

*ECONOMIC AND COMMUNITY
IMPACTS OF SMALL COLLEGES IN
WESTERN PENNSYLVANIA:
WASHINGTON & JEFFERSON
COLLEGE*

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Economic and Community Impact of Small Colleges in Western Pennsylvania: Washington & Jefferson College

Executive Summary

This study examined the economic and community impacts of one small, private liberal arts college in Western Pennsylvania, Washington & Jefferson College, located in Washington, Pennsylvania. This is the pilot study of a larger examination investigating the links between colleges and their communities across the western Pennsylvania region.

Key findings from this study include:

- Washington & Jefferson College supported full time employment of between 500 and 550 workers in the region in 2010.
- Washington & Jefferson College added \$25.4 million to the Southwestern Pennsylvania region's Gross Domestic Product in 2010.
- Washington & Jefferson College generated \$50.8 million in personal income in the region in 2010.
- Washington & Jefferson College averaged \$12 million annually in construction expenditures over much of the 2000s, compiling most of the City of Washington's construction activity in the decade.
- The relationship between Washington & Jefferson College and the City of Washington has clearly improved with the arrival of Dr. Tori Haring-Smith as President.
- The College may benefit from a more formalized communications strategy that includes a position dedicated to community relations.
- Washington & Jefferson College engages in important community projects and revitalization efforts with substantial financial contributions. Its pledge of \$200,000 to the Route 19 upgrading plan, a remarkable contribution, marks a turn toward more strategic ventures with critical longer term impacts.

Introduction and Research Questions

Universities and colleges have important impacts on their communities through economic development and civic engagement. They represent important community and regional assets.

The understanding and importance of these assets has grown significantly over the past decade, as higher education institutions play critical and catalytic roles in their communities and regional economies (Initiative for a Competitive Inner City and CEOs for Cities, 2002).

Most commonly understood is the role higher education institutions play in their local and regional economies. Oftentimes, these institutions are among the largest employers in their city and region. Employment in the education sector, generally, has been steadily growing and continues to grow in times of economic recession. Employment in Pennsylvania in higher education institutions grew by 6.3 percent between 2005 and 2009 to 150,000 workers.

Higher education institutions' influence on local and regional economies extends further, as colleges and universities also help to train tomorrow's workforce, purchase supplies, engage in real estate transactions and activities, and contribute in many other ways. Research universities add more to regional economic development through technology transfer, firm creation, and other human capital and knowledge spinoffs. All in all, the economic impact of higher education institutions is considerable.

The Independent Colleges and Universities of Pennsylvania (AICUP), of which Washington & Jefferson College is a member, has just released its latest economic impact report (2010), emphasizing the economic role these institutions play in the Commonwealth and the increased impact of these institutions compared to AICUP's report in 2005. All told, these institutions' economic impact totaled \$16.1 billion in 2010 in the Commonwealth and \$2.9 billion in Southwestern Pennsylvania. In addition, there is a parallel role that these institutions play in revitalization efforts through sustainable, place-based community economic development in distressed communities in which they are located (Lamore, Link and Blackmond 2006).

What is equally important, but less well understood, is the role and importance of higher education institutions in the growth and development of their communities and their links to community revitalization. The recognition of the importance of civic engagement for higher education institutions is marked by a number of awards and programs. The U.S. Department of Housing and Urban Development funded Community Outreach Partnership Centers across dozens of institutions from 1994 – 2005. The Carnegie Foundation for the Advancement of Teaching conducts Community Engagement classifications across a number of categories to highlight different methods of effective partnerships. "Saviors of Our Cities" surveys and ranks the top "best neighbor" urban colleges and universities on the basis of a set of criteria measuring the positive impacts institutions have on community revitalization (Dobelle 2006; Dobelle, 2009).

Partnerships for community engagement are particularly important in Pennsylvania, a state that ranks among the top in the number of institutions of higher education, many of which are concentrated in older communities and urban areas, the setting for most of Western

Pennsylvania's colleges and universities. Five years ago, Vey (2005, p. 1) summarized the potential of these institutions for community revitalization by noting that these "assets remain underleveraged." Though many institutions engage directly and effectively in their local communities across a range of impacts, Vey concluded that "many (institutions) still lack the capacity to become truly engaged civic actors in their region, or have yet to recognize the potential benefits" (p. 11).

These engagements and limits are noteworthy for Washington & Jefferson College. W&J is a liberal arts college with its mission directed to its undergraduate educational programs. Unlike larger research universities or post-secondary training schools or community colleges, liberal arts colleges are not drawn naturally to community interaction and civic engagement (Vey 2005), nor are they drawn toward many outreach programs in economic and business development common at larger institutions. W&J is, however, a major force in many ways in its local and regional environment and has expanded its civic capacity in noteworthy endeavors.

With this in mind, this study examined the relationship of Washington & Jefferson College to the Washington community, both city and county from two points of view: a quantitative evaluation of the College's economic impact and a qualitative undertaking of the school's community impacts. The next sections provide the context for the study, by examining trends and developments in the City of Washington and Washington County. The economic impacts of the College follow, with the community impacts in the penultimate section. Conclusions and recommendations sum up the report.

The City of Washington and Washington County in Context

The City of Washington has experienced much the same economic and demographic transition that has impacted most communities in Southwestern Pennsylvania. Population declines in the city and region diverge from national growth trends (see Table 1). Population in the City of Washington began to decline just after World War II and continued for the rest of the twentieth century into the last decade (see Figure 1). After Washington’s population peaked at 26,280 in 1950, it has declined by over 43 percent to an estimated 14,761 residents in 2007. While the overall rate of population decline has slowed in the most recent decades, lack of growth remains a fundamental factor in city policies and fiscal capacity.

Washington County, however, presents a more mixed picture of population change, with population growing in many parts of the county. Between 2000 and 2008, while the City of Washington declined, the county’s largest municipality, Peters Township, grew by 15.2 percent to 20,238 residents. The fastest growing municipality, North Strabane, grew by 23.0 percent between 2000 and 2008 to 12,370 persons. As in other parts of the Pittsburgh region, communities experiencing the largest population growth rates border Allegheny County or lie along the I-79 corridor, with its convenient commuting routes, including those in Washington County. Washington County, along with Butler County, has seen some of the largest net migration flows in recent years, with higher income households moving from Allegheny County. Consequently the City of Washington marks a stark contrast to its higher income neighbors, with over 10 percent of its population in poverty and most residents with significantly lower household income than many of its neighboring communities (see Figure 2).

Table 1. Population Change, City of Washington, Washington County, Pittsburgh Metropolitan Statistical Area, and U.S., 1970-2007

		1970	1980	1990	2000	2007
Population	Washington, PA	19,827	18,363	15,921	15,205	14,761
	Washington County	211,534	216,958	204,569	202,947	205,432
	Pittsburgh MSA	2,758,743	2,646,406	2,469,681	2,429,014	2,354,159
	U.S.	203,798,722	227,224,719	249,622,814	282,171,936	301,290,332
			1970-80	1980-90	1990-2000	2000-07
Population Change	Washington, PA		-7.4%	-13.3%	-4.5%	-2.9%
	Washington County		2.6%	-5.7%	-0.8%	1.2%
	Pittsburgh MSA		-4.1%	-6.7%	-1.6%	-3.1%
	U.S.		11.5%	9.9%	13.0%	6.8%

Figure 1. City of Washington, PA, Population, 1900-2007

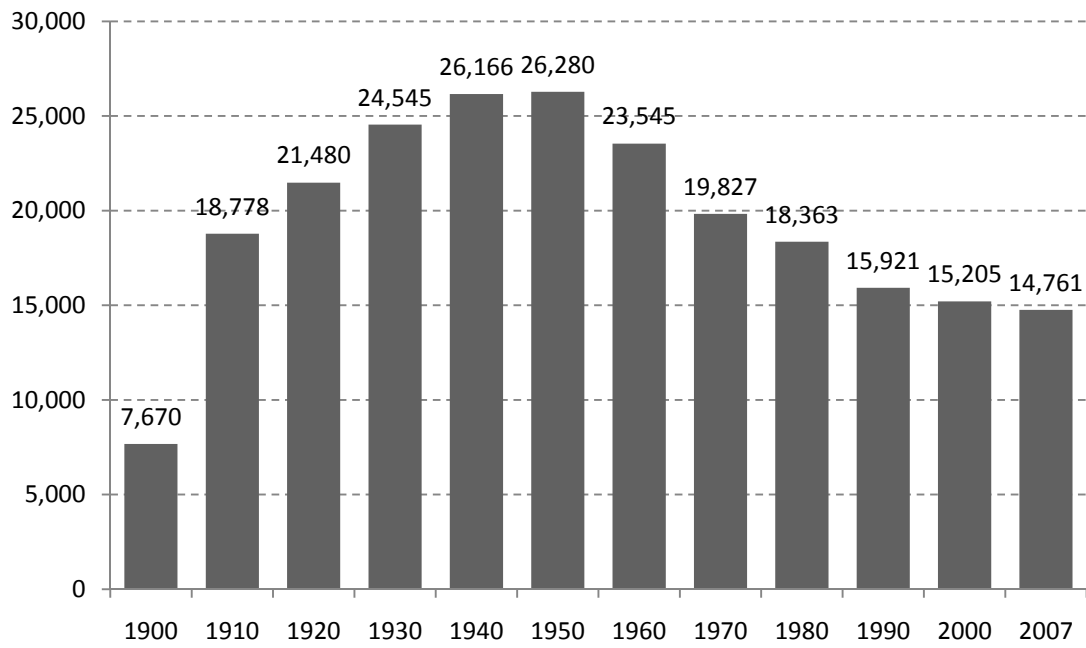
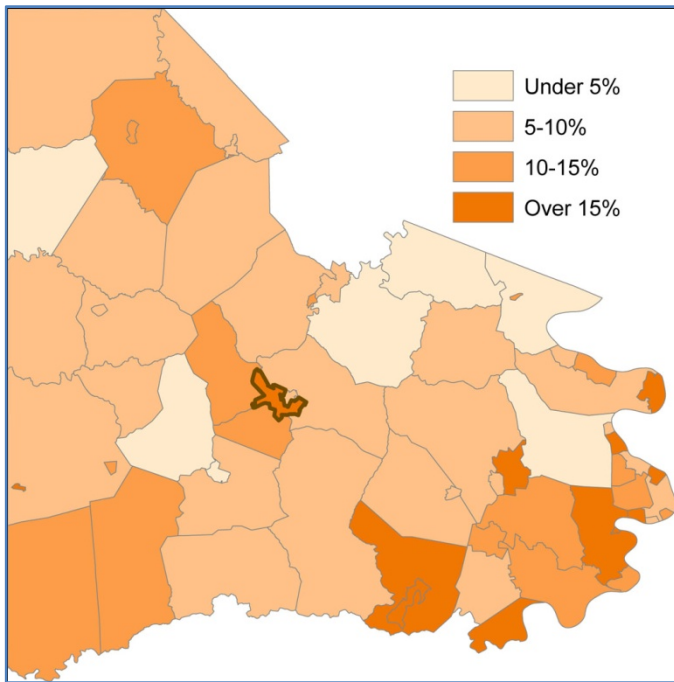
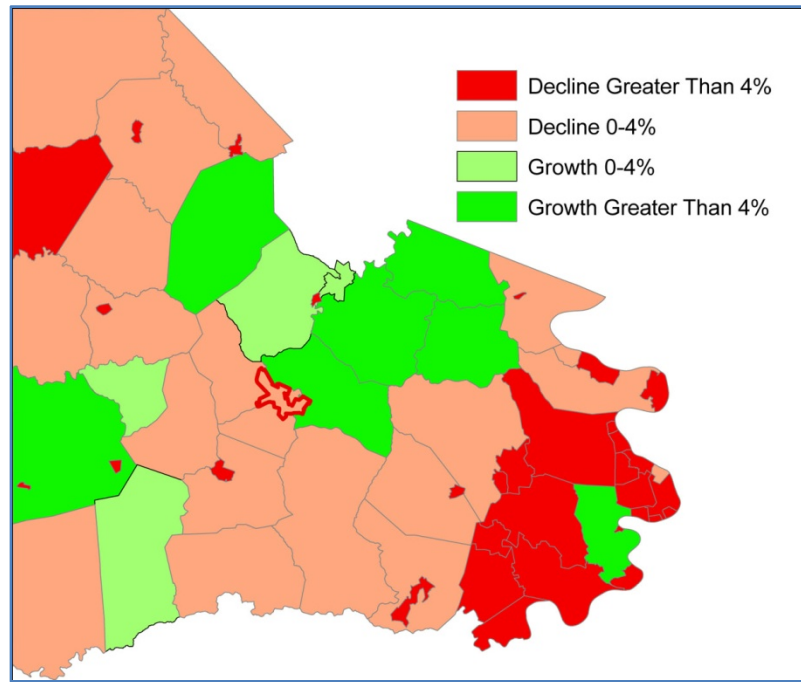


Figure 2. Washington County Municipalities and Economic and Social Measures, 2000

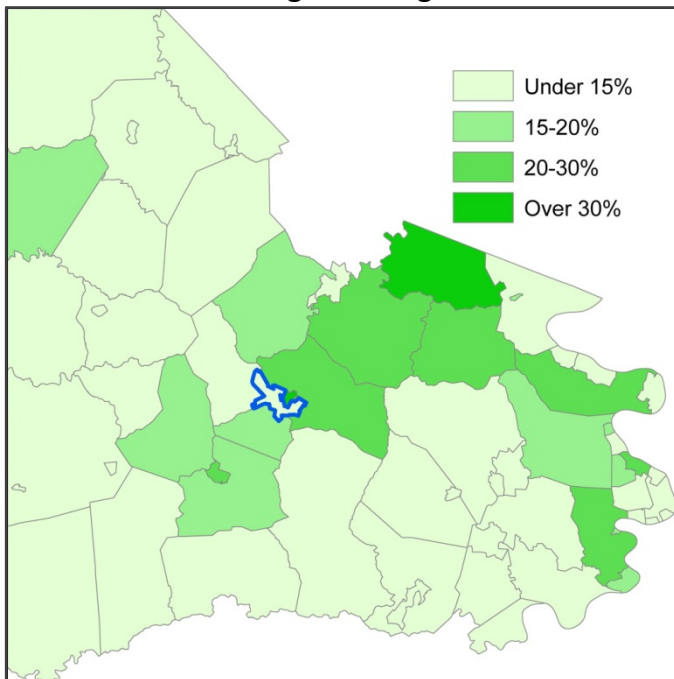
Percentage of Population in Poverty – 2000



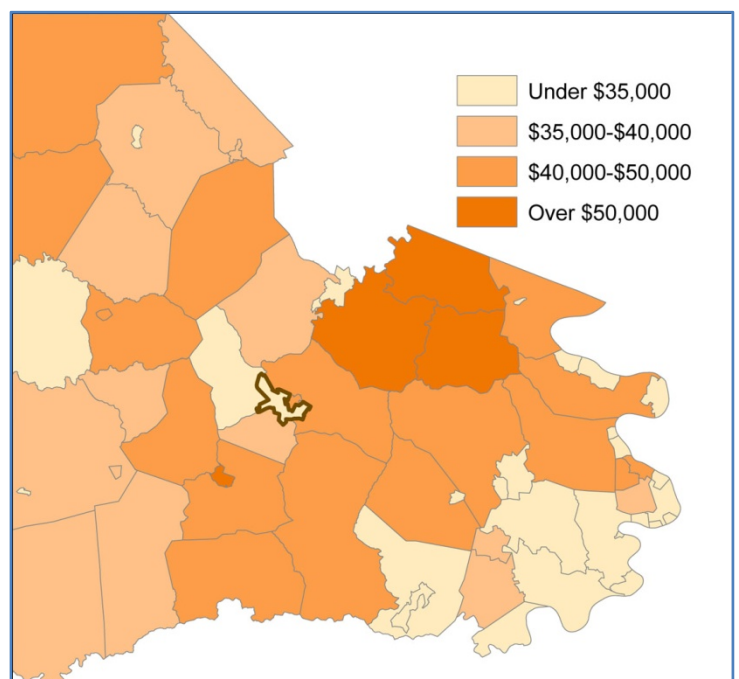
Estimated Population Growth 2000-08



Percentage of Population Age 25 and over with Bachelors Degree or Higher – 2000



Median Household Income – 2000



Profile of Pittsburgh Region Private Postsecondary Institutions

The analysis of the economic and community impacts of Washington & Jefferson College also draws from the larger landscape of postsecondary institutions in the region. Over the past decade, higher education institutions in Southwestern Pennsylvania have seen steady growth in both their enrollment levels and their role in the regional economy.

In the Pittsburgh region, there are 26 higher education institutions primarily engaged in providing bachelor's level education or higher. Their enrollment grew by 20 percent from 80,000 students in 1996 to nearly 96,000 in 2008. Both smaller and larger institutions recorded significant gains. Carnegie Mellon University, for example, registered a 45 percent increase in enrollment from 1996 to 2008 to 10,875 students, while smaller California University of Pennsylvania increased its enrollment by 51 percent from 5,636 students in 1996 to 8,519 in 2008 (see Figure 3).

Washington & Jefferson College has experienced moderate growth in total enrollment on par with enrollment growth in the region (see Figure 4). The role of the traditional four-year undergraduate institution has been evolving, and several local institutions have moved into providing part time and graduate programs that have expanded their enrollment as well as their revenue generating capacities. Washington & Jefferson College has chosen not to follow this path (see Figures 5 and 6).

In the next section, the economic impact of the institution is presented, as developed through the Pittsburgh REMI Model.

Figure 3. Total Enrollment, Selected Western Pennsylvania Higher Education Institutions, 2008

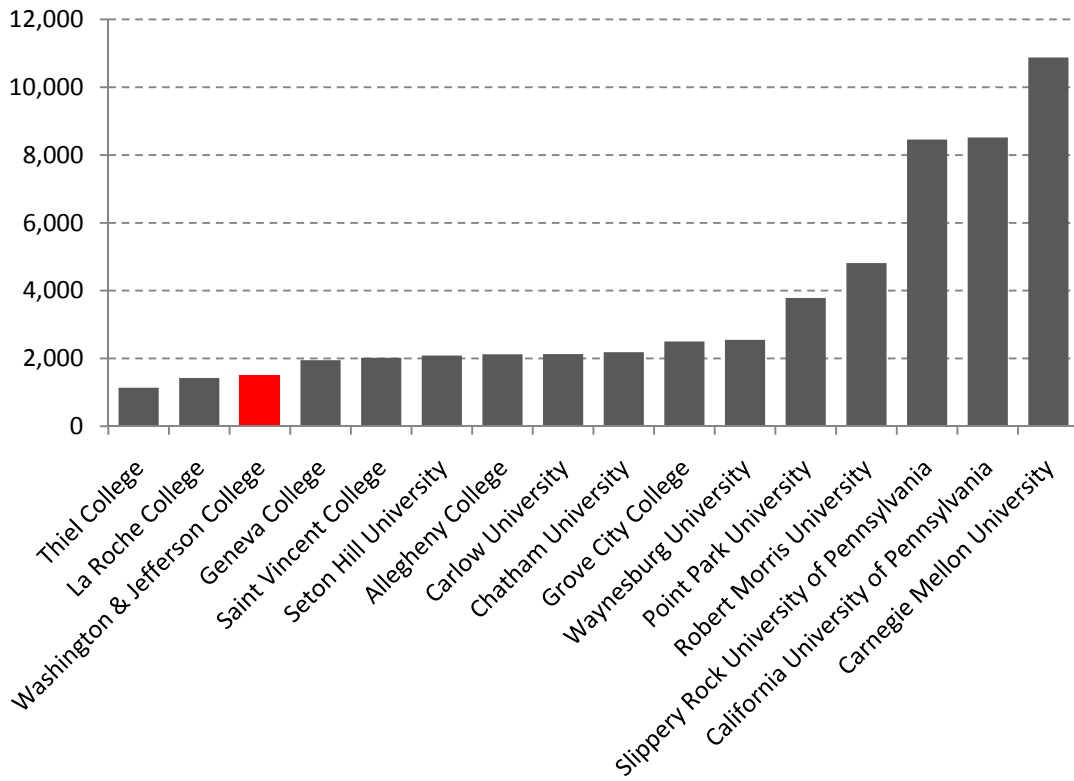


Figure 4: Relative Enrollment Trends: 1998-2008: Washington & Jefferson College and Regional Private Postsecondary Institutions

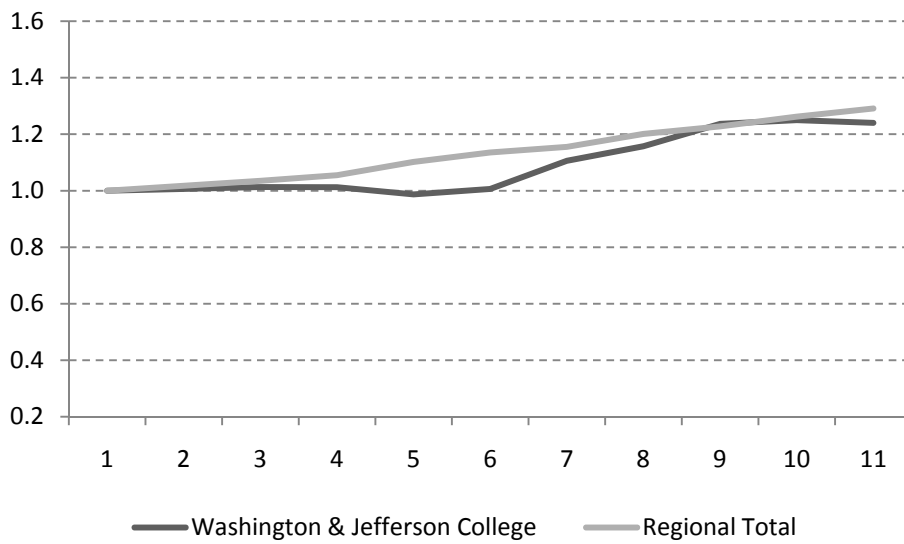


Figure 5. Part Time Student Enrollment as Percent of Total Enrolled Students, Selected Western Pennsylvania Higher Education Institutions, 2008

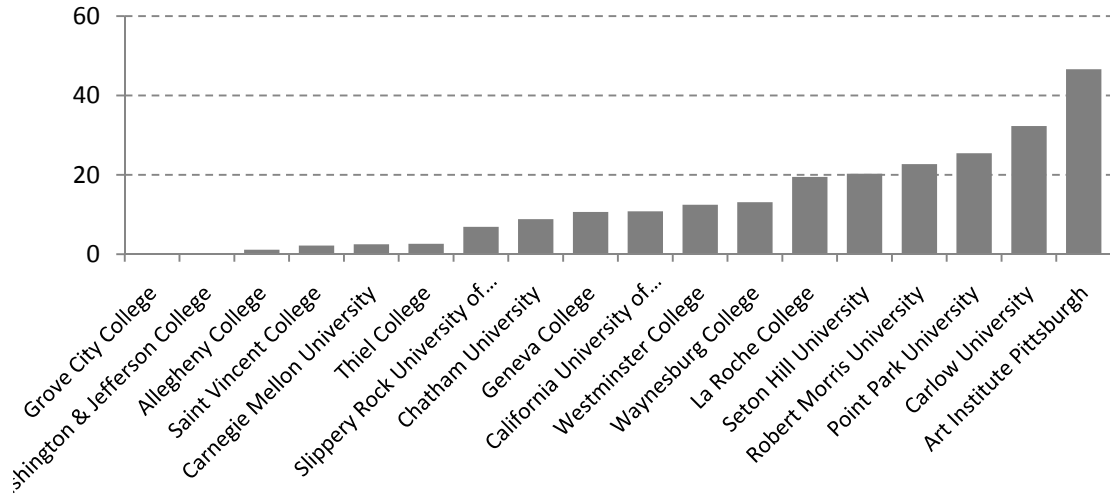
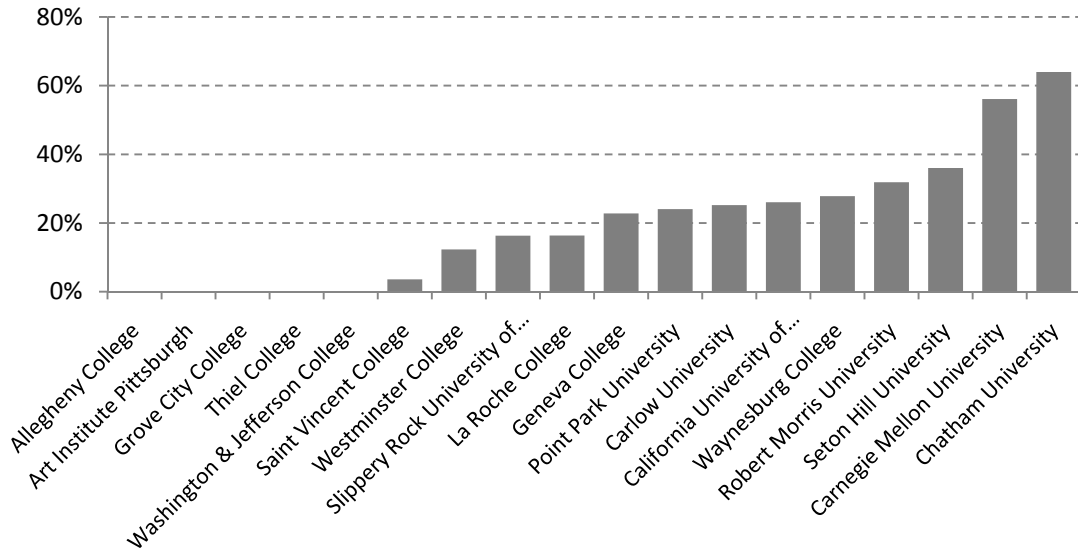


Figure 6. Graduate Degrees as Percent of Total Degrees Awarded, Selected Western Pennsylvania Higher Education Institutions, 2008



Economic Impact of Washington & Jefferson College

Higher educational institutions, like many establishments, stimulate demand for local goods and services in several distinct ways:

- 1) Direct purchases from their regional suppliers
- 2) Consumption expenditures of their staff
- 3) Consumption expenditures of students
- 4) Induced innovation and business development.

This study estimates the economic impacts of Washington & Jefferson College using a regional input-output analysis. For this study, the Southwestern Pennsylvania region will be the area of economic analysis. (See Appendix for sources for data.)

Using the demand expenditures listed above, plus a few additions, the economic model will examine the net dollar additions to the regional economy provided by the economic activity and future of Washington & Jefferson College. Where money is spent matters – purchases from firms from outside the region have a smaller economic impact on the local economy than purchases from firms in the area. Local spending generates greater indirect and induced economic effects because the dollars are circulating and probably re-circulating in the area. The model measures both direct expenditures in the area plus the indirect effects of this spending.

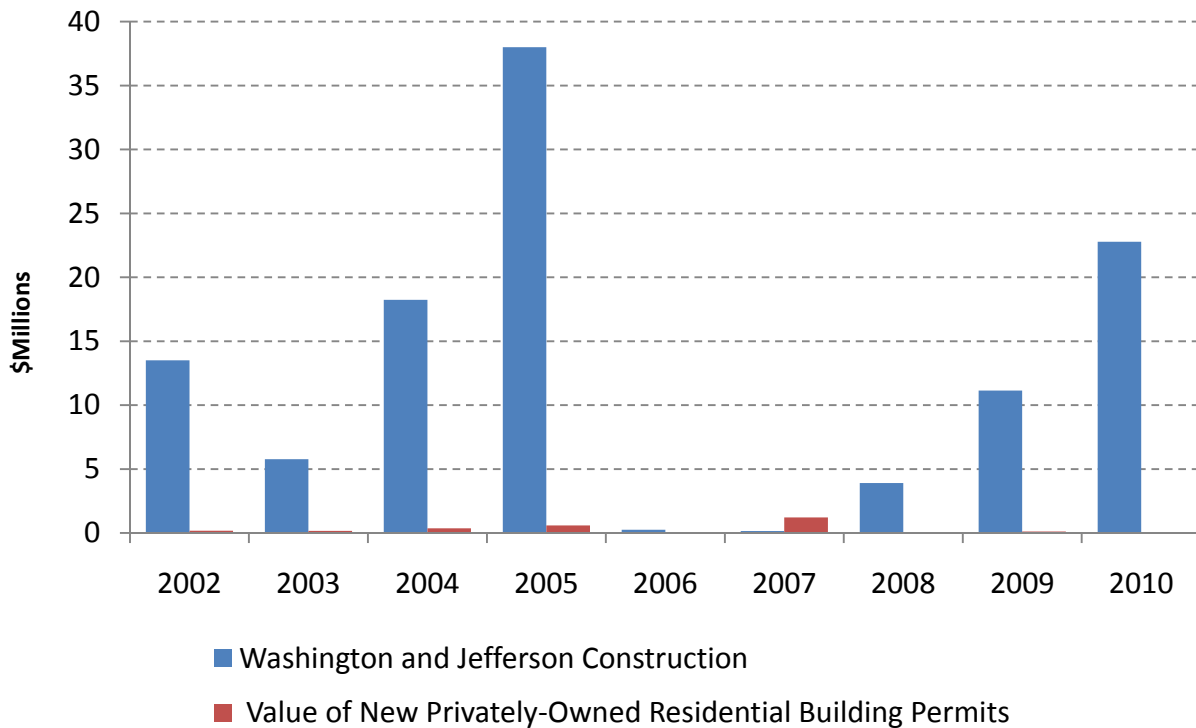
A second challenge also concerns the location of money spent or consumed, this time on W&J's "revenue" side. First, if students come from the local area and attend W&J rather than another local institution, their dollars, though circulating locally, are not a "net" addition to the regional economy, but a substitution from one local institution to another. While their tuition and spending is important to the particular institution, in the regional economy, there is not a "net" addition of dollars since no new money came into the region. Students who come to W&J College from outside the region bring new dollars to southwest Pennsylvania and Washington County, and thus have a larger economic impact than local students who might have gone to another local higher education institution rather than W&J. Clearly, as enrollment to W&J has been on the rise, as described in the previous section, its economic impact on the county and region grows with new students coming into the region.

There are additional important economic impacts generated by W&J that are not captured by the regional model. The most important of these is the role of human capital and the institution's function as a provider of training and education that enhances the local or regional workforce. Steinacker (2005) presents two possibilities of these impacts -- and W&J probably falls somewhere in between. Small rural liberal arts colleges typically attract students from outside their area, bringing in dollars from outside the region, but their graduates typically leave the area, thus limiting the local and regional impact of longer-term human capital investment (c.f. Beck et al. 1995). With large urban institutions, more students probably come from the local area, limiting the import of new dollars to the economy, but the longer term impacts are significant, since the prospects of post-graduation employment in the area is greater and thus more students may remain in the region, generating a larger return to human capital investment (Steinacker, 2005).

Clearly Washington & Jefferson College is one of the key providers of education and training in the regional workforce, as the value added of this human capital production accrues after graduates finish their education and enter the workforce. For this analysis, however, the economic impact will be limited to the more specific economic impact of the institution as a local employer and generator of economic activity, rather than developer of longer human capital returns. Though this is a somewhat narrow vision of the total impact of an institution providing post-secondary education, it is an important building block of understanding the economic impact that these institutions currently have.

Related to this are some of the College's spending patterns and its importance relative to other spending in the City of Washington. Figure 7 shows the annual construction expenditures by the institution between 2002 and 2010. Most, but not all, of this construction activity through 2009 is related to the construction or upgrade of residential facilities and related on the Washington & Jefferson Campus. This is contrasted with the total value of all private residential construction in the City of Washington. In nearly all years, the value of construction activity on the Washington & Jefferson College campus far exceeds the value of all residential construction activity within the City.

Figure 7. New Construction in City of Washington 2002-2010



Sources: Washington & Jefferson College, U.S. Census Bureau

REMI Model Results for Washington and Jefferson College

The Pittsburgh REMI Model is a detailed econometric model of the Pittsburgh regional economy. The model has been purchased from Regional Economic Models, Inc. of Amherst, MA, and is maintained and calibrated by the University Center for Social and Urban Research at the University of Pittsburgh. The model is used for long-range forecasting of the region's population and economy as well as estimates of the economic impact of specific projects. The economic impact analysis here is used to quantify the total economic impact from a set of specific projects that are anticipated to be located in the Pittsburgh region.

Total economic impact is typically a number in excess of the direct impact of a new investment. Most economic activity has a multiplier effect that determines total economic impact. A multiplier derives from the secondary or indirect economic impact that will result from a new project. A new manufacturing plant, for example, will have a complex set of input suppliers that provide needed intermediate goods and services. For those goods and services that are also produced in the Pittsburgh region, there exists a secondary impact beyond the impact of the manufacturing plant itself. New investment in various industries will have different multiplier impacts depending on the availability of local intermediate goods suppliers. There exists additional indirect economic impact from the additional spending resulting from increased local earnings spent within the region.

Most projects have a measurable impact on the regional labor force. New labor demand will draw employees from those currently unemployed, but seeking work, in the region, those not in the labor force, and workers who will be induced to move into the Pittsburgh region. Migration in and out of the region includes the movement of families and dependents who typically relocate with workers. These forces interact to alter regional migration flows, the size of the local labor force, and the regional population. The Pittsburgh REMI Model estimates each of these factors and quantifies a total net impact that can be expected.

There is a difference between long-term and short-term economic impact. Typically the short-term impact includes direct impact from capital investment, including construction costs. These short-term impacts are temporary but can be sizable and have an impact on the regional economy. Long-term impacts are those that result from permanent structural change in the regional economy. The REMI Model forecasts an economic impact for every year out to 2035. The impact varies each forecast year due to interactions and changes within the local economy. Here, the long-term impact of Washington and Jefferson College is introduced to the model as a new economic activity in 2010 and the long term economic impact is interpreted as the economic changes that are induced 5 years out, or 2015.

This version of an economic impact treats Washington and Jefferson College as a unique institution that would not be replaced if it were to cease operations, or if it did not exist in the first place. While it is possible that the educational services provided by the college would be made up by other institutions in the region, we consider it a valid exercise to consider the counterfactual that the institution produces a unique and not easily reproducible service.

REMI inputs for the economic impact analysis focuses on key variables describing economic activity of the institution as a business enterprise. These include employment at the college itself; an adjustment to compensation levels to account for different wage levels at the university

compared to the educational services industry on average in the region; and construction activity generated by the college. Many other factors define the economic activity of the region including revenues from tuition, grants from governments and institutions and incidental sources of revenues. The impact of these additional variables are believed to be captured by the scale of activity measured by employment, compensation and capital investments used in the model.

The recent scale of construction activity at the college has been quite substantial, averaging over \$12 million annually over the most recent decade. One time construction activity has both a short term and long term economic impact. \$12 million in annual construction expenditures would be a disproportionate amount of capital investment to be sustained in the long run for an institution the size of W&J, yet it represents a sizable part of the current economic impact in the community. A range of economic impacts are presented here, one with the average construction expenditures over the last decade presumed to continue at a similar level into the future, and a separate simulation with no capital construction expenditures. The expected economic impact can be expected to fall within this range.

Other factors that could be included in a total economic impact analysis may not be applicable for a traditional liberal arts institution like Washington and Jefferson College. The institution is primarily dependent on tuition related revenues derived from its student enrollment. Total external research funding generated was a minimal part of the total revenues. External funding was primarily related to tuition support programs at the state and federal level. The college did not identify any major sources of intellectual property revenue generated from the spinoff of patents or other proprietary assets generated from research sponsored at college.

Together these results represent the economic activity, or footprint, of the institution much as any other business enterprise in the region. The additional impacts an institution of higher learning can have on a local or regional labor force are not quantified here. These impacts could include the additional productivity of workers who receive education and training and the value of quality of life or amenity assets that educational institutions are often considered to provide its nearby residents. These amenity assets include, but are not limited to, such items as access to cultural activities, access to libraries and other institutional assets.

Taken together the simulations modeled for Washington and Jefferson College quantify a total economic impact measured by several standard variables of economic activity. These results are summarized in the table below. Washington & Jefferson College supports full time employment of between 500 and 550 workers in the region. The regional gross domestic product, a measure of value added economic activity, of just over \$25 million dollars annually. In addition to increases in regional personal income, and even the regional population in the long run.

These results reflect total economic impact across the 10 county Southwestern Pennsylvania region. While this impact is not specific to Washington City or Washington County, it is expected that the bulk of this economic impact is localized to Washington County.

Table 2. Summary of Long-term Economic Impacts – Washington and Jefferson College

	Without Construction	With Construction
Total Employment	500	550
Private Non-Farm Employment	480	520
Gross Domestic Product (\$ millions)	\$25.4	\$25.4
Personal Income (\$ millions)	\$38.1	\$50.8
Disposable Personal Income(\$ millions)	\$38.1	\$38.1
Real Disposable Personal Income (\$ millions)	\$25.4	\$25.4
Population	520	590

It is important to explain the breakdown of economic impact that is induced. While the economic activity of the college is entirely characterized as an educational services industry, the impacts of its expenditures and the spending of its employees and students extend across many other industries in the region. The detailed employment impact is summarized the following table. The bulk of the W&J's impact is in the educational services sectors, reflecting the direct employment college. Additional employment is seen in regional construction, retail and various service industries as well.

Table 3. Private Sector Employment Impact for Specific Industries

Industry	Without Construction	With Construction
Construction	26	59
Wholesale Trade	3	3
Retail Trade	31	35
Information	2	2
Finance and Insurance	3	3
Real Estate and Rental and Leasing	7	7
Professional and Technical Services	8	10
Administrative and Waste Services	12	13
Educational Services	335	336
Health Care and Social Assistance	18	20
Arts, Entertainment, and Recreation	5	5
Accommodation and Food Services	16	18
Other Services, except Public Administration	13	14
Private Non Farm Total	477	524

Community Impact of Washington & Jefferson College

Unlike the economic impact model above, understanding an institution's community impact requires qualitative information, in addition to the contextual components of the institution and its community. Community impact information was obtained primarily through a series of interviews with college officials, community leaders, and elected officials between February 2010 and April 2010, with additional respondents gathered through a snowball technique (see Appendix). Secondary information was obtained from printed sources and documents.

Washington & Jefferson operates in the City of Washington and Washington County in many ways that are explicitly designed to generate greater community partnerships and expand the College's role in civic engagement. This section summarizes the findings of the interviews and research on W&J's community impact.

Institutional Context

Significant developments have affected W&J's civic engagement over the decades and its current levels of engagement. Deep distrust developed between the College and City over a number of issues, most importantly involving land use and tax-exempt status. Both of these are traditional sources of conflict between communities and campuses across the nation (Initiative for a Competitive Inner City and CEOs for Cities, 2002; Vey, 2005).

Most importantly in the W&J case, as all respondents noted, was the long contested lawsuit challenging W&J's nonprofit tax status by the City of Washington. Respondents felt that though the law suit was settled in the 1990s, lingering resentment persists among town residents, and the College has not completely overcome these sentiments.

In the 1970s, the college commissioned a report that concluded that since the town had provided no services to the college, the college was justified in taking whatever action it deemed appropriate for its future growth. The then President Howard Burton used this report, coupled with the school's flat enrollment, to justify a major campus expansion in the 1980s. The college bought and demolished approximately two dozen older homes near its campus, including some Victorian mansions, to expand its developable area. As campus expansion progressed, opposition from the community grew with the knowledge that the city lost significant property tax revenue. The College did not expect the level of antagonism that ensued.

In 1993, the city of Washington challenged W&J's tax-exempt status in a hearing before the Washington County Board of Assessment Appeals. The board ruled on behalf of the college, but appealed the decision to the Washington County Court of Common Pleas. In August 1994, Common Pleas Court Judge Thomas Terputac ruled Washington & Jefferson College did not meet the five criteria necessary to be a "purely public charity" and thus was ineligible for full tax exemption (Pinsker, 1996).

The result was that Washington & Jefferson College received tax bills for 1994 and 1995 totaling more than \$1 million. W&J appealed the ruling to Commonwealth Court where the initial ruling in Common Pleas Court was overturned. The City of Washington appealed that ruling to the

Pennsylvania Supreme Court. Though the College finally won and retained its not-for-profit status, the W&J President was unable to reconcile with the City.

The W&J case is part of a larger policy discussion across Pennsylvania and the country as well on tax exempt property and municipal revenues. In 1995, Pennsylvania Association of Nonprofit Organizations issued a report, *Impacts of the Pennsylvania Nonprofit Sector*, to combat the growing sentiments against tax exemption for nonprofit organizations, in general. The discussion also relates to the fragmentation of local government and its impact on governance, as fiscally strapped municipalities have looked to fill budget holes with new revenue sources derived from tax-exempt institutions.

Within the Pittsburgh region the debates over have also focused on the City of Pittsburgh and its largest institutions. Between 2005 and 2007, the Pittsburgh Public Service Fund, a group of nonprofit institutions, gave the City of Pittsburgh \$14 million to compensate for their tax exemption (Lord, 2009). In 2007 and 2008, University of Pittsburgh Chancellor Mark Nordenberg chaired a committee focused on the prospects of consolidation between the City of Pittsburgh and Allegheny County. In 2009, the City of Pittsburgh proposed levying a specific ‘tuition tax’ on college students. While that proposal has not been pursued, the discourse highlights the growing tension between educational institutions and local governments.

Washington & Jefferson College and the City of Washington have illustrated how these city-institution relationships are not limited to the largest cities. The recent debates over the ‘tuition tax’ in the City of Pittsburgh or the tax-exempt status of educational institutions was all presaged by similar debates in the city of Washington almost two decades ago.

The President of W&J in the late 1990s to 2004, Brian P. Mitchell, attempted to improve relations with the city, though continued to acquire private properties for College expansion plans. This extended the legacy of campus expansion and continuing disputes over land use.

Civic Engagement and Current Strategies

Dr. Tori Haring-Smith assumed the presidency of W&J in 2005. She has embarked on a different trajectory from her predecessors in acknowledging that the future of the town and the college is intertwined. Like many other institutions, W&J recognizes that student recruitment is affected by the town’s vitality and safety. Dr. Haring-Smith’s response has been to expand the College’s civic engagement with the town by working on community revitalization and improvement projects. The College has spent significant sums on a number of grants, including the following:

- Upgrades to community assets, including improving a community park and swimming pool;
- Restoration of Catfish Creek;
- Hiring retired policemen for the college’s security force; and
- Pledging \$200,000 to the upgrading of Route 19, a multi-year, \$10 million highway improvement project.

Dr. Haring-Smith listed the following organizations and programs in which the college participates:

Business, Economic Development and Planning Organizations

- Rotary
- Chamber of Commerce
- Blueprint for Collaboration
- Downtown Business
- Bicentennial Committee
- Strategic Planning Committee
- Small Business Center (W&J operates the Center)

Community Organizations

- Farmers' Market
- Library
- Hospital
- Food Bank
- Sports camps
- Student volunteers: Big brothers, Humane Society, Association for the Blind, Women's Shelter, Street Fair, Children's Art Fair, Literacy Council

Educational organizations or programs.

- Saturday Science German Day
- Science Matters
- Tutors in schools
- Restoration and maintenance of historical houses
- Local archeological research

W&J's efforts of civic engagement have resulted in a significant improvement in its relations with the community, according to our respondents. Since Dr. Haring-Smith's arrival, the attitudes of the town are changing. The number of organizations in which the college has some connection is, by any measure, impressive. However, it is the President herself who is the most visible and most active in terms of community programs. It is not clear, based on the interviews conducted, that she has been able to establish an institution-wide commitment to support the town or to be involved in town-related activities. According to one interviewee, the College's senior staff is active in community affairs, but faculty and lower level staff are only minimally engaged.

Perhaps the most important points of collaboration between the college and the town have been the attempts to draw up plans for future economic development of the city. The *City of Washington/Washington & Jefferson Blueprint for Collaboration*, completed in 2002, was the first of these plans. Funded by the Benedum Foundation, the *Blueprint* developed shared goals for 2010 in downtown revitalization, business development, lifelong learning, recreation, and leadership and communication. Our respondents felt that since *Blueprint* produced no immediate

outcomes, it was criticized, perhaps unfairly, by many town leaders. Nonetheless, a reading of the goals of the *Blueprint* finds ideas and projects of critical importance today.

Currently, the city and college are collaborating on a Comprehensive Planning Process that has involved some 80 local citizens organized in various committees.

Washington & Jefferson remains committed to its role as an undergraduate liberal arts institution and not extending its mission to other educational degrees. W&J has worked hard to maintain its high national ranking, which it views as the key to its viability as an institution. It also believes that maintaining a traditional four-year liberal arts structure is an important component of the national ranking and that changing the structure or the basic philosophy would weaken the college's status.

Consequently, W & J does not offer satellite programs in Pittsburgh or anywhere else and it has not made a move to become a university, as the figures in the previous section showed. Allegheny and Juniata Colleges, among others, follow a similar policy. The downside of this policy is that the College has not developed new sources of income and has not taken advantage of the growing upscale market in Peters Township, South Strabane Township, or the Southpointe development in Canonsburg, nearby areas with growing populations and expanding businesses. Other nearby institutions, Waynesburg College and California University of Pennsylvania, have expanded into the growing part of the county, setting up new facilities in the Southpointe development in Canonsburg.

Direct Community Impacts on the City of Washington

The discussion above describes the projects W&J engages in with the community and parts of the City of Washington. They do not, however, address some of the continued concerns that plague the City, which currently faces a shortfall in tax revenues necessary to meet basic fiscal needs. The town receives funds from local taxes (property taxes and business taxes), Community Development Block Grant grants, and services paid for by the County. The revenue shortfall is so acute, according to one commentator, that the city has difficulty funding pensions and health insurance. In the future, it may have trouble getting bonds because of its financial difficulties.

The City of Washington's revenue shortfalls in the current era reflect the conditions of many other municipalities in the Southwestern Pennsylvania region. The combination of economic restructuring and suburban development has left these communities in a distressed or near distressed state. They are faced with the daunting task of revitalizing their core.

Prior to the collapse of the steel industry in 1982-83, Washington was a small industrial hub with a number of steel companies and related supplier industries located within the city limits and in the nearby areas. Today, there is only one steel company remaining –Allegheny Ludlum, which is not located in the city limits -- and a number of small industries with less than 50 employees.

Retail operations have almost entirely moved to the two malls that surround the town, and are located in another municipality, South Strabane Township, and therefore pay no taxes to

Washington. They are not involved in the life of the town, and make no corporate contributions to local non-profit organizations or offer other kinds of support.

Downtown Washington still has the appearance of a reasonably active metropolis, largely because it is the county seat and because it is the healthcare hub of the county. Some retail continues to operate, along with one active hotel. Nonetheless, the second stories of almost all of the buildings are vacant and there are vacancies on the street level as well. The center of town has experienced no growth in many years.

The contributions of the college, both in terms of money and time, are welcome, but not significant enough to offset the shortfall in tax receipts that are needed to establish fiscal stability. These shortfalls, as is the case with many former industrial towns, have developed and grown with the restructuring of the regional economy.

Conclusions

W&J is an important component of the local economy in the City of Washington and its civic assets. Understanding and quantifying these relations is an important step in creating new goals and strengthening existing programs for both the college and community.

From this analysis of W&J's economic and community impact, the following recommendations are made:

- ***Both the College and the City have longer term mutual interests and may consider institutionalizing possible collaborations.*** The collaboration between the City of Washington and Washington & Jefferson College, built from the *Blueprint for Collaboration* process and expanded under the current strategic planning process, has strengthened and can be strengthened even more, with greater involvement of both the college and community in partnerships for economic development and community revitalization.
- ***The college might focus on longer term impacts in regard to its grant making with the City of Washington.*** A possibility is for the college to make a 3-5 year commitment to a project that would address a serious issue for which the city has insufficient funds. If students could be involved in the project, this would be an added advantage. Certainly, the pledge of \$200,000 to the critical improvements to Route 19 is a major focus on longer term impact projects.
- ***The college would benefit from an improved communications strategy that includes some form of personal outreach.*** A critical component of the college's support for special projects in Washington should be the ability to communicate effectively with the local public and have a direct link to the residents of Washington that helps them understand and identify with the efforts of the college. The College might establish a community relations office, with a spokesperson who attends community meetings and functions, links faculty and students to solve problems, and acts as a liaison between the community and other parts of the College. Much of the communication currently depends on Dr. Haring-Smith and much is focused on board and committee meetings. This office might also generate an annual type of report or memo to the community and regional leaders, generating publicity and spreading knowledge of the College's impact.

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Appendix

The following interviews were conducted:

1. Dr. Tori Haring-Smith, President, Washington & Jefferson College, February
2. Dennis McMaster, CPA, Chief Financial Officer, Washington & Jefferson College
3. Dr. Joseph DiSarro, Chairman, Department of Political Science, Washington & Jefferson College
4. Mayor L. Anthony Spossey, City of Washington
5. Michael Lucas, Bassi and Associates (law firm), Washington, PA
6. Vicky Bryan, Washington County Planning Office
7. Betsie Trew, Washington County Community Foundation
8. Richard Dieter, Consultant, Washington County, LOCATION
9. Amy Doria, Manager, Doc Solutions, LLC, a records management company spun off from Community Action Southwest, a regional nonprofit, human services agency

The following data sources were used:

- Washington & Jefferson College staff provided data on:
 - Employment
 - Enrollment
 - Tuition
 - Facilities maintenance
 - Construction costs
 - Location of residence of students
 - Additional revenue and foundation and gift support
- U.S. Department of Education, Institute of Education Services, National Center for Education Statistics, IPEDS Data Center provides data on individual institutions across a range of areas, including financial and human resources, financial aid, and student achievement.
- Census Bureau and other government data on City of Washington and Washington County.