Montana Tech Public Relations
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MONTANA TECH IMPACTS THE LOCAL ECONOMY

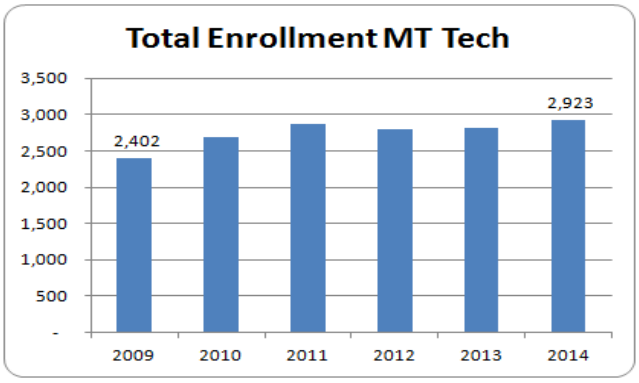
FOR IMMEDIATE RELEASE

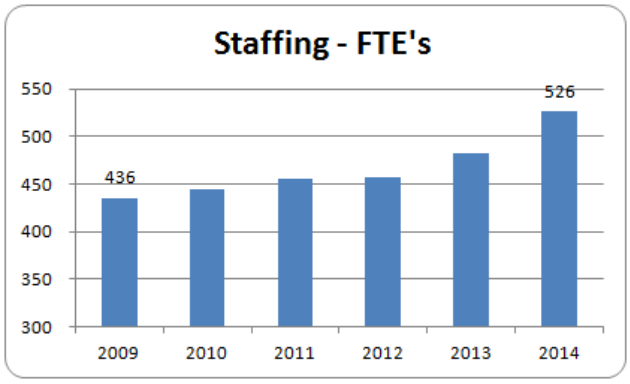
Butte, MT – Montana Tech released today the results from an economic impact study. The study concludes that Montana Tech provides a significant economic impact to not only the local Butte economy but across the entire state. It is estimated that Montana Tech provides roughly $98 million in overall economic spending and earnings. These then also provide an estimated $6.6 million of state taxes.

"I believe the results from this study quantify what we already suspected," noted Montana Tech Chancellor Don Blackketter. "The results clearly show Montana Tech is making a positive economic impact on the community, shows how committed we are to the community, and showcases the strong impact Montana Tech has across Montana."

The direct impacts from Montana Tech's staffing and payroll, student spending, research and grants, and capital and operating outlays provide additional indirect impacts to the overall economy. The benefits and additional earnings of an education from Montana Tech to the student also provide additional benefits to the overall economy over the assumed 30-40 year work-life.

Between 2009 and 2014, head count has increased over 21.7% to 2,923 in 2014. Of the total enrollment, 1,060 or 36% are enrolled in the engineering fields. Staffing levels have increased 20% since 2009.





As of 2014, Montana Tech employed 526 full-time equivalent workers. This provides annual payroll of $26.6 million and benefits of $9.2 million, for a total loaded labor of $35.8 million. This averages $68,055 per full-time equivalent. The direct employment and earnings provides additional indirect jobs and earnings in the local and state economy. Based on the RIMS employment multiplier, each job in the college education area provides for an estimated 1.6 addition indirect jobs in support and services industries. Thus, the 526 full-time positions support an additional 841 jobs in the derivative industries. With an average annual wage in Silver Bow County in the services sector at $31,815, these 841 additional jobs provide $26.8 million of additional earnings. Table 1 illustrates the direct and indirect impact of the employment and earnings of Montana Tech's faculty and staff.

Table 1: Direct and Indirect Employment and Earnings

Direct MT Tech FTE's		526
Direct MT Tech Earnings	**$**	**35,796,675**
Indirect Employment Multiplier		*1.6*
Additional Derivative Employment		842
Average Derivative Earnings	$	31,815
Derivative Industry Earnings		**26,775,504**
Total Direct + Indirect Impact Jobs		**1,368**
Total Direct + Indirect Impact Earnings		**62,572,179**

Students at Montana Tech provide benefits to the state and local economy. Of the 2,923 students in 2014, 582 are out-of-state students. It is estimated that these out-of-state students spend conservatively $1,050/month for lodging, food, apparel, entertainment, and other. Over the course of the school year, these students provide an additional benefit to the local economy of $5.5 million annually. Of the 2,341 total in-state students, 1,322 reside outside of Silver Bow County. Similar to the out-of-state students, these students provide benefits to the local economy through housing, meals, apparel, entertainment, and other. It is estimated that these out-of-county students would provide conservatively $900 of monthly spending. Thus, the 1,282 students would provide an estimated $10.7 million of additional spending to the local economy. Table 2 illustrates the spending impact of the out-of-state and out-of-county students.

Table 2: Out of State and County Student Impacts		
Total Out-of-State Students		582
Housing, Food, Other Spending/month	$	1,050
Total Out-of-State Impact (9 months)	**$**	**5,499,900**
Total Out-of-County Students		1,322
Housing, Food, Other Spending/month	$	900
Total Out-of-County Impact (9 months)	**$**	**10,708,200**
Total Impact of Student Spending	**$**	**16,208,100**

Once Tech students graduate, and conservatively following the national average, they earn approximately $22 thousand more per year than non-graduates. In the 2012-13 academic year, Montana Tech awarded 310 bachelor degrees, 44 masters, 127 associate degrees, and 40 certificates for a total of 521 awards and 481 degrees (see table 3). The total degrees over the past three academic years averaged 460 annually. With the increased earnings from the degrees vs no degrees, and approximately 60% of graduates remaining in state, this adds approximately $9.9M of additional earnings to the overall economy, and $5.9M to Montana. Table 3 illustrates the added earnings from the college graduates.

Table 3 - MT Tech Graduate Degrees and Awards and Impact

	08-09	09-10	10-11	11-12	12-13
Total Certificate Awards	32	21	40	41	40
Total Associate Awards	87	103	93	112	127
Total Bachelor Awards	256	221	314	278	310
Total Master Awards	41	18	50	49	44
TOTAL Awards	416	363	497	480	521
Total Degrees	384	342	457	439	481
Total Bachelors and Masters Degrees	297	239	364	327	354
Total Engineering Bachelors and Masters	175	147	224	196	197

U.S. Census Bureau - Annual Earning by Education Level

	Annual Earnings
Less than H.S. Diploma	24,492
H.S. Diploma	33,904
Some College No Degree	37,804
Associates Degree	40,820
Bachelors Degree	55,432
Masters Degree	67,600
Professional Degree	90,220
Doctoral Degree	84,448

Average Annual Earnings above High School Diploma	$ 21,528
Impact 460 annual degrees	**$ 9,902,880**
Est. Graduates remain in MT	60%
MT Impact of 460 Degrees	**$ 5,941,728**

Montana Tech also spends dollars to add to and operate their facilities. Of the roughly $65 million of operating costs, approximately $2.1 million was for contracted services, which employ additional workers locally. Also, $1.3 million was for supplies, $1.3 million was for utilities, and $316 thousand was for repairs and maintenance work. These select operating costs totaled approximately $5 million. On top of this, the college spends approximately $5 million per year on average since 2009 on capital upgrades. These also create additional jobs and earnings. Table 4 shows the direct impact of the operating and capital upgrades.

Table 4 - MT Tech Select Operating and Capital Expenditures				
2009-13 Capital Outlays				
	2009	11,200,000	2011	5,000,000
	2010	4,400,000	2012	3,300,000
			2013	1,200,000
	Average Annual Capital			**$5,020,000**
Select Operating Expenses 2013				
	Contracted Services	2,055,030		
	Supplies	1,308,444		
	Utilities	1,301,266		
	Repairs/Maintenance	315,566		
	Select Operating Expense			**4,980,306**
	Total Annual Operating and Capital			**10,000,306**

Montana Tech is also a strong research institution. Between Federal, State, and private grants and contracts, Montana Tech will receive $18.1 million in grant income in 2014 to continue to advance the research, development, and growth of the overall economy. 80% of this impact is covered in the labor and benefit costs of the employees. An estimated 20% of the research grants and contracts are for the purchase of materials, supplies and upgrades. Thus, approximately $3.6 million of the grants and contracts directly impacts the overall economy.

Overall, MT Tech has a significant impact on the overall economy. It is estimated that the impacts discussed provide roughly $98 million in overall economic spending and earnings. These then also provide an estimated $6.6 million of state taxes. Table 5 illustrates the overall estimated impact.

Table 5: Overall Annual Economic Impact - MT Tech		
Direct Employment		526
Indirect Employment		842
Total Direct and Indirect Employment		**1,368**
Direct Earnings		35,796,675
Additional Indirect Earnings		26,775,504
Out-of-State Student Spending Impact		5,499,900
Out-of -County Student Spending Impact		10,708,200
Select Operating and Capital Spending		10,000,306
Additional earnings Impact from graduates		5,941,728
Research grants/contracts (20%)		3,626,800
Total Estimated Economic Impact	**$**	**98,349,113**
Estimated State Tax Impact (6.75%)	**$**	**6,638,565**

To the student, the quality education received from Montana Tech provides benefits throughout his or her work life. The total cost of tuition and fees is approximately $7,500 per year. Excluding housing and other items that would have to be paid whether or not they attend college, this amounts to approximately $33,750 over 4.5 years of education. During the period while attending college, a student gives up the opportunity to work and generate earnings. Assuming the annual earnings of those with a high school diploma at $33,904 per year, the lost earnings over 4.5 years amounts to approximately $153 thousand. Based on increased future earnings over the graduates work-life, the nominal payback is approximately 8.7 years (4.9 for those with an engineering degree), and provides a return on investment of roughly 11.6% (20.5% for those with an engineering degree).

Table 6: Student Benefit		
Tuition/Fees ($7.500/yr - 4.5 yrs)		33,750
Lost Earnings (4.5 yrs at $33,904)		152,568
Total Cost		186,318
Annual increase average future earnings	$	21,528
Annual increase future earnings engineer	$	38,182
Payback of increased Earnings Avg		8.7 years
Payback of Increased Earnings Eng		4.9 years
Return on Investment Average		11.6%
Return on Investment Engineer		20.5%

“Montana Tech is a true treasure for Butte and the State of Montana,” explained Joe McClafferty, Vice Chancellor for Advancement and University Relations and President of the Montana Tech Foundation. “The return on investment that our students, industry partners, and donors receive at Montana Tech is something we take great pride in. The study shows that Montana Tech as a vital cog to the advancement of Butte and the state of Montana.

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