

# THE DIRECT ECONOMIC IMPACT OF A HIGHER EDUCATION INSTITUTION (HEI)

JORGE CUNHA<sup>1</sup>, JOANA FERNANDES<sup>2</sup> AND PEDRO OLIVEIRA<sup>3</sup>

This poster describes the study that is being conducted to determine the direct economic impact of the Polytechnic Institute of Bragança (IPB), Portugal, in the surrounding regions.

For that matter, the quantification of the impact, that IPB's activities have in the hosting communities and in their economic development, is necessary.

**HOW?**  
Using the Economic-Base or Traditional-Base Approach

## RESULTS

The selected regions were Bragança and Mirandela's cities.

A survey was conducted and the responses obtained were: 166 from the faculty, 105 from the staff and 1343 from the students.

The total annual spending estimated for the faculty, staff and students' actual population is represented in the following figure:

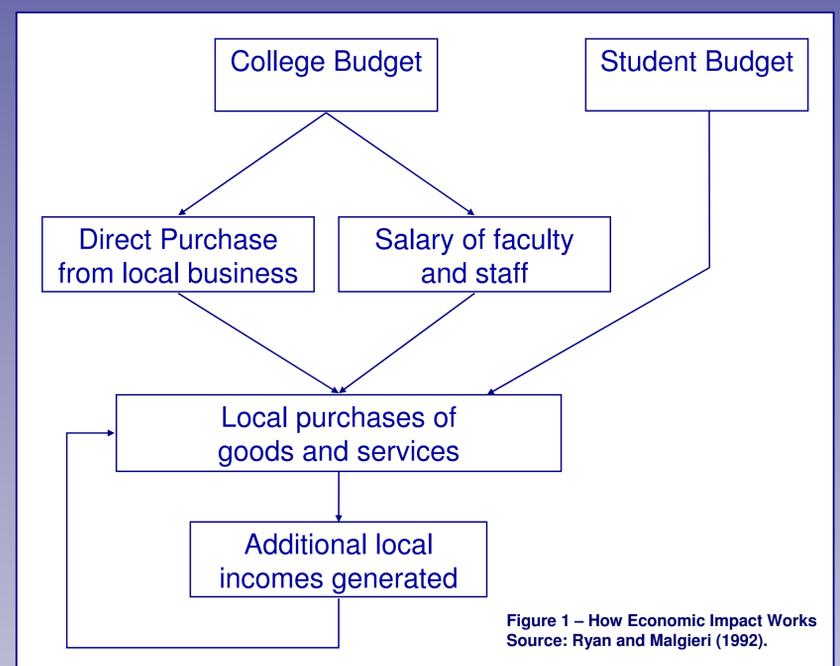
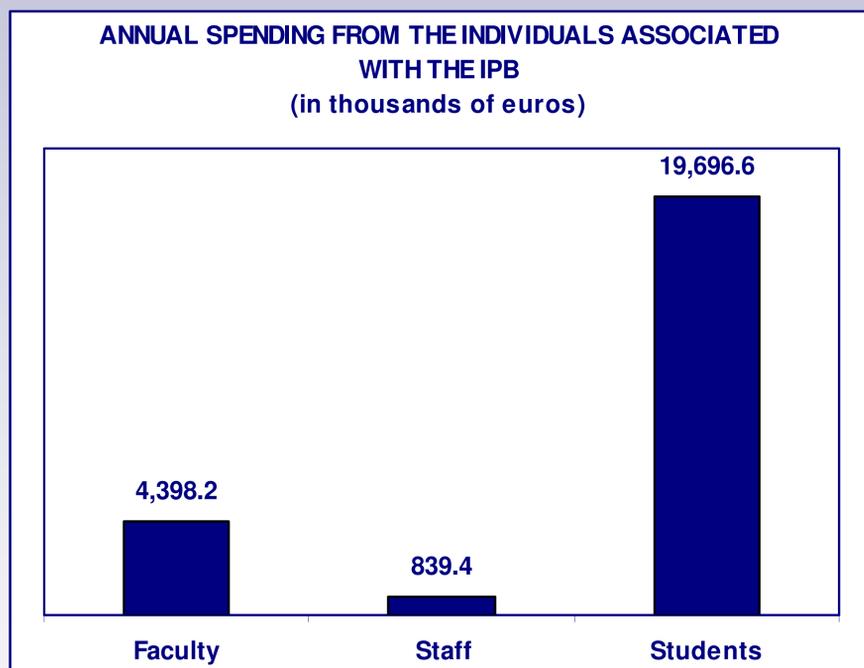


Figure 1 – How Economic Impact Works  
Source: Ryan and Malgieri (1992).

## METHOD

- Identify the region of analysis (Step 1)
- Estimate students, faculty, staff and institution spending in the region (Step 2)
- Sum the figures estimated on step 2 to obtain the direct economic impact (Step 3)
- Apply an Input-Output multiplier (Step 4)

Figure 2 – Economic-Base Approach  
Source: Caffrey and Isaacs (1971).

## CONCLUSIONS

From this survey, a first estimate of the annual direct economic impact was obtained, reaching approximately 25 million Euros.

However, the total direct economic impact of the IPB is certainly much larger than this, since:

- The amount that the institution spends in the regions is still being estimated and, therefore, is not included.
- Some contributions were not considered, namely the technology transfer and the import substitution effect.

[1] Minho University, Campus de Azurém, 4800-058 Guimarães, Portugal. E-mail: jscunha@dps.uminho.pt

[2] Polytechnic Institute of Bragança, ESTGM, Apartado 128, 5370-326 Mirandela, Portugal. E-mail: joana@ipb.pt

[3] Minho University, Campus de Azurém, 4800-058 Guimarães, Portugal. E-mail: pro@dps.uminho.pt