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**Subject:** Students Going Digital: The Economic Impact on Niagara

**Report to:** Planning and Economic Development Committee

**Report date:** Wednesday, April 14, 2021

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## **Recommendations**

1. That Report ED 10-2021 **BE RECEIVED** for information.

## **Key Facts**

- Niagara Economic Development contracted Niagara Workforce Planning Board to assess the economic impact of Niagara's post-secondary institutions shifting to a more virtual setting for the 2020-21 academic year.
- Economic impact was measured through the lens of the Niagara rental market, public transit ridership revenue, student spending in Niagara, and available labour supply.
- In total, this report suggests that the economic impact from the pandemic directly related to student engagement in Niagara's economy throughout the 2020-21 school year is between \$104.4 and \$133.6 million.
- This total represents an overall decline between 21.2% and 25.8% in post-secondary student economic engagement.

## **Financial Considerations**

All financial implications of contracting with the Niagara Workforce Planning Board to complete this research, as an action within the Economic Recovery Plan, are being funded by the operational budget of the Economic Development division

## **Analysis**

The COVID-19 pandemic forced post-secondary institutions to shift many programs to a virtual model, greatly impacting the Niagara region given the presence of both Niagara College and Brock University. Though certain aspects of the post-secondary experience remained in-person, declining enrollment and the ability to remain at-home while studying virtually led to a significant decrease in post-secondary students living in Niagara. Considering this, Niagara Workforce Planning Board was contracted to present

data identifying the subsequent economic effect through the lens of post-secondary education in Niagara.

Economic impact was measured through four lenses:

1. The Niagara rental market;
2. Public transit ridership revenue;
3. Student spending in Niagara, and
4. Available labour supply.

To estimate these impacts, sources included local survey data, previous reports on post-secondary economic impacts, and data from a range of sources including Statistics Canada and the Conference Board of Canada to analyze these impacts. Findings from this report estimate that the pandemic resulted in:

- A decrease of between 1,713 and 2,544 students renting a housing unit and 2,941 and 4,369 fewer students living in Niagara during the 2020-21 school year;
- A decline in student U-Pass payments of between \$2.9 million and \$3.3 million;
- A decrease in local student spending of between \$2.8 and \$4.8 million monthly, adjusted to between \$25.4 and \$43.6 million over the course of one year;
- A decrease in Niagara's GDP output of between \$37.1 million and \$47.7 million due to a lack of student labour supply in the region; and
- A decrease in Niagara's GDP output of \$39.0 million due to a lack of student work-integrated learning placements within the region.

Certain economic impacts were not included in this report, including staff layoffs, future capital expenditures placed on hold due to a lack of cash flow, and the loss of future localized earnings from students who may have remained in Niagara post-graduation had they physically lived within the region in 2020. Though these factors will have an economic ripple effect on Niagara over the short- to long-term, their direct economic impact is either outside the scope of this project or cannot currently be measured.

In total, this report suggests that the economic impact from the pandemic directly related to student engagement in Niagara's economy throughout the 2020-21 school year is between \$104.4 and \$133.6 million. This total represents an overall decline between 21.2% and 25.8% in post-secondary student economic engagement. It should be reiterated that this does not suggest that this represents the total impact of Brock University and Niagara College, or the entirety of the decreased impact from student engagement to Niagara due to the pandemic. It should be seen as the impact *from the*

*data Niagara Workforce Planning Board measured, fully understanding there are a number of realities outside the scope of this project (most notably staff layoffs).*

### **Alternatives Reviewed**

None applicable.

### **Relationship to Council Strategic Priorities**

This research, which is an action within the ERRT Economic Recovery Plan, supports Council Strategic Priority “Supporting Businesses and Economic Growth”.

### **Other Pertinent Reports**

ED 11-2020 Economic Recovery Plan Update  
ED 15-2020 Economic Recovery Plan Update 2  
ED 5-2021 Economic Recovery Plan Update 3

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*This report was prepared in consultation with Vivian Kinnaird, Chief Executive Officer and Kevin McPhillips, Research Associate, Niagara Workforce Planning Board.*

## **Appendices**

Appendix 1   Students Going Digital 2020-2021 Report, Niagara Workforce Planning Board