



THE ECONOMIC IMPACT OF  
**Algoma University's Brampton  
Campus Expansion - 2020 Update**

**EXECUTIVE SUMMARY**

**T**HIS analysis quantifies the economic impacts associated with the expansion of the Brampton Campus of Algoma University (AU). Phase 1 of the project was completed in 2019, which included renovations to create space for the AU School of Business & Economics. Phase 2 began in 2020 and will create more student space, classrooms, and offices. In order for this expansion to occur, the university requested a \$7.9 million investment from the City of Brampton. This investment will be used to develop various resources at the Brampton Campus, thereby expanding the university's capacity in Brampton and allowing it to positively affect a greater number of students and, through those students, the economy at large. This study is a follow-up to a study completed by Emsi in 2019 and includes updated university and regional data.

### SHORT-RUN CAPITAL SPENDING IMPACTS



Phase 1 of the campus' initial renovation was completed in FY 2019. Phase 2 began in FY 2020 and will continue until FY 2022. Funding for the expansion amounted to \$7.9 million from the City of Brampton for Phase 1 and 2, as well as \$28.7 million of AU institutional investment.

By FY 2022, a total of \$42.6 million will be spent. These expenditures will create a significant amount of new economic activity that will ripple throughout the Brampton economy. These impacts span from FY 2019 to FY 2022. Over this period, the capital spending will create a present value of **\$10.0 million** in total added income for Brampton.

### LONG-RUN OPERATIONS SPENDING IMPACTS

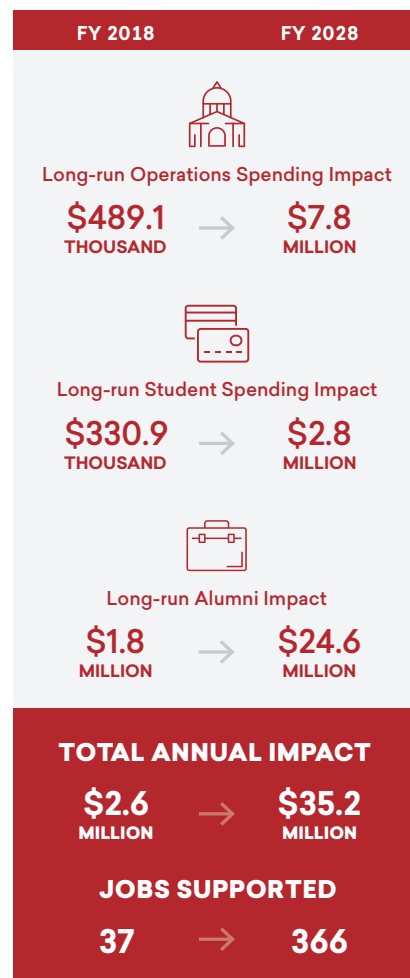


As the Brampton Campus expands, it will create the need for more faculty and staff and increase the campus' operational expenditures. We measure these operations spending impacts beginning in FY 2018.

As the increased operational spending continues year after year, the operations spending impacts will grow. We measure these impacts until FY 2028, the last year of this analysis, specifically focusing on the increase in impact if the expansion were to not occur. In other words, we focus on the increase in impact if FY 2019 operations were to remain steady compared to the increase in operations that will be seen as a result of the expansion.

In FY 2018, the Brampton Campus' annual operations spending generated **\$489.1 thousand** in added income for the Brampton economy. By FY 2028, the end of our analysis timeframe, the Brampton Campus' operations spending will generate an annual impact of **\$7.8 million**. Cumulatively, from FY 2018 to FY 2028, the increase in operations spending resulting from the expansion will create a present value of **\$47.1 million** in total added income for the Brampton

### ANNUAL BRAMPTON CAMPUS IMPACTS (UNDISCOUNTED)



### About the Study

Data and assumptions used in the study are based on several sources, including data from AU, industry and employment data from Statistics Canada, and outputs of Emsi's Canadian Regional Input-Output model. The study applies a conservative methodology and follows standard practice using only the most recognised indicators of economic impact. For a full description of the data and approach used in the study, please contact AU for a copy of the 2019 main report.



economy. The total operations spending impact, not just the increase, will create a present value of **\$57.0 million** in total added income for the Brampton economy from FY 2018 to FY 2028.

### LONG-RUN STUDENT SPENDING IMPACTS



AU's Brampton Campus generates an impact through the spending of its students. It attracts international and domestic students, who relocate to Brampton to attend AU. Additionally, its in-demand programming retains local students, who might have left Brampton if not for AU's program offerings. These students' spending towards living expenses generate an annual flow of money for the city's economy, creating **\$330.9 thousand** in added income in FY 2018.

As the Brampton Campus expands, AU will be able to serve additional students it would not have otherwise had the capacity to serve. Additional students will relocate to Brampton, and additional local students will be retained in Brampton. By FY 2028, the last year of our analysis, student spending will generate an annual impact of **\$2.8 million** in added income. From FY 2018 to FY 2028, the spending from additional relocated and retained students served as a result of the expansion will create a present value of **\$14.4 million** in total added income. The total student spending impact, not just the increase, will create a present value of **\$23.4 million** in total added income for the Brampton economy from FY 2018 to FY 2028.





### LONG-RUN ALUMNI IMPACTS



The enhanced skills and abilities of AU Brampton Campus alumni bolster the output of Brampton employers, leading to increased income and a more robust economy. In FY 2018, the accumulated contribution of former Brampton Campus students who were employed in the local workforce amounted to **\$1.8 million** in added income for the city's economy.

The added capacities created by the expansion will help AU respond to the demands of a growing economy and student population in Brampton, creating additional alumni who otherwise would not have been served. These additional alumni represent a significant increase in the stock of human capital available to the Brampton economy. Accounting for the steady ramp-up of enrolment, by FY 2028, the Brampton Campus' annual alumni impact will amount to an estimated **\$24.6 million** in added income. From FY 2018 to FY 2028, additional alumni served as a result of the City's investment and corresponding expansion will have generated a cumulative present value of **\$31.9 million** in total added income. The total alumni impact, not just the increase, will create a present value of **\$93.8 million** in total added income for the Brampton economy from FY 2018 to FY 2028.

### IMPACTS CREATED BY THE BRAMPTON CAMPUS EXPANSION

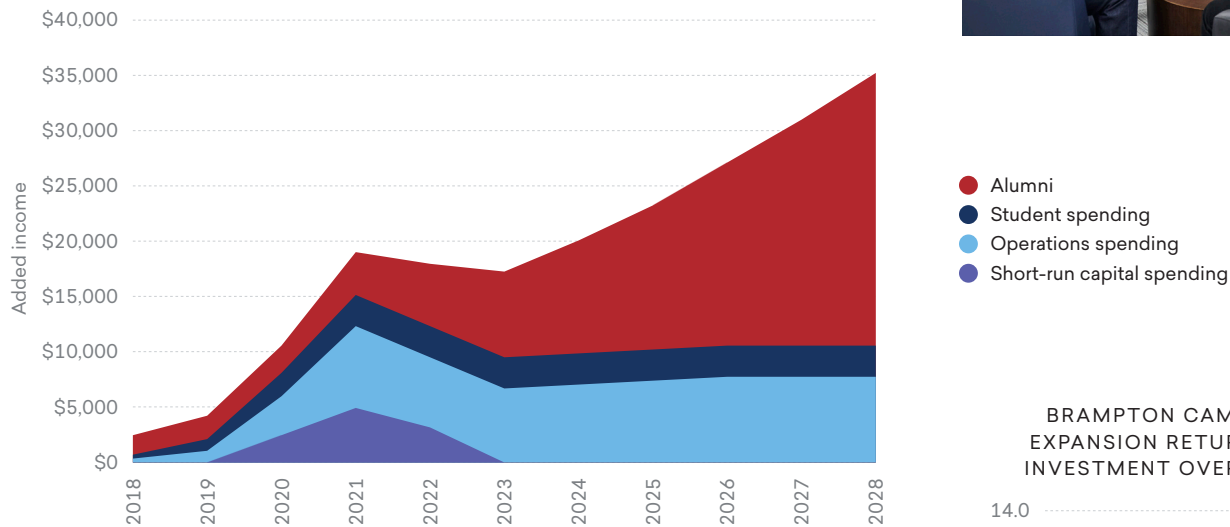
Present value impacts, FY 2018 to FY 2028	Long-run annual impacts
	
<b>Short-run Capital Spending Impact</b>	
<b>\$10.0 MILLION</b>	<b>N/A</b>
	
<b>Long-run Operations Spending Impact</b>	
<b>\$57.0 MILLION</b>	<b>\$7.8 MILLION</b>
	
<b>Long-run Student Spending Impact</b>	
<b>\$23.4 MILLION</b>	<b>\$2.8 MILLION</b>
	
<b>Long-run Alumni Impact</b>	
<b>\$93.8 MILLION</b>	<b>\$24.6 MILLION</b>
<b>TOTAL IMPACT</b>	
<b>\$184.2 MILLION</b>	<b>\$35.2 MILLION</b>
<b>JOBS SUPPORTED</b>	
<b>N/A</b>	<b>366</b>

## TOTAL IMPACT

From FY 2018 to FY 2028, the present value of short-run and long-run impacts created by the expansion will create a total economic impact on the Brampton economy of **\$184.2 million** in total added income.

From FY 2018 to FY 2028, the annual impact from the Brampton Campus is expected to increase from **\$2.6 million** to **\$35.2 million** in added income as a result of the City's investment. Cumulatively, the increased operations spending, student spending, and alumni, along with the short-term capital spending, will generate a present value of **\$103.4 million** in total added income for the Brampton economy between FY 2018 and FY 2028.

TOTAL IMPACTS GENERATED BY AU'S BRAMPTON CAMPUS FROM FY 2018 TO FY 2028, UNDISCOUNTED

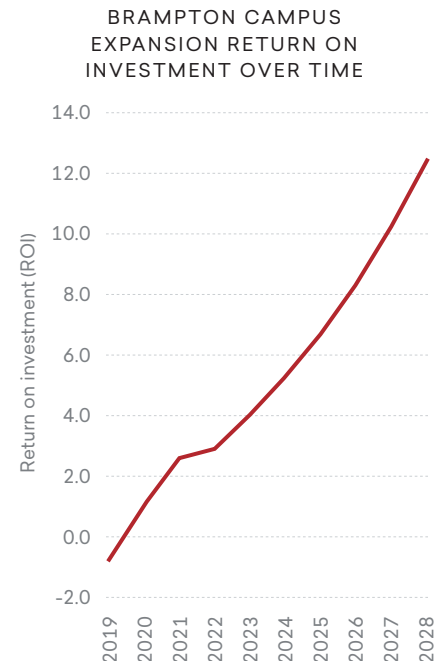


## RETURN ON INVESTMENT FOR THE CITY OF BRAMPTON

In FY 2020, it is expected that the benefits generated by the Brampton Campus expansion will exceed the costs of the City's investment, and they will continue to exceed the costs of the City's investment through FY 2022, the last year of the City's investment. In FY 2022, the return on investment (ROI) for the City of Brampton is expected to be 2.9. The ROI will continue to increase after FY 2022, as AU utilises the increased capacities made possible by the investment, generating new dollars and additional alumni for the Brampton workforce. By FY 2028, the final year of this analysis, the City's investment is expected to generate a **return on investment of 12.4**. This means that for every dollar the City of Brampton invests in the Brampton Campus expansion, the campus will fully recover the dollar and generate an *additional* **\$12.40** in benefits for the Brampton economy.



- Alumni
- Student spending
- Operations spending
- Short-run capital spending



Emsi is a labour market analytics firm that integrates data from a wide variety of sources to serve professionals in postsecondary education, economic development, workforce development, talent acquisition, and site selection. Emsi is a leading provider of economic impact studies and labour market data to educational institutions in Canada, the U.S. and internationally. Since 2000, Emsi has completed over 2,000 economic impact studies for institutions across four countries. For more information about Emsi's products and services, visit [www.economicmodeling.com](http://www.economicmodeling.com).