ways in which a university could contribute to its local and state economies: (1) knowledge creation and its infrastructure; (2) creation of human capital; (3) transfer of technology, know-how and technological innovation; (4) investment in capital goods and increased local demand; (5) regional leadership; and (6) influence on the regional environment. Many of these contributions are difficult to quantify, but any analysis that omits them will vastly underestimate the true economic impact of a university.

The Association of Public and Land-Grant Universities (APLU) and its Commission on Innovation, Competitiveness, and Economic Prosperity (CICEP) has issued guidelines that encourage universities to measure economic impact in a more holistic way (APLU, 2014). Rather than narrowly focusing on payroll and procurement, CICEP emphasizes the full range of university contributions, “from educating students and creating the talent necessary for the 21st century workforce to developing innovation ecosystems and entrepreneurship, to enhancing social, cultural and community development” (p. vii). This report uses CICEP’s “New Metrics” to measure and document our broader social and cultural contributions to the region, helping to paint a richer picture of USM’s role as an anchor institution that not only generates spending but builds capacity, strengthens civic life, and addresses Maine’s workforce needs. We hope that by presenting USM’s first ever economic contribution analysis, we will not only quantify our value to our host communities but provide a springboard for strategic partnerships and future engagement.

The report is organized into several sections. This section introduces USM, including our history, geographic context, and mission. The second section presents a traditional economic contribution analysis, focusing on how USM’s operations, payroll, construction, student spending, and visitor activity circulate through Maine’s economy. These results show USM’s measurable effects in terms of jobs, income, output, and tax revenues. The third section looks beyond dollars and multipliers to highlight USM’s broader role in Maine’s economy and communities: preparing a skilled workforce, advancing research and innovation, expanding educational access, and enriching the state’s cultural life. Taken together, these sections provide both a quantitative benchmark and a broader perspective on USM’s role as a regional anchor institution. The final section presents suggestions for future work. A detailed methodology section follows.

B. Institutional Summary

History. USM was founded in 1878 as the Gorham Normal School for the primary purpose of educating teachers to support Maine’s adoption of compulsory universal public education. In 1970, this institution merged with the University of Maine at Portland, which was formerly known as Portland Junior College, to become the University of Maine at Portland-Gorham. In 1978, we changed our name to the University of Southern Maine (See chart on the following page). USM is one of seven campuses in the University of Maine System, which was



established in 1968. Accredited by the New England Commission of Higher Education, the system boasts a collective enrollment of 30,000 students, delivering \$1.5 billion in annual economic impact (University of Maine System, 2018).

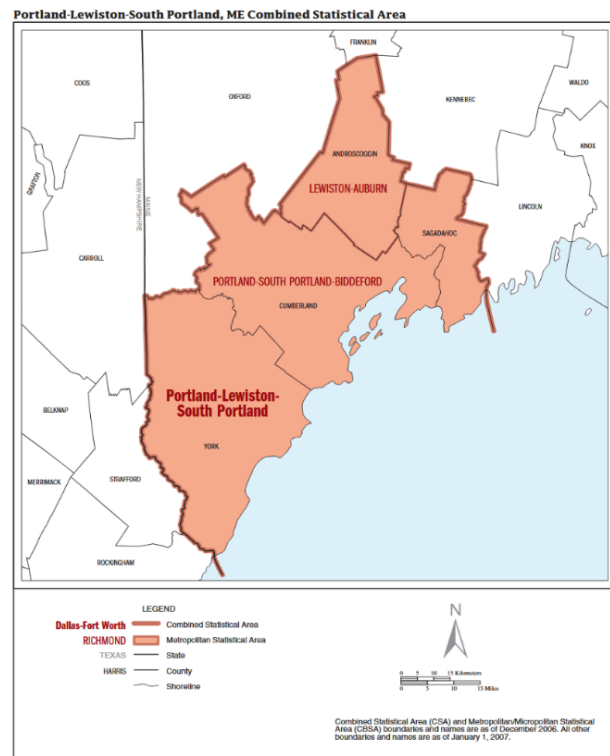
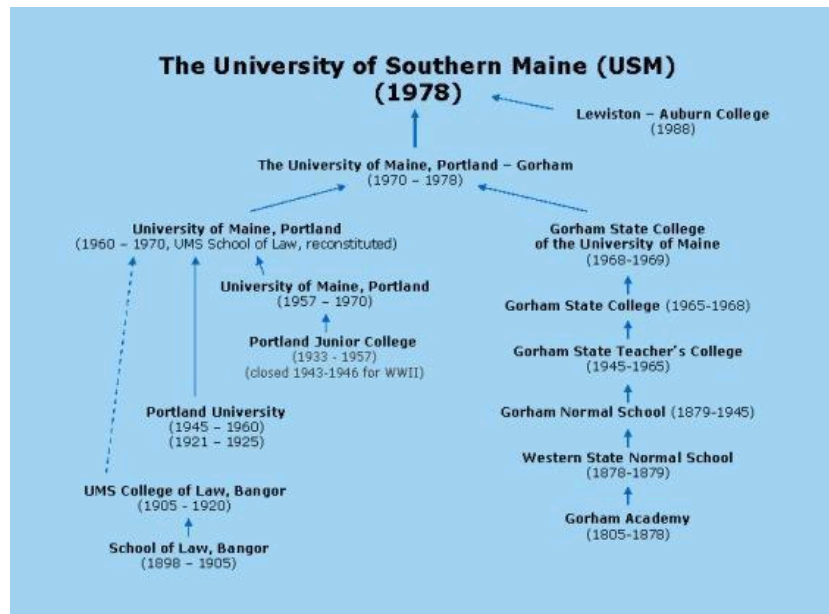
Physical assets. USM is home to three physical campuses set on 142 acres in Portland, Gorham, and Lewiston, Maine.

Portland campus. Located in Maine's largest city at the base of the Portland peninsula, USM's Portland campus is home to classrooms, state-of-the-art science laboratories, and graduate programs in Planning, Public Policy, Public Health, Leadership, and Science. Hannaford Hall, Southworth Planetarium, Osher Map Library, McGoldrick Center, and the Crewe Center for the Arts invite the public to participate in exhibitions, performances, conferences, and other special events.

Gorham campus. Located 11 miles from Portland, USM's Gorham campus provides a traditional residential experience for undergraduates. The Gorham campus is home to NCAA Division III athletics programs and facilities along with dorms, dining halls, libraries, and academic programs that shape the heart of student life. The campus is also the home for USM's graduate programs in Education.

Lewiston campus. Located in Maine's second largest city, USM's Lewiston-Auburn campus is home to healthcare-focused programs that integrate academics with hands-on clinical and internship experiences at local healthcare providers.

All three campuses are part of the Portland-Lewiston-South Portland Combined Statistical Area (CSA). See chart at right. Composed of Androscoggin, Cumberland, Sagadahoc, and York counties, the CSA is home to 694,354 residents and 384,365 jobs that represent ~50% of Maine's population and employment. Collectively, the CSA generates ~58% of Maine's GDP, creating a dynamic marketplace for real world learning experiences, exchange of ideas, student and alumni employment, and entrepreneurship (Lightcast, 2025). This dynamic learning environment is reflected in USM's mission and vision.

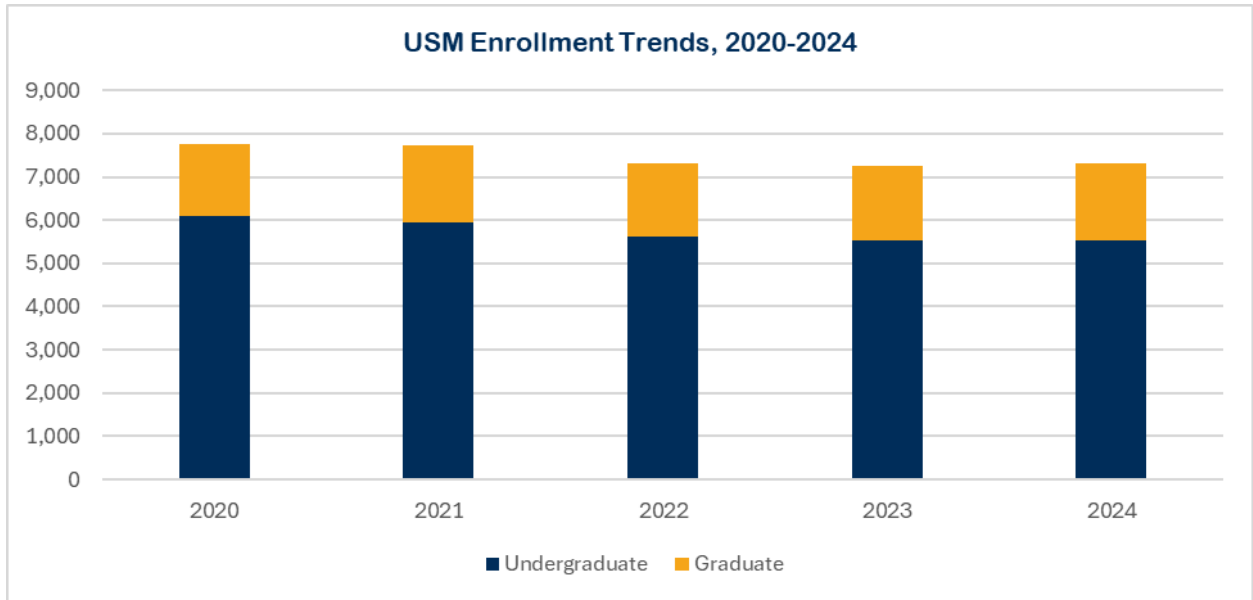


Mission. USM adopted the following mission in 2022. *“Committed to equity and excellence, the University of Southern Maine advances a culture of inquiry and belonging in which research, creativity, and innovation accelerate transformational development in our students, on our campuses, and in our communities”* (University of Southern Maine, 2022). To fulfill this mission, USM has adopted four academic pillars:

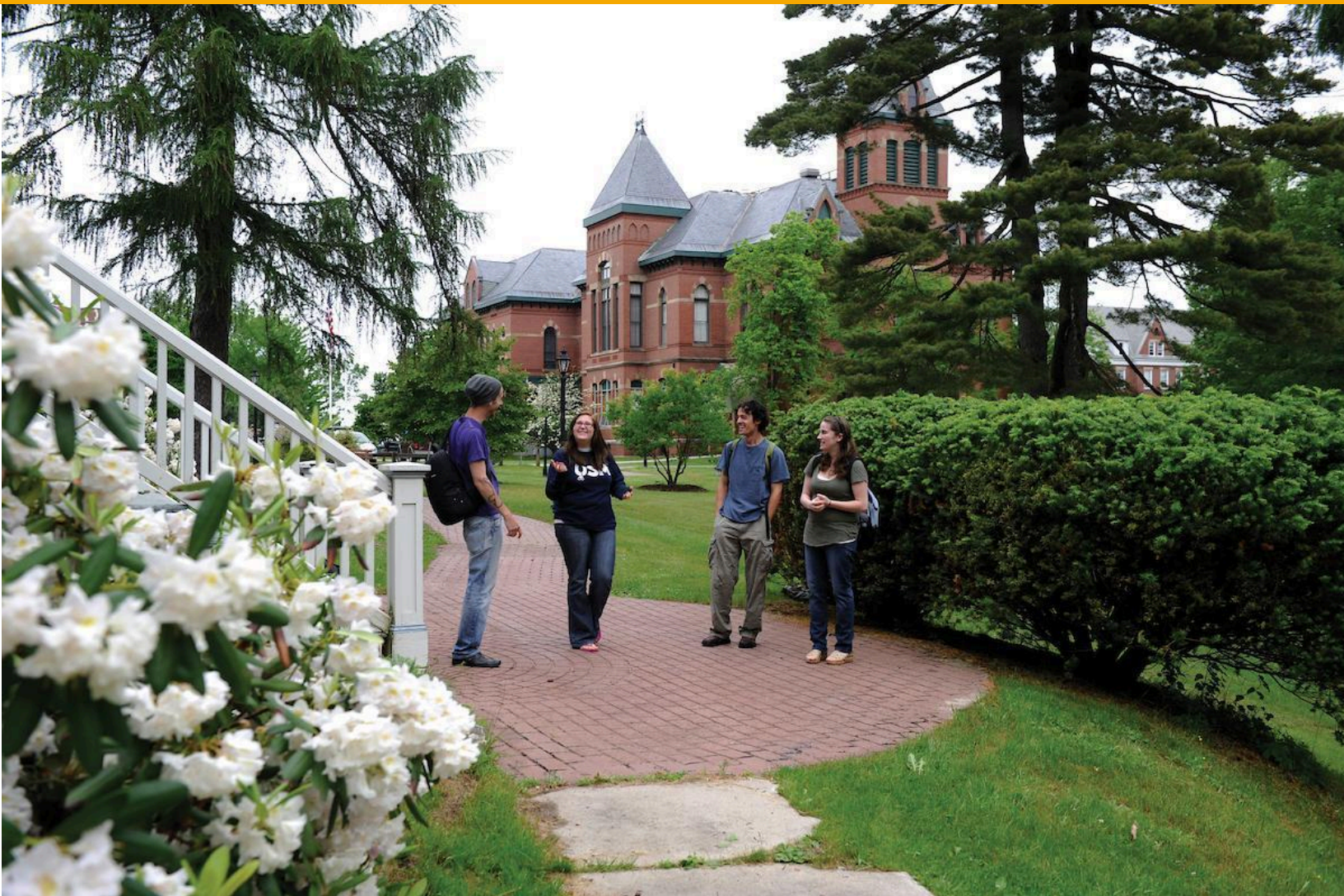
1. **Focus on Relationships.** In order to learn, students must feel connected to their community. At USM we put the student at the center of all we do, focusing on relationships between students and their faculty members, advisors, coaches, student life professionals, supervisors, community partners, tutors, and peers, among many others. Students work closely with expert advisors trained in best advising practices. Our faculty of nationally recognized scholars, researchers, and artists guide student research and internships, practice experiential and high impact teaching, train peer tutors, and lead student travel experiences. At USM, high-quality academics exist within a culture of mentoring and care.
2. **A Future-Forward Curriculum.** USM provides foundational education and learning opportunities for intellectual risk-taking and self-maturation through rigorous and free inquiry, research, and creativity. At USM students acquire habits of mind, skills, and enduring dispositions that transcend academic disciplines and foster confidence and agency, preparing them to contribute meaningfully to their professional and cultural communities. These include but are not limited to design, imagination, innovation, digital and data literacy, leadership, multimodality, collaboration, and entrepreneurial thinking.
3. **The Integration of Learning and Work.** At USM we understand the working student, and we value student work. Our academic programs integrate student work with academic learning in a way that is responsive to students' complex lives. Campus employers help students make meaningful connections between their work and their academic experiences. USM teaches students to think critically about the work they do and equips them with the knowledge and skills to pursue rewarding careers and meaningful, prosperous, and fulfilling lives.
4. **A Mission of Service and Citizenship.** USM is a diverse community where learning is experiential. A USM education is characterized by community-based and service learning and by internship opportunities in Portland, Gorham, Lewiston, and beyond. Students, faculty, and staff members develop deep ties with community partners and businesses to address social and economic challenges. USM's engagement with local communities at home and abroad enables students to develop cross-cultural understanding, a global outlook, and adaptability to diverse settings. USM seeks to meet workforce needs, contribute to economic growth, enrich civic participation, and enhance the quality of life in Maine and around the world (University of Southern Maine, 2025).

Enrollment. In Fall 2024, USM enrolled 7,327 Early College, undergraduate, and graduate students in 100+ degree, minor, and certificate programs at the Baccalaureate, Master, and PhD level. While this represents a decline from 2020, enrollment has rebounded since the pandemic. About 73% of students are pursuing undergraduate degrees, and 27%, graduate degrees. About 77% are in-state students, and 23%, from out-of-state. Less than 1% are international students (University of Southern Maine, 2025h).

USM's enrollment, which ranks second of Maine's 33 colleges and universities, comprises 10% of the state's college enrollment and 25% of the University of Maine System's enrollment. In 2025, USM celebrated our 145th commencement with 1,700 graduates. The most popular undergraduate field of study is Nursing, with 123 completions, followed by Health Sciences (76), Business/Management (69), Social and Behavioral Sciences (62), Psychology (53), and Biology (39) (University of Southern Maine, 2025h).



Source: USM, 2025g



Part II: USM's contribution to the state & region

II. USM's contribution to the state and region

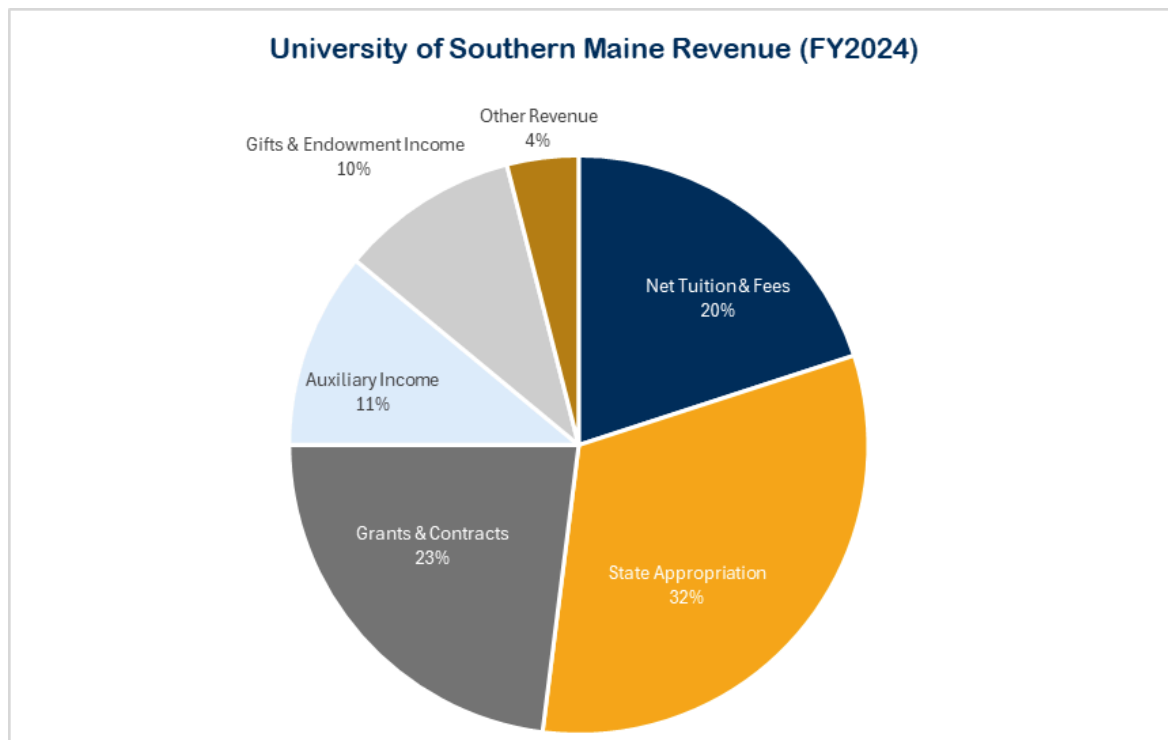
A. Introduction

This section of the report focuses on the measurable, short-term contributions that USM provides to Maine's economy through its core activities. Using the IMPLAN modeling system, we estimate how USM's revenues and expenditures—such as payroll, purchasing, construction, student spending, and visitor activity—circulate through the state's economy. These estimates capture both the direct effects of USM's operations and the ripple effects as dollars are re-spent by employees, contractors, and local businesses. The results provide a quantitative benchmark for USM's role in supporting jobs, income, and tax revenues in Maine.

Like all economic analyses, this report reflects the best data available at the time of the study. Some contributions—such as attendance at free events, athletic competitions, or conferences—could not be fully captured, and the results should be read as conservative estimates rather than precise counts. A detailed discussion of methods and assumptions is included in the Appendix.

B. University revenues

In Fiscal Year 2024, USM generated approximately \$172 million in revenue from a variety of sources. The revenue structure reflects a balanced mix of public investment, student contributions, and externally generated funds that together sustain the university's mission. The chart below shows the sources of revenue for FY24 (University of Maine System, 2025).



Source: University of Maine System, 2025

- **Tuition and Fees** (\$73.6 million gross; \$59.9 million net): Students were billed \$73.6 million in tuition and fees. The university awarded more than \$34.4 million in scholarships and grants, which reduced the actual cost of attendance for students. For accounting purposes, only a portion of this aid—about \$13.7 million funded directly by the university—is treated as a reduction to

tuition revenue. The remainder, such as Pell Grants and other Federal/state programs, are recorded elsewhere in the financial statements. As a result, the official revenue line for tuition and fees is \$59.9 million. This dual perspective highlights both the importance of tuition as a revenue source and USM's commitment to affordability through substantial financial aid (University of Maine System, 2025).

- **State Appropriation** (\$62.2 million): Public support from the State of Maine provides a foundation for the university's core operations (University of Maine System, 2025).
- **Grants & Contracts** (\$44.4 million): Sponsored funding from Federal, state, and private entities supports research, public service, and community-engaged projects. This category includes indirect cost recovery, which reimburses the university for overhead costs associated with externally funded projects.
- **Auxiliary Income** (\$21.1 million): University-operated enterprises such as dining services, housing, and the campus bookstore generate additional revenue.
- **Gifts and Endowment Income** (\$19.7 million): Contributions from private donors and distributions from the university's endowment reflect strong philanthropic support.
- **Other Revenues** (\$6.8 million): Additional revenue is generated by investment income, sales of services, and other miscellaneous sources.

Together, state appropriation, net tuition, and grants/contracts account for more than 90% of USM's total revenues. At the same time, the scale of student aid—over \$34 million in scholarships and grants—underscores USM's role in expanding access and affordability while sustaining a diversified base of financial support.

While revenues show how USM is financed, expenditures reveal how that funding translates into economic activity across the state. The following analysis examines how USM's spending on payroll, operations, construction, dining services, student living expenses, and visitor activity circulates through Maine's economy, generating jobs, income, output, and tax revenues.

C. Economic contribution analysis

To estimate these contributions, we used IMPLAN, a widely adopted economic modeling system that tracks how spending flows through regional economies. IMPLAN allows us to measure not only the direct effects of USM's operations, payroll, and construction, but also the ripple effects as employees and vendors re-spend their income in Maine. A detailed description of IMPLAN's structure, assumptions, and definitions is provided in the Methodology appendix.

Terminology. In this report, we use the term *economic contribution* rather than *economic impact* because the analysis measures the effects of USM's ongoing operations, spending, and related activities within Maine's economy. These are not new or one-time changes but the continuing flows of goods, services, and income that support existing jobs and businesses. The term *impact* is often used to describe changes resulting from a new project, policy, or event while *contribution* more accurately reflects the ongoing role that USM plays in the state's economy.

D. Results

The results in Table 1 show the economic contribution of USM's major spending categories: construction projects, ongoing operations (including payroll and purchasing), Dining Services managed by Sodexo, student off-campus spending, and visitor spending at ticketed events such as music, theater, and commencement. For each category, IMPLAN estimates both the direct effects (the jobs and income supported by USM's own activity) and the ripple effects as those dollars circulate through Maine's economy.

Table 1.

USM Economic Contributions FY24

| Employment Contributions | | | | |
|---|----------------------|---------------------|----------------------|----------------------|
| | Direct | Indirect | Induced | Total |
| Construction | 280.2 | 57.1 | 104.3 | 441.5 |
| Operational (including Sodexo) | 1,394.3 | 162.3 | 457.0 | 2,013.6 |
| Student Off Campus Spending | 86.9 | 15.3 | 19.6 | 121.8 |
| Visitation (Music, Theater, & Commencement) | 3.2 | 0.6 | 0.8 | 4.6 |
| Total | 1,764.5 | 235.3 | 581.7 | 2,581.5 |
| Labor Income Contributions | | | | |
| | Direct | Indirect | Induced | Total |
| Construction | \$19,916,200 | \$4,691,000 | \$6,831,700 | \$31,438,900 |
| Operational (including Sodexo) | \$118,284,600 | \$12,103,900 | \$29,299,500 | \$159,687,900 |
| Student Off Campus Spending | \$3,331,400 | \$1,055,100 | \$1,280,200 | \$5,666,600 |
| Visitation (Music, Theater, & Commencement) | \$147,800 | \$47,400 | \$53,100 | \$248,300 |
| Total | \$141,679,900 | \$17,897,400 | \$37,464,400 | \$197,041,700 |
| Value Added Contributions | | | | |
| | Direct | Indirect | Induced | Total |
| Construction | \$19,859,000 | \$8,270,700 | \$12,953,100 | \$41,082,700 |
| Operational (including Sodexo) | \$128,980,300 | \$18,561,000 | \$55,710,500 | \$203,251,800 |
| Student Off Campus Spending | \$14,865,100 | \$1,717,300 | \$2,415,300 | \$18,997,700 |
| Visitation (Music, Theater, & Commencement) | \$270,500 | \$76,000 | \$100,800 | \$447,200 |
| Total | \$163,974,800 | \$28,625,000 | \$71,179,600 | \$263,779,400 |
| Output Contributions | | | | |
| | Direct | Indirect | Induced | Total |
| Construction | \$38,744,600 | \$14,562,100 | \$20,102,900 | \$73,409,600 |
| Operational (including Sodexo) | \$164,248,700 | \$34,798,900 | \$87,156,900 | \$286,204,500 |
| Student Off Campus Spending | \$17,382,000 | \$3,036,400 | \$3,770,700 | \$24,189,200 |
| Visitation (Music, Theater, & Commencement) | \$407,900 | \$133,600 | \$156,500 | \$697,900 |
| Total | \$220,783,200 | \$52,531,000 | \$111,186,900 | \$384,501,200 |

Because data on visitor spending were available only for ticketed arts and commencement events, the visitation figures in this report are conservative. They do not capture the additional impact of free or non-ticketed events or of athletic contests and conferences. Future studies could provide a more complete estimate if better attendance and spending data were to be collected.

Employment contributions. In FY24, USM supported over 2,500 jobs across Maine: about 1,600 were university employees, contractors, or student-related jobs and nearly 1,000 more were sustained through ripple effects in other industries. Put differently, for every 10 jobs at USM or directly supported by its spending, an additional 4–5 jobs were created elsewhere in Maine's economy.

Labor Income. USM-related activities generated nearly \$200 million in labor income statewide. Direct wages, salaries, and benefits for USM employees totaled about \$110 million, and when contractor, construction, and student spending are included, direct labor income reached \$142 million. With ripple effects, the total rose to \$197 million. Every dollar of labor income earned by USM employees or contractors supported an additional \$0.40 elsewhere in Maine.

Value Added. USM contributed \$264 million in value added, the measure most comparable to gross state product. Direct value added—essentially the university's payroll and operating margin—was \$164 million. Ripple effects added another \$100 million. This means that every \$1 in direct value added at USM generated about \$0.60 in additional value across the state.

Economic Output. USM spending produced nearly \$385 million in total economic output statewide. Direct spending by USM and its affiliates amounted to \$221 million, while indirect and induced effects contributed an additional \$160 million. Unlike value added, which measures the net contribution to state GDP, output reflects the total volume of economic activity generated as dollars circulate through Maine's economy.

Fiscal Contributions. USM activities supported over \$56 million in tax revenues at all levels of government (Table 2). This included \$6 million in local revenues, nearly \$11 million in state revenues, and about \$39 million in Federal revenues. These figures reflect only the annual tax contributions linked to USM's operations and spending, i.e., they do not capture the much larger, long-term fiscal impact of higher lifetime earnings among USM graduates. In addition, it does not consider increases in local property tax valuation that may spillover from USM's investment in campus facilities.

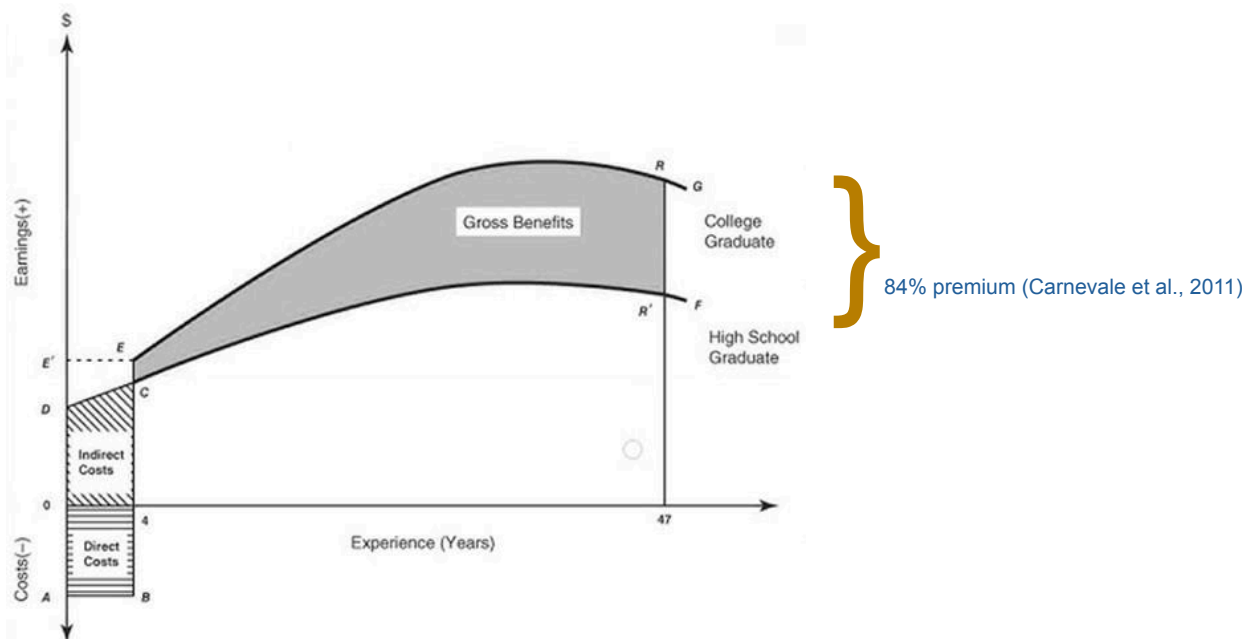
Table 2: Fiscal Contributions

| | Local | State | Federal | Total |
|-----------------|--------------------|---------------------|---------------------|---------------------|
| Direct | \$1,771,500 | \$5,059,500 | \$26,968,400 | \$33,799,400 |
| Indirect | \$1,063,200 | \$1,538,300 | \$3,777,700 | \$6,379,200 |
| Induced | \$3,357,700 | \$4,387,700 | \$8,458,700 | \$16,204,100 |
| Total | \$6,192,400 | \$10,985,500 | \$39,204,800 | \$56,382,800 |

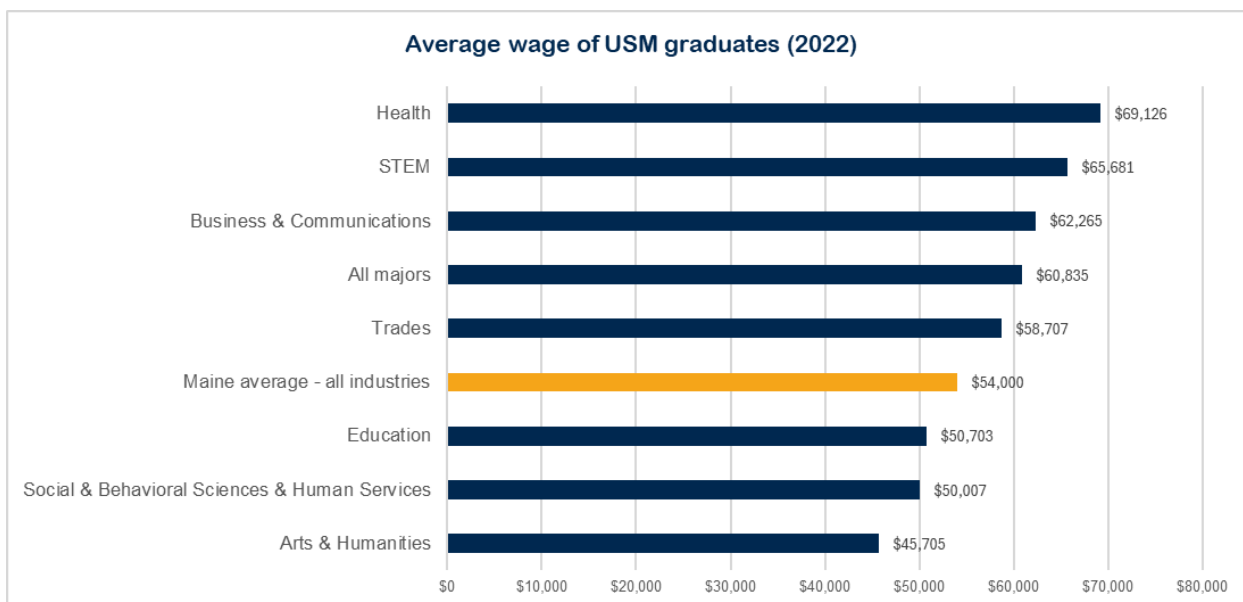
E. Return on investment

Individual return on investment. In Becker's human capital investment model, education constitutes an input similar to capital. Individuals make choices to pursue higher education, trading their money, time, and effort in the short-term in exchange for positive economic outcomes over the long-term, such as an increase in wages, prestige, productivity, and quality of life (Becker, 1962). In 2024, workers aged 25 and over with a Bachelor's degree earned an average weekly wage of \$1,543 compared to \$930 for those with a high school diploma, a difference of 66% (U.S. Bureau of Labor Statistics, 2025). Over a lifetime, a Bachelor's degree is worth a premium of 84% compared to a high school diploma alone. This premium provides a powerful boost early in a career but flattens over time as experience levels the playing field. However, lifelong learning opportunities, such as graduate certificates and degrees offered by USM, can provide a mid-career boost that helps educated workers retain their competitive advantage in the labor force (Broadly & Hershbein, 2020; Carnevale et al., 2011; Tamborini et al., 2015).

Becker's Human Capital Investment Model



A degree from USM offers a competitive advantage in the marketplace. USM graduates from the Class of 2022 earned an average wage of \$60,835 compared to \$54,000 for Maine workers with a high school diploma alone. This represents an early career premium of 12.7%, with Health majors earning a 28% premium, and STEM majors, 21.6% (Maine Department of Labor, 2025; U.S. Census Bureau, 2025).



Source: Maine Department of Labor, 2025; U.S. Census Bureau, 2025

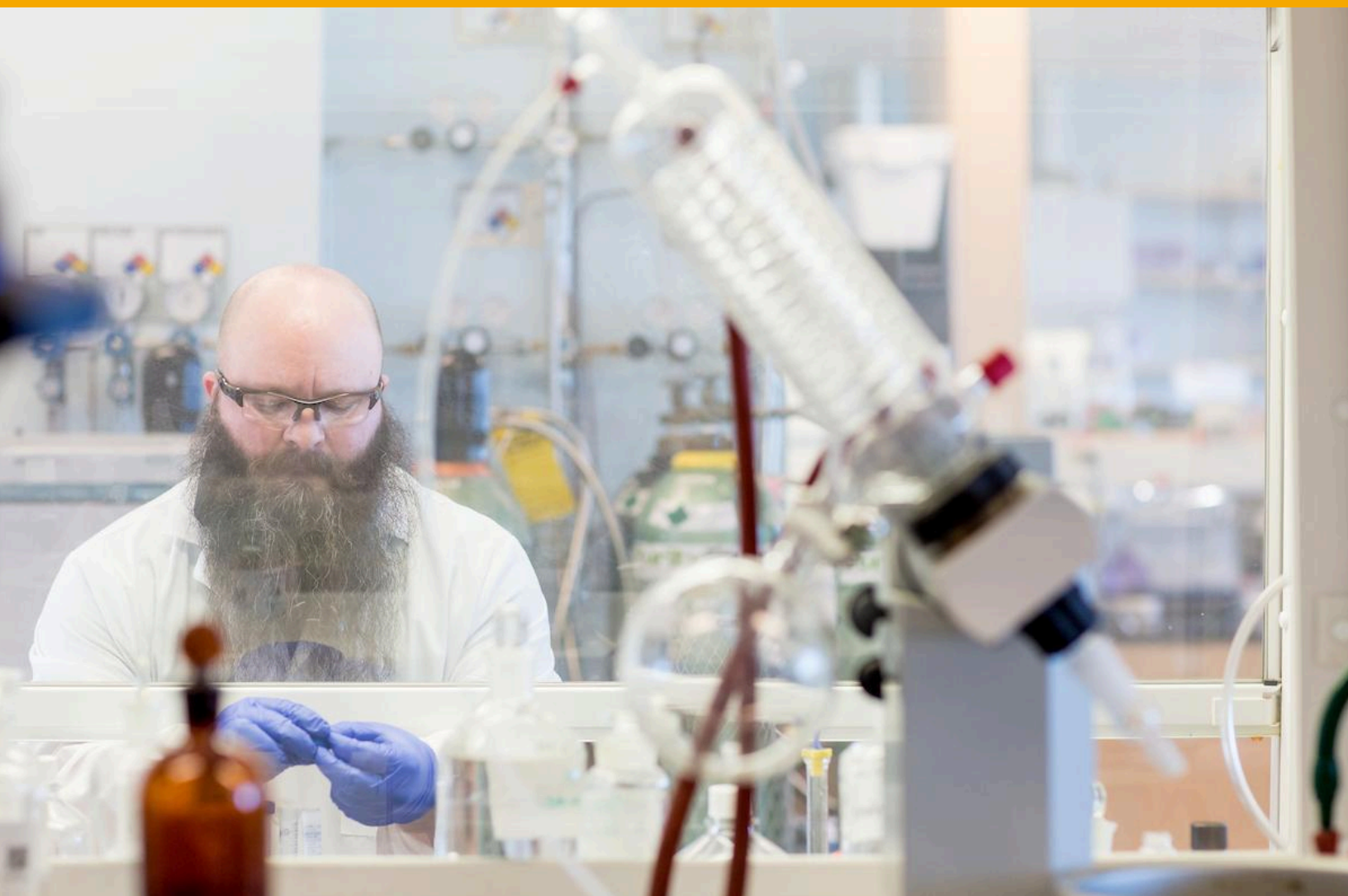
In 2023, all Maine workers with a Bachelor's degree or higher earned \$84,432 compared to \$56,676 for Maine workers with a high school diploma alone, which represents a premium of 49% (U.S. Census Bureau, 2025). This differential demonstrates the continuing value of a college education.

Public return on investment. The State of Maine invested approximately \$62 million in USM in FY24. That investment yielded an estimated \$248 million in value added to the state economy — a 4:1 return in net economic value. In broader terms, USM’s activities generate about \$375 million in total economic output, meaning that every dollar of state support resulted in roughly \$6 in statewide economic activity. While this is not a financial “return on investment” in the traditional sense, it illustrates the substantial economic value generated by public funding of the university..

F. Conclusion

Taken together, USM’s revenues translate into measurable and sustained benefits for Maine’s economy. In FY24, the university’s \$172 million in revenues—including \$62 million in state appropriations — supported more than 2,500 jobs, nearly \$200 million in labor income, and over \$56 million in tax revenues across Federal, state, and local governments. These results illustrate how public investment in USM, combined with tuition, grants, and other revenues, is multiplied as it circulates throughout the state’s economy.

At the same time, these numbers capture only part of USM’s significance. Payroll, construction, student spending, and visitor activity are measurable flows, but they do not reflect USM’s broader role in preparing Maine’s workforce, advancing research and innovation, expanding educational access, or enriching the state’s cultural life. The next section of the report explores these broader community and cultural contributions.



Part III: Community and cultural contributions

III. Community and cultural contributions

A. Introduction

Beyond payroll and spending, USM strengthens Maine's economy and communities in ways not fully captured by traditional economic models. This section highlights six areas of broader contribution.

- Research and innovation anchor USM's role as a hub of applied knowledge and partnership with Maine industries and agencies.
- Educational access and affordability expand opportunity for first-generation and non-traditional students.
- Workforce and professional development integrate classroom learning with internships, clinical placements, and career preparation.
- Student outcomes and alumni impact demonstrate how graduates remain in Maine, earn competitive wages, and contribute as entrepreneurs and leaders.
- Arts and culture enrich the region's quality of life and visitor economy.
- Finally, educational pathways across the lifespan connect K–12 students, adult learners, and older Mainers to new opportunities.

Together, these activities illustrate how USM functions as a regional anchor institution—building capacity, advancing equity, and enhancing Maine's cultural and civic life.

B. Research and innovation

Over the last 10–15 years, USM has invested significantly in applied research facilities and programs that work with public and private organizations to promote economic growth and sustain Maine's high quality of life. In 2025, USM was named a Research College and University (RCU) by the American Council on Education and the Carnegie Foundation for the Advancement of Teaching, which recognizes the dollar value of applied research conducted at the institution (Carnegie Foundation, 2025).

Research. The Catherine E. Cutler Institute serves as the research arm of USM's Muskie School of Public Service, focusing on programs and services that impact children, youth and families; public health, disability, and aging; workforce and economic development; and environmental and social resilience. In FY25, the Cutler Institute boasted \$25 million in state, Federal, and private foundation grants that served over 150 public and nonprofit agencies throughout Maine and the U.S. through applied research; communications and creative direction; database design and management; training and technical assistance; policy and practice solutions; community engagement; and program design and evaluation.

Innovation. In addition to the Cutler Institute, USM is home to applied research assets that facilitate economic development through activities that result in the creation and/or improvement of products and services. These activities support cost savings; prototype development; process improvement; incubator, lab, and co-working space; protection of intellectual property (IP); market research; IRB review; industry-focused networking events; and/or other training and technical assistance services. In addition to these high touch activities, these assets offer internships for students. Many of these assets were created with generous private, public, and philanthropic investments, including grants from the Maine Economic Improvement Fund and the Maine Technology Institute.

In FY25, USM assisted 49 public and nonprofit agencies and 1,092 businesses. The latter group consists of 7 publicly traded companies and 155 startups in operation for less than 5 years. Over 97% of businesses were either headquartered in Maine or operated an establishment within the state, while less than 3% had their principal office elsewhere in the U.S. or were headquartered overseas. The development and/or improvement of products and services have their own individual economic impact in the form of jobs, wages, sales, and multiplier effects. However, this level of impact is beyond the scope of this report although the expenditures associated with program operations of applied research assets are reflected in Table 1.

Applied Research Assets at the University of Southern Maine

| | Cost savings | Prototyping | Process improvement | Incubator, Lab, & Co-working space | IP | Market Research | IRB review | Networking | Training & Technical Assistance |
|--|--------------|-------------|---------------------|------------------------------------|----|-----------------|------------|------------|---------------------------------|
| BioPilot Access to equipment for cell, micro, and molecular biology and biochemistry in partnership with the Roux Institute | ✓ | ✓ | ✓ | ✓ | | | | ✓ | ✓ |
| BioIN Short term leases of wet lab bench space in partnership with the Roux Institute | ✓ | ✓ | ✓ | ✓ | | | | ✓ | ✓ |
| Composites Engineering Research Laboratory Applied engineering expertise for prototyping, manufacturing, & process optimization | ✓ | ✓ | ✓ | | | | | | ✓ |
| Maine Center for Business & Economic Research Applied research to stimulate Maine's economic growth | | | | | | ✓ | | | ✓ |
| Maine Regulatory Training & Ethics Center Training & technical assistance for compliance, workforce development, & ethics | | | | | ✓ | | ✓ | | ✓ |
| Maine Small Business Development Centers Free advising, training, and resources to entrepreneurs & small businesses | ✓ | | ✓ | | | ✓ | | ✓ | ✓ |
| Maker Innovation Studio Collaborative workspace for prototyping ventures in STEAM fields | ✓ | ✓ | | | | | | | ✓ |
| Dubyak Center for Digital Science & Innovation Interdisciplinary research, partnerships, & tech transfer in computer science | | | | | | | | ✓ | ✓ |
| New England Ocean Cluster Collaborative co-working space for the Blue Economy on Portland's working waterfront | ✓ | | ✓ | ✓ | | | | ✓ | ✓ |
| New England Environmental Finance Center Technical assistance for environmental financing & resilient communities | ✓ | | | | | | | ✓ | ✓ |
| Office of Commercialization Public-private partnership focused on commercialization, applied research, and economic transformation | ✓ | | ✓ | ✓ | | | | ✓ | ✓ |
| QC2 Collaboratory Laboratory analysis & testing for the craft beverage industry | ✓ | | ✓ | | | | | | ✓ |
| World Affairs Council Cultural exchange between Maine & the world | | | | | | | | ✓ | ✓ |

Source: Compiled from institutional sources

C. Workforce development and professional development

One of USM's most direct contributions to Maine's economy is preparing students and adult learners for the workforce through internships, clinical placements, and professional development programs.

Workforce development. The integration of learning and work is one of USM's four academic pillars. In FY25, the USM Career and Employment Hub coordinated 3,248 placements at 183 businesses and 148 public and nonprofit agencies, including internships, practicums, and clinical placements. The School of Science, Technology, and Health leads the university in the percentage of internships compared to enrollment, 81%, followed by the School of Management and Human Service, 56%, and the School of Arts, Humanities, and Social Sciences, 22%. As a result, 57% of recent graduates responding to the First Destination Survey reported that they participated in 1-2 internships during their university experience (University of Maine System, 2024).

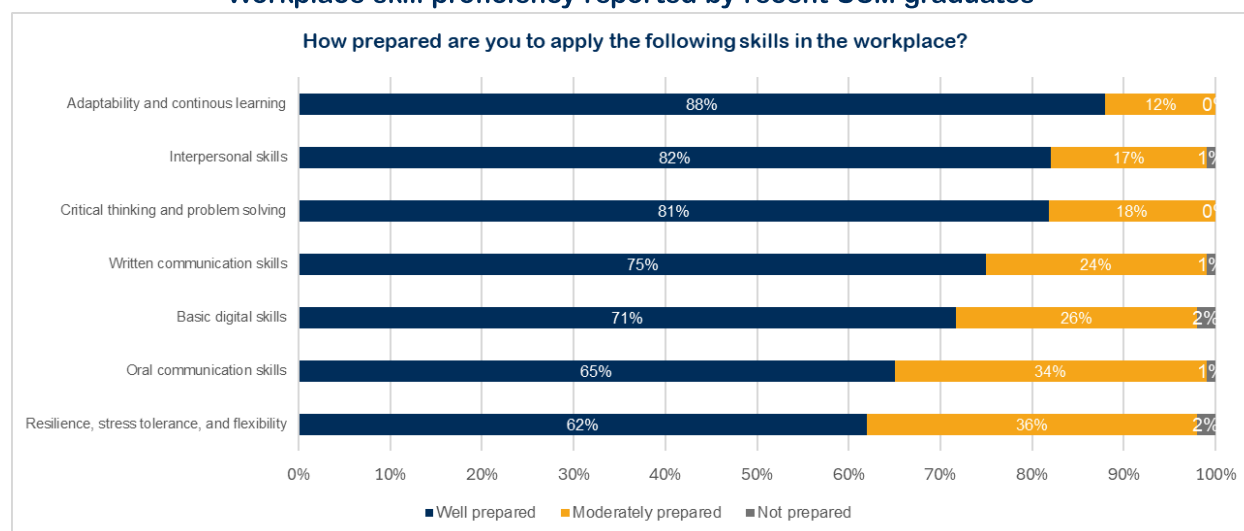
USM Internship Placements by School as a Percentage of Enrollment

| School | Total Internships | School Enrollment | Internships/Enrollment |
|-------------------------------------|-------------------|-------------------|------------------------|
| Arts, Humanities, & Social Sciences | 312 | 1,395 | 22% |
| Management and Human Science | 1,200 | 2,159 | 56% |
| Science, Technology, and Health | 1,736 | 2,145 | 81% |
| Total | 3,248 | 5,699 | 57% |

Source: Compiled from institutional sources

Participation in these work-based learning opportunities prepares students with both the hard and soft skills to succeed in the workforce. As part of the First Destination Survey, 62% of recent graduates (n=471) reported that they were working full-time or part-time, with 77% employed in their field. When asked about their preparedness for the workforce, 88% of respondents reported that they were *well-prepared* with adaptability and continuous learning skills; 82% with interpersonal skills; 81% with critical thinking and problem-solving skills; 75% with written communication skills; 71% with basic digital skills; 65% with oral communication skills; and 62% with resilience, stress tolerance, and flexibility skills (University of Maine System, 2024).

Workplace skill proficiency reported by recent USM graduates



Source: University of Maine System, 2024

Professional Development. USM offers a suite of professional development programs that enable adults to upskill or reskill, including online, self-paced, live, and customized course options. In FY25, a total of 216 unique learners representing 60 business and organizations participated in 269 classes, resulting in the award of 94 certificates and 66 micro credentials. Eighteen percent participated in self-paced courses,

and 82% in live courses either in-person or online. During this time period, the Office of Professional Development customized courses for 13 businesses and organizations.

D. Educational access and alumni impact

USM's contribution to Maine's economy begins with access: opening doors for first-generation students, Pell-eligible students, and international students through scholarships, targeted programs, and community-based support. That commitment to affordability reduces student debt and improves economic security for graduates. The impact extends well beyond graduation. Alumni remain in Maine at high rates, earn competitive salaries, and contribute as educators, professionals, entrepreneurs, and community leaders. Taken together, these patterns show how USM both expands opportunity for underrepresented students and anchors talent that strengthens Maine's workforce and economy.

Access and affordability. USM prides itself on providing equitable access to an affordable quality education. Reflecting that vision, 40% of first-year undergraduates are first-generation scholars, meaning that they are the first in their families to attend college.

During the 2023-24 academic year, USM awarded over 2,300 scholarships totaling over \$10.8 million. Partly as a result of this investment, 36% of USM undergraduates graduate without debt, compared to approximately 31% nationally. Of those students who do borrow, the average debt is less than \$26,000, significantly lower than the national average of \$38,000. Over a lifetime, this difference in indebtedness represents a meaningful boost to economic security for USM graduates and their families.

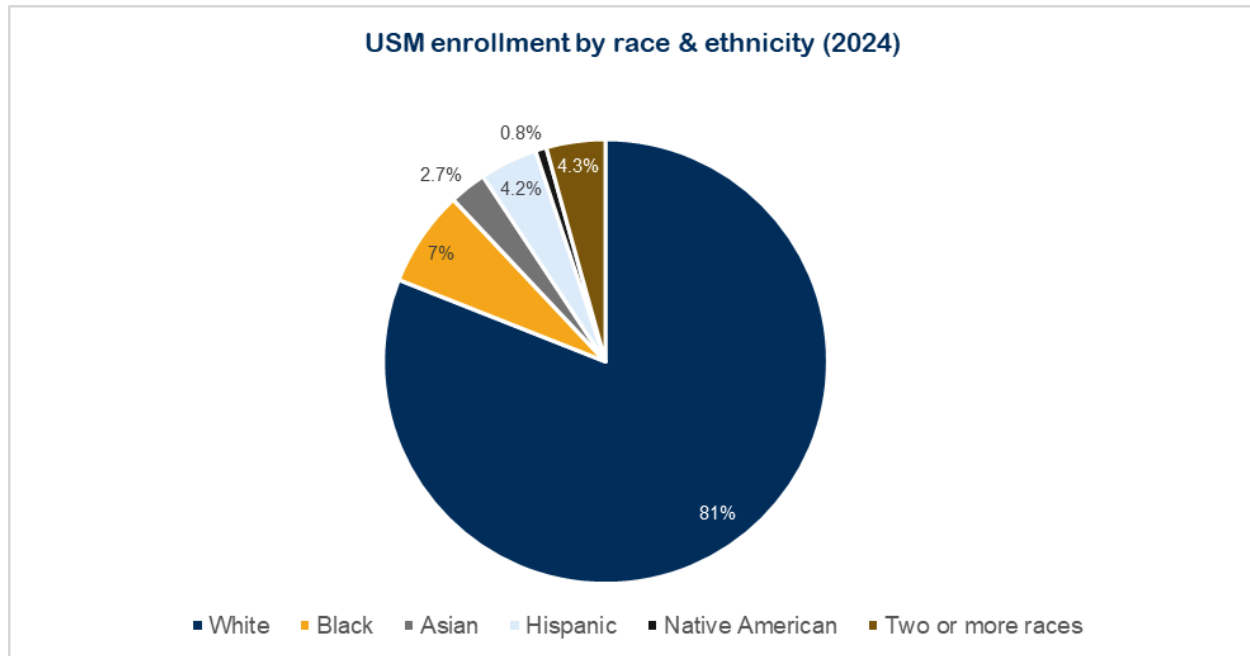
Access to higher education provides more than just a bachelor's degree - it opens doors to mentorship, networking, and job opportunities that build wealth and stability in future generations. "For first-generation students, earning a degree can be a life-changing achievement, breaking the cycle of poverty and providing opportunities for future generations" (Grier, 2024).

USM offers a number of programs geared toward low-income and/or first-generation students.

- The **Promise Scholars** program at USM supports up to 100 Maine residents each year who are first generation and/or low-income with multi-year scholarships that cover 100% of demonstrated need. Among participants, 72% are first-generation, 67% are Pell-eligible, and 25% are ineligible for Federal aid. Remarkably, 88% of Promise Scholars graduate with no student debt (USM, 2025d).
- **TRIO College Programs**, Federally funded by the U.S. Department of Education, serves first-generation, income-eligible, and students with disabilities. The program provides intensive advising, academic support, financial literacy workshops, and leadership development opportunities (USM, 2025c).
- **New Mainer Community Program** creates a pathway for international students to begin coursework at USM while building English proficiency and academic readiness (USM, 2025b).
- **Scholarship for Maine Immigrants** (formerly Portland ESL Scholarship Fund) was founded in 2000 by Harold Zolgarin. Its mission is to help international students gain the English language and career skills necessary to achieve their educational and professional goals" (Scholarships for Maine Immigrants, 2025). While not geared specifically for attendance at USM (scholarships may be used for any course, training program or exam located in Maine), the program is highlighted through USM's English for Speakers of Other Languages (ESOL) program.

USM's impact is magnified by its location. Two of the university's campuses (in Portland and Lewiston–Auburn) are located in the most racially and ethnically diverse regions of Maine, and the primary centers of the state's immigrant and refugee populations. This makes USM uniquely positioned among University of Maine System campuses to serve international students—offering scholarships, academic pathways, and community-based support in the very places where demand and opportunity are

greatest. In fact, USM received a Gateways for Growth Challenge grant in 2023, a competitive award to promote the interests of international students, particularly in Lewiston-Auburn (American Immigration Council and Welcoming America, 2024). Through all of these efforts, USM not only expands educational access but also strengthens the state's workforce and economic life in its most dynamic communities. The cumulative impact of these efforts is reflected in enrollment: In 2024, USM's minority enrollment was 20.8%, more than double the state's minority population of 8.2%.



Source: USM, 2025g

Student outcomes and alumni impact. USM's emphasis on affordability helps graduates build a solid financial foundation as they begin their careers, facilitating the pursuit of home ownership, continuing education, and entrepreneurship. These outcomes reflect more than just financial relief. By reducing the burden of student debt, USM helps graduates enter the workforce with flexibility and resilience, contributing to Maine's economy sooner and with fewer financial constraints. Over the long term, this represents a powerful multiplier effect: graduates who are less encumbered by debt can invest more quickly in their futures and in the communities where they live and work.

The impact extends well past commencement. With more than 60,000 members, the USM Alumni Association represents one of the largest professional organizations in the state (USM, 2025e). LinkedIn data show that nearly 63% alumni who list USM on their profile remain in Maine (LinkedIn, 2025). Among the most recent graduates, nearly 87% of in-state students remained in Maine following graduation. Notably, nearly 36% of out-of-state students also remained in Maine, underscoring USM's role as a magnet for talent (University of Maine, 2024).

Earnings data highlight the strength of this contribution. A survey of recent graduates reported a median salary of \$55,600—nearly equal to the statewide median for Mainers with a bachelor's degree. This suggests that USM graduates achieve competitive wages early in their careers, contributing to the state's economy on par with more experienced workers. Alumni are also drivers of innovation: an analysis of job titles reveals that 11% of USM alumni list themselves as founders or owners of a business, consultancy, or nonprofit (LinkedIn, 2025), further contributing to Maine's economic growth.

Together, these outcomes demonstrate how USM reduces financial barriers for students, equips them to graduate with manageable debt, and anchors its graduates in Maine as earners, professionals, and

entrepreneurs. This combination of affordability, retention, and alumni success highlights USM's lasting contribution to Maine's workforce and economy.

While alumni shape Maine's workforce and economy in visible ways, USM's contributions also extend to the cultural life of the region. Through music, theater, and the arts, USM contributes to the region's vitality, supports tourism, and helps train the next generation of artists and performers.

E. Theater, music and the arts

USM plays a central role in southern Maine's cultural economy. Concerts, theatrical productions, exhibitions, and public events draw thousands of visitors to campus each year, while also preparing students for careers in the arts. These activities not only enrich the quality of life for local residents but also contribute to the broader arts and tourism economy that is vital to Maine's identity and growth.

While the focus of this report is the economic contribution of USM's activities, it also recognizes that the University's music, theater, and arts offerings are woven into Southern Maine's cultural life—an economy that fuels tourism and enhances regional quality of life. In Greater Portland, for example, nonprofit arts and culture organizations generated \$86 million in economic activity in 2022, supporting 1,872 jobs and producing \$20.7 million in government revenue (Americans for the Arts, 2023). Statewide, Maine's arts and culture sector accounted for \$1.6 billion in value added, represented 2.3% of the state's GDP, and supported nearly 15,000 jobs (Americans for the Arts, 2022). USM's own arts-related offerings—concerts, theatrical productions, exhibitions—are part of this ecosystem, contributing to both the tourism economy and the area's livability, as well as contributing to the arts industry's future workforce in Maine.

For example, between September 2024 and June 2025, the Osher School of Music sold over 1,800 tickets to their programs (as well as an additional 2,000 tickets to their Youth Ensemble programs). This total does not include the many student and faculty recitals, showcases, and other events, for which tickets are not sold.

Likewise, the Theatre department at USM presented seven different productions on the USM Gorham campus during the 2024-25 academic year, for which they sold nearly 3,000 tickets. Two of those productions were held jointly with the Osher School of Music.

Both the Theatre Department and the Osher School of Music provided information on their ticket sales, which allowed the project team to include the economic contribution of visitation to those events in this report. While we were unable to provide a similar analysis of the Arts program at USM, they also contribute to the fabric of the community, with exhibitions, gallery talks, visiting artists, and an artist-in-residence program (USM, 2025a).

D. Lifetime educational opportunities

Just as USM's arts programs engage the wider community, the university also reaches younger learners directly. Through camps, clinics, and academic programs, USM introduces K–12 students to campus life and creates pathways into higher education.

K-12 programming. USM operates dozens of programs that bring K-12 students to campus for early college plus immersion in the arts, academics, and athletics, including camps, clinics, and field trips. Over the last year, K-12 participation approached 15,000 students. Many of these programs feature multi-day itineraries that expose students to campus life while strengthening both soft skills, like teamwork and communication, as well as technical skills, such as design. While the long-term impact of participation is ultimately measured by the pursuit of career pathways, in the short-term, these programs also serve as recruitment tools for enrollment in the University of Maine system.

K-12 Programs at USM

| Programs | Students |
|---|----------|
| TRIO/Upward Bound | 390 |
| Early College | 1,070 |
| Humanities | |
| Theatre | 791 |
| Music | |
| Writing Camp | |
| ArtLab | |
| Athletics | |
| Baseball and softball | 1,004 |
| Basketball | |
| Soccer | |
| Track | |
| Volleyball | |
| Wrestling | |
| Science, Technology, Engineering, and Mathematics | |
| STEM camps | 7,415 |
| Maine STEM Film Challenge | |
| Maine Science Bowl | |
| Maine Robot Track Meet | |
| Planetarium | |
| Social Sciences | |
| World Affairs Council | 4,321 |
| Osher Map Library | |
| Total | 14,993 |

Source: Compiled from institutional sources

Non-traditional students. USM supports education across the lifespan, offering opportunities for adults to complete degrees and extend their careers. In 2024, 346 students aged 50+ were enrolled in USM courses in order to attain a degree: 37% were seeking a baccalaureate degree, and 63%, a graduate degree. Enrollment of older students is facilitated by the following policies:

- 2+2 programs with the Maine Community College systems that result in guaranteed admission and transfer credit to the University of Maine system.
- Waiver of SAT for all programs and the GRE or GMAT, for selected programs.
- Free tuition for students age 65+ to attain their first undergraduate degree.
- Opportunity to audit courses for no credit subject to full tuition or senior rate.
- Credit for prior learning acquired outside of the classroom through work and life experiences as well as military service.
- 90-credit applied bachelor's program focused on helping adults complete their degree.
- Online, hybrid, and remote learning modalities along with online short-term certificate programs.
- Policies to minimize the impact of low grades on GPA, including Academic Forgiveness, which allows students to request an elimination of up to 15 credit hours from their GPA and Fresh Start, which allows students to request a GPA reset after an absence of 5 or more years.
- Adult Student Success Center that helps older students acclimate to college and navigate the university.
- Scholarships for adult and re-entry students.

Lifelong learning. The Osher Lifelong Learning Institute (OLLI) and Lewiston Auburn Senior College provide students aged 50+ the opportunity to take enrichment courses that do not require tests or grades in a variety of subjects, including art, history, music, literature, dance, theater, and film; genealogy; health and wellness; language; politics and current events; psychology; religion, philosophy, and spirituality; science and natural history; and travel courses. Over the past year, OLLI and LA Senior College offered 4,012 courses to 1,845 students.

F. Sustainability

Through the Office of Sustainability, USM strives to make our campuses more environmentally, economically, and socially sustainable while teaching students the skills necessary to address global environmental challenges. To that end, our institutional strategy for sustainability focuses on energy efficiency, zero waste, biodiversity, and alternative transportation.

Energy efficiency. The Office of Sustainability manages USM's commitment to become carbon neutral by 2040. The university took major steps toward this goal by ensuring new buildings are energy efficient. In FY25, USM received LEED Gold certification for the McGoldrick Center and Passive House certification for Portland Commons. LEED (Leadership in Energy & Environmental Design) is one of the most well respected green building standards in the U.S., while Passive House is one of the most aggressive green building standards in the world. At the time USM received certification, Portland Commons was the third largest Passive House building on a university campus in the nation.

The Office of Sustainability assisted the Strategic Procurement Office, Competitive Energy Services and other system partners in developing a plan to invest in off-campus solar and hydro in Maine through the Net Energy Billing program that has resulted in significant annual savings since 2021. In FY25, that savings exceeded \$250,000 on the university's electric bills. By offsetting over 60% of the university's electricity through Green-e certified RECs, the program has served as the impetus for the creation of a systemwide Carbon Commitment Committee.

The USM parking garage in Portland is home to Maine's largest collection of Level 2 electric vehicle (EV) chargers - 58. In FY25, USM partnered with UMaine's Office of Sustainability and Champlain Energy Systems to secure \$303,704 in grant funding from the Efficiency Maine Trust to be used by a third party (Gridwealth) to install and operate two Level 3 EV chargers on the Gorham campus.

Zero waste. The Office of Sustainability assists Facilities Management in striving for the dual goals of reducing the creation of waste from students, staff and faculty by 25% and increasing waste diversion to 70%. On a daily basis, USM works with Garbage to Garden to compost food scraps and with Eco-Maine and Northcoast to recycle plastics, paper, aluminum, tin, steel, bottles, wood, and electronic waste. Every year, the university organizes a Mindful Moveout that donates office supplies, household items, and clothes left behind to incoming students or to community organizations. Whenever possible, USM donates uneaten food to local shelters and pantries.

Biodiversity. USM supports biodiversity through aggressive stormwater management, an integrated pest management strategy, and the active restoration of native plant species on campus, including an arboretum and pollinator gardens that support pollinators, birds and other wildlife.

Alternative transportation. Multi-modal initiatives are outlined in USM's Transportation Demand Management plan, which promotes alternative transportation through a bikeshare program, EV charging stations, carpooling opportunities, sponsorship of the METRO Husky Line bus service, and free rides for faculty, staff, and students on the Greater Portland Metro and LA Citylink transit systems.

The Office of Sustainability works closely with Parking Services to achieve the triple goals of reducing greenhouse gas emissions, congestion and peak parking demand from vehicles. In FY25, USM met and and/or exceeded goals due to a strong effort to maintain the Husky Line bus service, offer preferred carpool spaces in convenient campus locations, and build substantial bike infrastructure, including the largest secure bike parking room in Maine with 250 spaces, a dedicated bike room in the Portland Commons with 37 spaces, and a bikeshare partnership with Tandem Mobility.

Transportation Demand Management Goals

| Goal | Baseline year | Goal | FY25 Achievement |
|---|---------------|---------|------------------|
| Reduction in parking demand | 2019 | 10%-14% | 11.7% |
| Reduction in AM/PM peak trip generation | 2025 | 3%-6% | 24% |
| GHG emissions (commuter travel) | 2006 | 20% | 46.9% |

Source: Compiled from institutional sources



Part IV: Overall conclusion

IV. Overall conclusion

A. Introduction

Taken together, these activities highlight USM's role as more than an educational institution. Through applied research, expanded access, workforce partnerships, alumni contributions, cultural programs, and educational opportunities from childhood through adulthood, USM serves as a regional anchor that strengthens Maine's economy and communities in lasting ways. While the measurable impacts of jobs, income, and tax revenues provide one lens, these broader contributions demonstrate how the university builds capacity, fosters innovation, and enhances quality of life across the state.

The University of Southern Maine plays a vital role in Maine's economy and civic life. On the economic side, USM's operations, payroll, construction, student spending, and visitor activity supported more than 2,500 jobs, nearly \$200 million in labor income, \$385 million in statewide output, and \$56 million in tax revenues in FY2024. These measurable contributions illustrate how public investment, tuition, and external funding are multiplied as they circulate throughout the state's economy.

At the same time, USM's broader role cannot be captured by numbers alone. As an anchor institution, the university expands access to higher education for first-generation and non-traditional students, partners with industries and public agencies through applied research, prepares students for careers through internships and clinical placements, retains graduates in Maine at high rates, and enriches the region's cultural life. These contributions strengthen Maine's workforce pipeline, foster innovation, and enhance quality of life throughout our communities.

Together, the findings of this report show that USM is not only a source of jobs and spending but also a long-term driver of resilience and vitality in southern Maine and the state as a whole.



Part V: Afterward - next steps

V. Afterword - next steps

This report provides USM's first comprehensive look at both its measurable economic contributions and its broader role as a community anchor. It establishes a benchmark that can guide future analysis, but it is also a starting point for deeper conversations.

Regional public universities like USM play an outsized role in their states' economic and civic life. Yet, as the Association of Public and Land-grant Universities (APLU) has observed, many institutions struggle not only to measure their contributions but also to communicate them effectively. This report is a first step in helping USM address this gap. The breadth of the university's activities in support of the community is impressive, but more can be done—both to document that role in clearer, more systematic ways and to strengthen it going forward.

While designing that broader vision is beyond the scope of this report, the project team does offer several recommendations for university leadership as they consider how to use these findings in strategic planning:

- **Engage stakeholders.** Building on this report, USM should hold focus groups with community, business, and nonprofit partners to gather feedback and explore how the university can better align its activities with regional needs.
- **Strengthen data collection.** Several areas of university activity—such as athletic events, conferences, and free cultural programming—could not be fully measured in this report due to limited data. Improving the tracking of attendance, spending patterns, and participant demographics would allow for a more complete picture in future analyses.
- **Integrate impact into planning.** This report should not sit on a shelf. Its findings should be incorporated into strategic planning and communications, ensuring that economic and community contributions are part of how USM defines and measures success.
- **Adopt a universal client resource management system.** We counted at least 600 public and private agencies in Maine and throughout the country that served as host sites for internships, practicums, or clinical placements and/or received training and technical assistance that led to the development or improvement of products and services. This high level of engagement in the form of increased jobs and sales is an economic driver that could be more fully captured in a future report.

By taking these steps, USM can move beyond one-time analysis to an ongoing process of documenting, communicating, and strengthening its role as a regional anchor institution.

VI. Appendix A: Methodology

A. Description of IMPLAN

The economic analysis presented in this report relies upon IMPLAN, an economic impact software. IMPLAN uses a model of a region's economy to measure the interdependencies between various industry sectors. IMPLAN measures the total direct, indirect, and induced effects in output, employment, and earnings produced by an industry. The direct effects consist of the output of the firms or industries that are being evaluated; indirect effects consist of the purchases that those firms make from other businesses. Both the direct and indirect output produce household income for their employees, a proportion of which is re-spent on consumption goods, creating the induced effect. IMPLAN provides the contributions in terms of the dollar value of gross receipts (output), dollar value of wages and salaries (earnings), and number of jobs (employment). Employment numbers are considered an annual average of employment that includes full-time, part-time, and seasonal employment. In other words, employment data should not be considered full-time equivalents (FTEs) (IMPLAN LLC, 2023).

B. Approach

This section describes the data sources, adjustments, and modeling approach used to estimate the economic contributions of the University of Southern Maine (USM). The analysis covered six main categories of expenditure:

1. Operational expenditure
2. Payroll and compensation
3. Construction and capital expenditure
4. Dining Services (Sodexo)
5. Student off-campus spending
6. Visitation

To avoid double counting, we modeled certain activities separately. Dining Services expenditures were removed from the operational expenditure category and analyzed on their own. Similarly, food-related purchases in the operations budget were removed from that category and incorporated into the Dining Services analysis. In addition, certain capital purchases were grouped with construction because they were charged to the same fund, even though they were not strictly building-related. Shared services provided by the University of Maine System office were also removed from the operational expenditure category but modeled separately in order to capture their contribution. Student wages were excluded from payroll, as they are captured in the student spending analysis.

Operational Expenditures. The University of Maine System office provided the project team with a detailed, line-item operational budget for FY24. This dataset included spending on goods, services, utilities, travel, and other non-payroll categories. We excluded expenditures clearly made outside Maine, such as out-of-state travel, as well as interdepartmental charges, debt service, and shared services provided by the University of Maine System office. Dining Services, Catering, and Food Services—operated by Sodexo—were also excluded from this category and modeled separately.

In addition to expenditures made directly by USM, the University of Maine System office in Penobscot County provides a range of shared services that support USM's operations. Because these activities take place at the System office in Penobscot County, we modeled those expenses in IMPLAN as an institutional spending pattern for state and local education in Penobscot County. The model was run using multi-regional impact analysis (MRIO) to capture the resulting effects in the rest of Maine.

Finally, the operational expenditure analysis used IMPLAN's default institutional spending pattern for junior colleges, colleges, universities, and professional schools as a starting point. To better reflect USM's actual operations, we made several adjustments:

- Reduced the share allocated to “Other Real Estate Services” to reflect USM’s minimal use of leased space.
- Removed purchases related to coal, since USM does not use coal for energy.
- Zeroed out food-related purchases to avoid double counting with Dining Services.

These modifications were intended to improve the accuracy of the model by aligning it more closely with USM’s actual spending patterns.

Payroll and Compensation. Employee compensation is a major driver of USM’s economic contribution, as wages and salaries circulate through the Maine economy. Payroll data included faculty and professional salaries, classified wages, attrition, termination pay, and benefits. Student wages were excluded from this category.

The Human Resources department at USM identified employees by their state and county of residence. Fewer than 10% of employees reside outside Maine. While some portion of their income may be spent in Maine, we did not attempt to estimate this and excluded those employees from the payroll analysis.

Among Maine-resident employees, about 60% (1,026) live in Cumberland or Androscoggin counties, resulting in an in-commuting rate of 40%. This is more than double IMPLAN’s default in-commuting rate of 19%, so we adjusted the model accordingly to avoid overstating local impacts in these counties. The use of a multi-regional impact analysis (MRIO) ensures that the impacts of employees in other counties are still captured in the overall model.

Construction and Capital Expenditures. USM invests in infrastructure and facilities on an ongoing basis, generating significant annual construction-related expenditures. For FY24, the largest project was the Crewe Center for the Arts, with about \$38 million in spending. This amount was entered into IMPLAN’s “New Non-Residential Construction” category.

Other expenditures charged to the same capital fund—such as computers, furnishings, laboratory equipment, and audio-visual systems—were also included in this category. While these purchases are not technically “construction,” grouping them here reflects their shared funding source and distinguishes them from routine operational purchases. Maintenance and repair activities were excluded from this category, as they are captured in the operations analysis.

Dining Services (Sodexo). USM’s dining and catering operations are managed by Sodexo, a for-profit company headquartered in France, with North American headquarters in Maryland. Because Dining Services is operated by a private contractor and includes a mix of labor, administrative costs, and food sourcing, we modeled it separately from USM’s institutional expenditures.

We obtained expenditure data from USM’s accounting system and additional information from Sodexo on the share of food purchases sourced locally. These data allowed us to allocate Sodexo’s costs across:

- Employee compensation (wages and benefits for on-site staff)
- Intermediate inputs (raw materials, subcontracted services, and other operating costs)
- Other property income (depreciation and amortization)
- Taxes on production and imports, estimated using IMPLAN’s default ratio for this sector

Within intermediate inputs, we adjusted the local purchase percentages (LPPs) for food commodities (e.g., produce, dairy, meat, seafood) to reflect Sodexo’s reported sourcing percentages.

This approach ensures that both Sodexo’s on-site service activities and its local food purchasing practices are captured, providing a more accurate representation of its contribution to the Maine economy than would be possible using a standard industry output model.

Student Off-Campus Spending. Students who live off campus—whether with family or independently—spend money locally on housing, food, transportation, and other goods and services. We

estimated this spending using data reported to IPEDS on average living expenses for off-campus and on-campus students.

To approximate the number of students incurring these expenses during FY24, we averaged headcounts from Fall 2023 and Spring 2024. IPEDS data on student housing arrangements by year in school allowed us to estimate the proportion of students living off campus. National survey data indicate that about 30% of off-campus students live with family, and college survey data provided estimates of how students allocate their spending across categories such as housing, food, and entertainment.

We excluded tuition, fees, and room and board charges from this analysis, as they are already captured in the operational expenditure category.

Visitation. USM hosts a variety of events that attract visitors to campus, particularly in music and theater. For FY24, we obtained ticket sales and revenue data for these events, broken down by purchaser ZIP code. Using ZIP codes, we calculated the average driving distance to Gorham and categorized trips by travel distance. Trips of less than 30 miles were treated as day trips, with spending limited to gasoline, while longer trips were assigned per-visit spending estimates from comparable college visitation studies, including lodging, meals, and other travel-related expenses. Because ticketing records show that many patrons attended multiple performances, repeat visits were conservatively classified as local attendance, without lodging or long-distance travel spending, to avoid overstating economic effects.

These results should be interpreted cautiously. Ticketed events represent only a portion of USM's arts programming, which also includes many free or non-ticketed performances, recitals, and community events. As a result, the true scale of visitation is likely higher than reflected in this analysis.

We also modeled the economic contribution of visits to Commencement. While a detailed breakdown of attendance at the 2025 Commencement ceremony was not available, we multiplied the number of students participating in the ceremony by the number of tickets issued to each student. We then applied the regional breakdown of the student body to the attendees. We assumed a two-night stay for out-of-state visitors, and applied an inflation factor of 1.5 for the lodging expenditure as Commencement is typically one of the busiest times for hotel rooms in the Portland area.

We were unable to model the economic contribution of athletic events. Although an estimated 20,000 fans attended home games during the 2024–25 academic year, student admission is free, and ZIP code data is not collected for non-student attendees. Division III athletics are important for campus culture and local vendors, but they are less likely to generate substantial out-of-area spending. We recommend that future studies collect more detailed attendance and spending data for athletic events.

Likewise, we were unable to model the potential economic impact of conference visitors. While we were provided with a list of conferences and the number of attendees at each, we were unable to obtain information regarding attendee origin and spending patterns. The same is true for visitors associated with the Planetarium, Osher Map Library, and World Affairs Council.

Conservatively, the annual number of USM visitors approaches 65,000. The impact of visitor spending, however, was modeled only for music, theatre, and Commencement, where place of origin was reported or estimated.

It is important to note that this analysis captures the total economic contribution of USM's visitation to these events, not solely net new spending to the region, and therefore includes expenditures by both local and non-local visitors.

C. Limitations

Limitations of IMPLAN. It is important to recognize the assumptions and limitations of the study. IMPLAN is based upon an input-output matrix of the economy, which makes several assumptions. First among these is the principle of homogeneity. Each business is associated with a particular industry; a

social account matrix assumes that each industry's output is associated with a unique set of inputs or a unique production function. Second is the assumption of linearity: all inputs consumed by an industry are a linear function of output – that is, inputs consumed vary directly with the output produced and there are no economies of scale. Third, all input-output models assume that there are no supply constraints – there are no restrictions on employment or raw materials. An input-output model also assumes constant technology and as such is more suited to short-term snapshots rather than predictions (IMPLAN Group, 2017).

The following caveat regarding the use of IMPLAN is recommended for any study using results of its model:

“IMPLAN is a regional economic analysis software application that is designed to estimate the impact or ripple effect (specifically backward linkages) of a given economic activity within a specific geographic area through the implementation of its Input-Output and Social Accounting Matrix model. Studies, results, and reports that rely on IMPLAN data or applications are limited by the researcher's assumptions concerning the subject or event being modeled.

Studies such as this one are in no way endorsed or verified by IMPLAN Group, LLC unless otherwise stated by a representative of IMPLAN. IMPLAN provides the estimated Indirect and Induced Effects of the given economic activity as defined by the user's inputs. Some Direct Effects may be estimated by IMPLAN when such information is not specified by the user. While IMPLAN is an excellent tool for its designed purposes, it is the responsibility of analysts using IMPLAN to be sure inputs are defined appropriately and to be aware of the following assumptions within any I-O and Social Accounting Matrix Model” (IMPLAN LLC, 2019).”

Other limitations of the study. In addition to the modeling assumptions embedded in IMPLAN, several practical limitations affected this analysis:

- **Data availability.** Some areas of university activity could not be fully captured due to limited data. For example, while ticket sales provided a basis for estimating the impact of music, theater, and commencement visitation, similar data were not available for athletic events, conferences, or free cultural programming. As a result, the estimates presented here understate the full extent of USM's community engagement and visitor-related contributions.
- **Time horizon.** All of the data contained in this report is intended to represent the most recent 12-month period. For financial expenditures, the reporting period is FY24. For other data points, the reporting period is either FY24 or FY25, depending on what information was available and practicable at the program level.
- **Student spending patterns.** Estimates of off-campus student spending were based on IPEDS living-cost data, national survey benchmarks, and institutional enrollment figures. Actual spending patterns likely vary by individual circumstances, such as whether students live with family or independently. These estimates should be interpreted as averages, not precise measures of individual behavior.
- **Geographic allocation.** Payroll and expenditure data were modeled by county of residence or purchase when possible, but not all transactions could be precisely located. In such cases, assumptions were made to allocate spending to the most likely region, introducing some uncertainty in the geographic distribution of impacts.
- **Scope of activities.** The analysis focused on USM's direct operations, payroll, construction, dining services, student off-campus spending, and select visitation. It does not attempt to capture the longer-term fiscal and social benefits of higher education—such as higher lifetime earnings,

increased civic participation, or improved health outcomes—which are well-documented in the literature but beyond the scope of this report.

These limitations suggest that the results presented here should be viewed as conservative estimates of USM's contribution. Future analyses could strengthen the precision and coverage of the findings by improving data collection on attendance, spending patterns, and geographic allocation.

D. Methods to describe cultural and community contributions

In order to capture cultural and community contributions, we employed a qualitative research approach. This approach involved the following strategies:

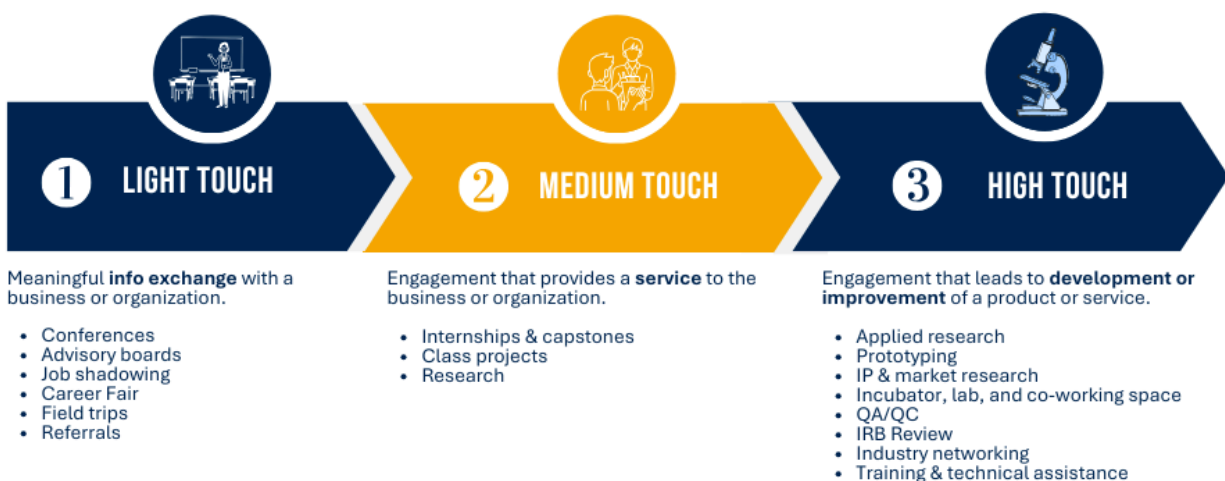
- One-on-one interviews with program managers to discuss the scope of their programs and services.
- Data on outputs and outcomes supplied by program managers in Word or Excel documents.
- Published data contained in brochures, impact reports, and/or the USM website.

It quickly became apparent that USM does not employ an institution-wide client resource management system by which to report either visitation or interactions with clients and partners. To manage this reality, information collected from program managers were organized into three inventories:

1. Total K-12 students participating in USM activities by program
2. Total visitors participating in USM activities by program
3. Unduplicated count of public and private organizations assisted by USM's applied research assets

Data from the third inventory was further organized into the following construct:

- **Light touch:** *Meaningful information exchange with a business or organization.* Examples include meetings, referrals, guest speakers, field trips and participation in USM conferences, advisory boards, career fairs and job shadowing programs.
- **Medium touch:** *Engagement that provides a service to the business or organization.* Examples include serving as host sites for USM internships, practicums, and clinical placements.
- **High touch:** *Engagement that leads to development or improvement of a product or service.* Examples include training and technical assistance, prototyping, or leasing lab or co-working space.



Given this construct, it proved nearly impossible to capture light touch activities. Everyday, USM is alive with meetings and conferences, with attendance managed by dozens of faculty and staff who were not directly contacted for this analysis. Thus, our priority shifted to capturing medium and high touch activities, which were documented based on interviews and contributions from a dozen faculty and staff who receive external dollars, including Federal grants and contracts as well as investments from the Maine Economic Improvement Fund. Yet substantial information is missing from the inventory, including public and private partners touched by class projects, student capstones, departmental advisory boards, and faculty research. Nevertheless, the 600+ partners that were captured in our inventory represent a substantial level of engagement that either 1) provides a service to the business or organization, or 2) leads to development or improvement of a product or service. While the high touch category leads to economic impact in the form of increased jobs and sales, reporting on this level of outcomes was beyond the scope of this project.

Another note: USM's assets, such as the Osher Map Library or QC2 Collaboratory, provide extraordinary learning opportunities for students that could influence retention, persistence, skill development, and the pursuit of career pathways. Indeed, many of the program managers for these assets were participants themselves who returned to coordinate them! Such transformative experiences deserve a more substantial level of analysis. Yet these programs lack a strategy or mechanism by which to measure the individual impact of enrollment, retention or persistence, i.e., does the involvement of USM students in QC2 increase their likelihood of graduating with a BS Chemistry, a STEM degree, which, in turn, provides a high level of value to the Maine economy? Does the involvement of middle school students in music camps increase the likelihood of their future enrollment in USM? Ultimately, the individual impact of these programs is only available as anecdotes, while their collective impact on enrollment, retention, persistence, and achievement is measured by such annual institutional assessments as the USM Fact Book or the First Destination Survey.

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