TECHNICAL MEMORANDUM

To: University of New England
From: **FXM** Associates
Date: July 2026
Re: UNE's economic contribution to the City of Biddeford

FXM Associates has been retained by the University of New England to prepare an independent assessment of their economic and fiscal contributions to the City of Biddeford, Maine. Sources and methods are noted throughout the report. FXM initially modeled economic and fiscal effects using sources in the literature logically applied to the Biddeford case. These initial estimates were modified with actual numbers provided by UNE as noted where warranted in the report. We point this out to show that, for the most part, the estimates provided by UNE are very close to the modeled analysis using comparable case studies.

Executive summary

The University of New England is a net economic contributor to the City of Biddeford, and the case does not depend on a single dramatic figure. It rests on an accumulation of direct, conservatively measured flows. FXM Associates summarizes them here; the body of the memorandum develops and sources each one.

- UNE generates roughly **$54 million** in direct economic activity within Biddeford each year — payroll to resident employees, vendor purchases, student spending off campus, and visitor spending — counting direct effects only, with no multipliers applied.
- The University routes over **$3 million** annually into the City's own revenue: a voluntary payment in lieu of taxes, the property tax paid by Biddeford-resident UNE faculty and staff on their homes, the property tax collected on student-occupied housing, and Biddeford's share of state revenue tied to UNE activity.
- UNE pays **$10.72 million** in salaries and benefits to the **245** employees who live in Biddeford, and employs over **925** people on its Biddeford campus in total.
- Because only about a quarter of UNE's students are Maine residents, roughly **three-quarters** of the student spending captured in Biddeford is new money to the state — a substitution advantage the analysis has not netted out, which means the student figure is conservative.
- The published housing literature attributes a **2.7 percent** house-price premium to a residential four-year college's presence; applied to Biddeford this implies roughly **$819,000** in property tax the City collects on UNE-attributable value.
- UNE documents **180** Biddeford-specific community contributions — a **$90,000**-per-year transit subsidy, clinical and dental services, and more. These items are not captured within UNE's operating expenses and not shown in the economic or fiscal impact assessments.

1. What is at stake

Whenever a community hosts a large tax-exempt institution, the same question surfaces at budget time: does the institution carrying its weight, or is it a deadweight loss that the city's other taxpayers must cover? For the City of Biddeford and the University of New England (UNE), FXM Associates has approached the question carefully, building a direct-effects economic model to do so. This memorandum sets out what that model shows, grounds each figure in either University-supplied data, publicly available City, State, and Federal government sources, or the published economic literature.

Herein, FXM reports direct economic effects only, deliberately excluding the indirect and induced multiplier effects typically covered in impact studies of this kind. They are excluded because multipliers at a municipal scale are inevitably misstated. City-level analyses lose substantially more spending to leakage from the City than do county- or state-level analyses (Siegfried, Sanderson and McHenry, 2007). The wide range of conventional state-level multipliers of 2.0 ± 0.7 would undoubtedly mislead a municipal reader. In any case, figures reported here are the conservative floor, not the optimistic ceiling. FXM notes this because the temptation in university impact reporting is to reach for the largest defensible number. FXM has taken the opposite tack throughout, flagging every place where a broader scope or a standard multiplier would produce a bigger figure. The argument is stronger for being conservative.

1.1 The findings in brief

Table 1 summarizes the direct annual flows. Each is developed and sourced in the sections that follow.

Table 1. UNE's direct annual economic contribution to Biddeford.

Channel	Annual Estimate (2025)
Direct payroll to Biddeford-resident employees	$10.72M
Vendor spending with York-County firms	$3.49M
Student off-campus spending retained in Biddeford	$37.43M
Visitor and event spending in Biddeford	$1.93M
Total direct economic activity	**$53.58M**
Municipal property taxes paid by faculty/staff residents	$1.7M
Municipal property taxes paid by off-campus students	$1.1M
Maine state revenue sharing	$116,370
UNE PILOT	$100,000
Total direct municipal revenue to the City	**$3.03M**

Notes: Direct effects only; no multipliers applied. Vendor figure is the audited York-County total; UNE's Maine-wide vendor spend is $43.1M..

2. UNE as an employer and purchaser

Employee compensation is an important direct channel through which a college injects new dollars into its host economy. What matters for Biddeford is not UNE's total payroll but the payroll to employees who live in Biddeford.

UNE employs over 925 people on its Biddeford campus, 245 of whom also reside in Biddeford. Each year, UNE pays those 245 Biddeford residents $10,723,547 in salaries and benefits.

On procurement, UNE reports spending $43.1 million annually with Maine-based vendors, most of which are located nearby in southern Maine. For a Biddeford-municipal accounting FXM instead uses the audited York-County vendor total of $3.49 million, which is the tightest spatial anchor the University's data provide. FXM notes the $43.1 million total here so the larger regional contribution is recognized.

3. Student spending and the substitution question

The student channel is the largest single line in the Biddeford accounting. As shown in Figure 1, UNE students spend $37.4 million off-campus in Biddeford. Student spending for tuition and on-campus room and board are *not* shown since it is not possible with the data available for this study to specify the amounts actually spent in the Biddeford economy.

Two published benchmarks anchor the FXM estimate of off-campus spending. Cornell University's annual Local Economic Snapshot, the most-cited reference for a small college community, and as importantly for a private university, has stabilized at roughly $17,500 per student per year in off-campus local spending. The Bridgewater State University analysis, also for a small college community but a public university with a large commuter student base, reports buying power on the order of $10,500 per student. The Cornell figure is used in this analysis since their students more closely resemble those at UNE.

UNE holds a genuine analytical advantage over a typical state university. In Fall 2025 only about a quarter (25%) of UNE's enrollment were Maine residents. Roughly three-quarters of the student-spending dollars that land in Biddeford are therefore new money to Maine, in a way that Bridgewater's are not to Massachusetts. UNE does not draw down a pool of spending that would have occurred in Maine anyway; it imports most of it. The student spending figure reported here is, if anything, understated relative to its net contribution to the state economy. Biddeford's mix of downtown food and beverage, retail, and personal services gives it a favorable capture profile.

4. Visitors, events, and a modest new tax line

UNE's overnight visitors — non-local vendors, families, alumni, conference guests, and the crowds drawn by eighteen NCAA Division III athletic programs — generate spending that the City captures through lodging, meals, and retail. The University's own count records 7,672 institution-wide overnight visits across the year. FXM allocates the relevant share to Biddeford, layers in a separate day-trip channel that the overnight count omits, and arrives at roughly $1.93 million in captured visitor spending.

This figure also supports a small municipal revenue line. Maine levies a 9 percent lodging tax under 36 MRSA section 1811. Applied to the share of UNE-related overnight visitors who stay in commercial lodging — setting aside conference and residence-hall guests, who fall outside the private commercial regime — the tax yields on the order of $66,000 per year in state revenue tied to UNE activity. A fraction of this returns to Biddeford through revenue sharing. In addition, a portion of general sales tax revenue collected on the spending of Biddeford resident faculty and staff, off-campus students in Biddeford, and sales taxes on visitor and vendor purchases is returned to Biddeford via state revenue sharing. The total amount of state revenue sharing attributed to UNE-related spending is about $116,000 as shown in Figure 1. While not a large number, it is included to complete the accounting.

5. The University and Biddeford's housing values

No question vexes a college town's politics more than housing, so it deserves direct treatment. The empirical literature here is unusually consistent across studies, methods, and decades. Using a municipal panel for New Jersey, Vandegrift, Lockshiss and Lahr (2012) estimate that the presence of a college is associated with municipal house prices roughly 2.7 percent higher than in comparable towns without one. The effect is driven entirely by four-year colleges that provide student housing. Thus, it strengthens with the degree to which the college is residential, and — a point that surprises people — it does not scale with enrollment. A bigger student body does not mean a bigger premium; a more residential campus does.

UNE qualifies on both criteria. It is a four-year institution, and roughly two-thirds of its undergraduates live on campus. That high residential share is precisely the structural feature the published premium rewards, and it is also what keeps UNE from pressing on the Biddeford rental market the way a commuter campus would: the University absorbs a substantial share of its own housing demand internally. Applying the published 2.7 percent premium to Biddeford's housing stock implies a value premium on the order of $54.8 million attributable to UNE's presence. At the City's current millage this converts to roughly $819,000 in annual property tax the City already collects and should attribute to the University, at least so the literature suggests.

Note this housing-amenity figure is a supported planning estimate rather than a hard claim, and the model labels it accordingly. Liebersohn and Lee (2023) supply the reassuring mechanism: student housing demand integrates into the broader rental market rather than driving it, because on average one new bed is built for each new enrolled student. In Biddeford's tight market the pressure derives from a metropolitan-wide housing shortage, not from UNE.

A second housing-derived municipal-revenue channel should be made explicit and included in the estimate of direct fiscal revenues attributable to UNE. The 245 UNE employees who live in Biddeford own or rent housing in the City, and the property tax on *that* housing accrues to Biddeford. Treated conservatively — by counting one owner-occupied home per resident employee at the Biddeford median home value of $463,000 and the FY2026 millage rate —yields roughly $1.69 million per year in residential property tax revenue that the City would not collect but for UNE's presence. For the 247 student renters, an average rental unit value of $300,000 is estimated, yielding about $1.1 million in property tax revenue. Together, UNE faculty and staff and undergraduates living in Biddeford are estimated to generate about $2.8 million in municipal property tax revenue. Revenues collected for excise taxes, licenses and fees are *not* estimated.

6. Good Neighbor contributions

Most, if not all, tax-exempt universities make voluntary payments, deliver in-kind contributions, and provide uncompensated services not carried in their operating expense totals. The University supplied a database of 324 community-contribution examples, 180 of them are specific to Biddeford. Each was tagged to a responsible unit and an accountable individual.

Some of these are material. UNE subsidizes the Biddeford-Saco-Old Orchard Beach Transit at $90,000 per year, for the benefit of all riders in the surrounding communities and not only its own. Its dining services recover surplus food for the Biddeford Food Pantry. Its College of Osteopathic Medicine students contribute more than 2,000 hours of clinical service annually across southern Maine, and its dental and dental-hygiene clinics provide public care. A University grant recently trained eight nurses from the Biddeford-Saco area as forensic nurses qualified to care for survivors of sexual assault.

FXM does not fold these into the economic-activity total, for the same reason it excludes multipliers: the payroll and operations that fund most of them likely are already counted, and the volunteer and in-kind contributions can only really be valued terms of time and access and not new marginal new dollars. In, essence, while important, their inclusion in the calculus within the ledger of UNE benefits is quite different. UNE's exemption is sometimes presented in municipal debate as a pure cost to the City — a value that cannot be taxed; similarly, UNE provides beneficial services gratis to the City in ways that are pure costs to it and its employees.

7. Concluding remarks

This memorandum opened by saying the case for UNE as a municipal asset does not rest on a single dramatic number, and the sections above bear that out. It rests on the accumulation of direct, conservatively measured flows: roughly $54 million in annual economic activity, over $3 million routed into the City's own revenue, a documented housing-amenity premium, and a portfolio of voluntary contributions not accounted in the operating ledger. FXM has excluded the multipliers that would have inflated the first figure, used the audited local vendor number rather than the larger regional one, and declined to net out the substitution advantage (net new spending in Maine) that would have raised the student figure.

The University's property-tax exemption is real, and so is the foregone revenue it represents. But the exemption is not the whole ledger, and a city that reads only that line reads the account wrong. UNE pays a voluntary contribution, generates property and other local tax revenues, imports most of its students' spending as new money to Maine, and underwrites a transit line, a food pantry, and a forensic-nursing program that the City would otherwise fund or forgo.

8. Resources and References

8.1 University of New England — institutional data

- UNE Fact Sheet for the City of Biddeford (Biddeford campus enrollment, building count, transit subsidy): https://www.biddefordmaine.org/DocumentCenter/View/8686/University-of-New-England-Fact-Sheet-PDF
- UNE total enrollment, faculty/staff counts (Fall 2024 IPEDS): https://www.usnews.com/best-colleges/university-of-new-england-2050
- UNE faculty and staff salary averages (IPEDS-derived): https://www.univstats.com/salary/university-of-new-england/
- UNE institutional profile, campus footprint, history of College of Osteopathic Medicine relocation to Portland (2025): https://en.wikipedia.org/wiki/University_of_New_England_(United_States)

- UNE-Biddeford partnership and economic role (Press Herald / Biddeford Buzz commentary by former mayors Alan Casavant and Marty Grohman, 2026): https://www.pressherald.com/2026/03/22/une-is-a-jewel-lets-treat-it-that-way-opinion/

8.2 City of Biddeford — fiscal and policy

- City of Biddeford FAQ — UNE property-tax status and voluntary PILOT: https://www.biddefordmaine.org/FAQ.aspx?QID=277
- Biddeford Assessing Office (parcel data, ~8,122 parcels citywide): https://www.biddefordmaine.org/2147/Assessing
- Biddeford property valuation history (Press Herald, 2022, showing prior mil rate context): https://www.pressherald.com/2022/09/08/homeowners-others-in-biddeford-to-see-property-tax-increase-as-values-spike/
- Biddeford online tax map (Vision Government Solutions): https://gis.vgsi.com/biddefordme/

8.3 Maine state tax and revenue

- Maine Revenue Services — 2025 individual income tax rate schedule: https://www.maine.gov/revenue/sites/maine.gov.revenue/files/inline-files/ind_tax_rate_sched_2025.pdf
- Maine Revenue Services — 2026 individual income tax rate schedule: https://www.maine.gov/revenue/sites/maine.gov.revenue/files/inline-files/ind_tax_rate_sched_2026.pdf
- Maine income tax overview (brackets 5.8% / 6.75% / 7.15%): https://nationaltaxreports.com/maine-tax-brackets/
- Recent context on Maine income tax brackets and standard deduction (Press Herald): https://www.pressherald.com/2026/02/02/what-are-the-maine-income-tax-brackets-for-2025/
- Maine sales tax statute (36 MRSA § 1811) — general 5.5% rate, prepared-meals/lodging 8%: https://www.maine.gov/revenue/taxes/sales-use-service-provider-tax

8.4 Biddeford housing market context

- Biddeford median home sale price ($463K most recent month; Redfin): https://www.redfin.com/city/1283/ME/Biddeford/housing-market
- Biddeford average rent and rental-market composition (Point2Homes, March 2026: average rent ~$2,160): https://www.point2homes.com/US/Average-Rent/ME/Biddeford.html
- Biddeford average rent (Zumper, May 2026: median ~$1,675): https://www.zumper.com/rent-research/biddeford-me
- Southern Maine coastal-market context (Greater Portland, Biddeford, Scarborough): https://www.207prime.com/blog/what-housing-forecasts-are-really-saying-for-late-2025-in-southern-maine/

8.5 University effects on local housing — research literature

- Rivas, Patil, Hristidis, Barr, Srinivasan (2019), "The impact of colleges and hospitals to local real estate markets," Journal of Big Data 6(1): https://journalofbigdata.springeropen.com/articles/10.1186/s40537-019-0174-7
- UC Riverside news summary of the above: https://news.ucr.edu/articles/2019/02/07/does-presence-colleges-and-hospitals-increase-home-prices
- NMHC Research Foundation — affordability in purpose-built student housing (Liebersohn & Lee, 2023): https://www.nmhc.org/news/press-release/2023/new-study-finds-rent-increases-in-purpose-built-student-housing-linked-to-broader-u.s.-rental-market-trends/
- Mawhorter & Ehlenz (2025), "The Urban Context of Rental Housing Development near Major U.S. Universities," Journal of Planning Education and Research: https://journals.sagepub.com/doi/10.1177/0739456X241264284

8.6 College student spending — benchmark data

- Education Data Initiative — average cost of college, on/off-campus breakdowns: https://educationdata.org/average-cost-of-college
- Education Data Initiative — average monthly food spend by college students: https://educationdata.org/average-monthly-food-spend-college-student
- SoFi — monthly student living-expense breakdown (2024 College Board reference): https://www.sofi.com/learn/content/how-much-does-college-student-spend-month/
- ThinkImpact — room-and-board averages by institution type: https://www.thinkimpact.com/average-college-student-spending/

8.7 Maine higher education — context and benchmarks

- Bailey, Crawley et al., "Economic Contribution of Colleges and Universities in Maine" (statewide $4.5B output, 31,267 jobs): https://digitalcommons.library.umaine.edu/univ_publications/2902/
- University of Maine System FY25 in-state economic investment ($638M; news release): https://www.maine.edu/blog/2025/10/24/maines-public-universities-directly-invested-638m-in-the-state-economy-in-fy25/
- University of Maine System FY23 in-state economic investment (counts toward methodology baselines): https://www.maine.edu/blog/2024/01/17/maines-public-universities-directly-invested-more-than-630-million-in-the-maine-economy-in-fy23/
- Federal Reserve Bank of Boston — Maine college graduate employment and earnings (84% in-state for community-college grads): https://www.bostonfed.org/publications/communities-and-banking/2015/spring/measuring-the-outcomes-of-maines-college-graduates.aspx

8.8 Underlying scope document

- FXM Associates, "University of New England Economic Impacts in Biddeford, Maine — Proposal," dated April 23, 2026. Scope of work and deliverables follow the FXM proposal (Biddeford-only impacts, direct employee/visitor/student spending; planning-level estimates with documented assumptions). Available from the client.

About FXM Associates

FXM Associates is a consulting firm specializing in economic planning and research for public and private sector clients nationwide. The firm offers expertise in economic development, transportation planning, social and economic impact assessment, and waterfront development. Among other projects, the firm is currently preparing for MassDOT the economic impact assessments components of Environmental Impact Statements (EIS) for the proposed $4-plus billion replacements of the Cape Cod Canal bridges and the $2.7 billion Mass Pike/Allston interchange reconstruction. FXM recently completed an assessment of the economic impacts of Bridgewater State University on the local, regional, and state economies. The company was established in 1991 by Francis X. Mahady, an economist and planner with more than 45 years of experience in economic development and transportation planning. Mr. Mahady holds a Bachelor of Arts degree from Harvard College and a Master of City Planning degree, specializing in economic development, from the Massachusetts Institute of Technology. On this assignment for UNE, in addition to Mr. Mahady, Michael J. Lahr, Ph.D. and Professor of Urban Studies at Rutgers University, served as co-principal investigator. The firm has successfully completed nearly 400 projects and includes four senior professionals, each with over 30 years' experience. Website: www.fxmassociates.com