

The Economic Value of Iowa Central Community College



About ICCC

6,451
Credit students

8,517
Non-credit students

1,189
Employees

1 out of every 27 jobs in the ICCC Service Region is supported by the activities of ICCC and its students.

ECONOMIC IMPACT ANALYSIS

Alumni impact
Impact of the increased earnings of ICCC alumni and the businesses they work for

\$116.5 million
Added income

An economic boost similar to hosting the World Series
19x

OR **1,742** Jobs supported

Operations spending impact
Impact of annual payroll and other spending

\$27.5 million
Added income

Enough to buy **819** new cars

OR **942** Jobs supported

Student spending impact
Impact of the daily spending of ICCC students attracted to or retained in the region

\$6.6 million
Added income

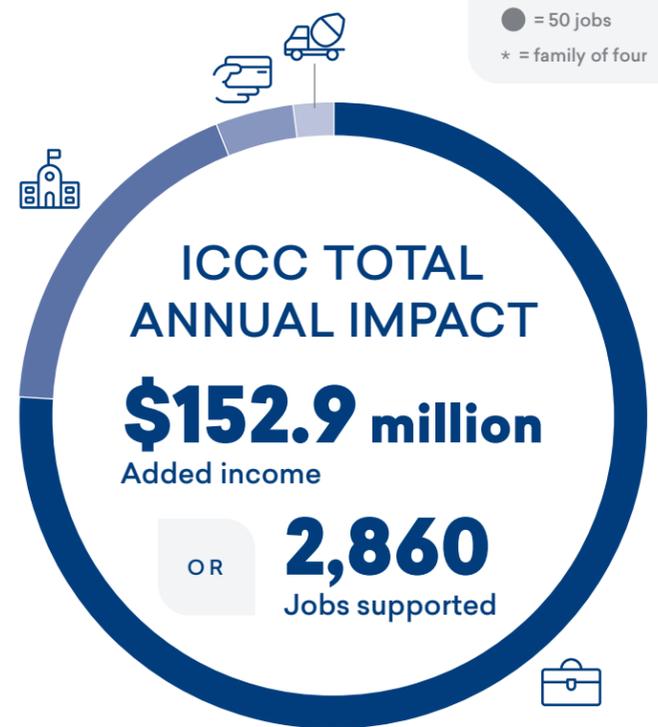
Enough to buy **535** families* a year's worth of groceries

OR **141** Jobs supported

Construction spending impact
Impact of expenditures for ongoing construction projects

\$2.3 million
Added income

OR **34** Jobs supported



INVESTMENT ANALYSIS

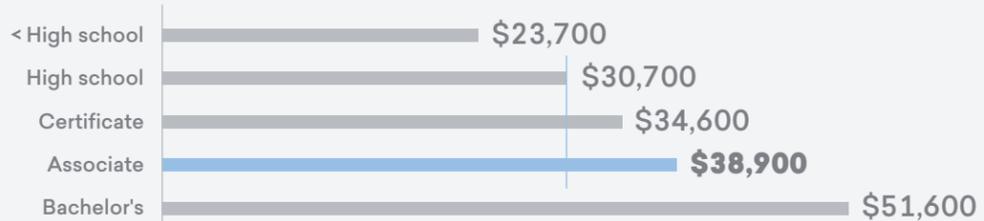
For every \$1...

Students gain **\$7.40** in lifetime earnings

Taxpayers gain **\$1.50** in added tax revenue and public sector savings

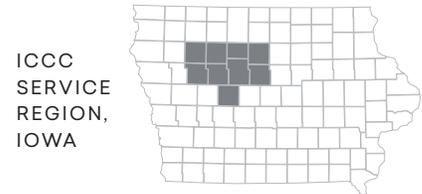
Society gains **\$5.30** in added income and social savings

The average associate degree graduate from ICCC will see an increase in earnings of **\$8,200** each year compared to someone with a high school diploma working in Iowa.



The Economic Value of Iowa Central Community College

Iowa Central Community College (ICCC) creates a significant positive impact on the business community and generates a return on investment to its major stakeholder groups—students, taxpayers, and society. Using a two-pronged approach that involves an economic impact analysis and an investment analysis, this study calculates the benefits received by each of these groups. Results of the analysis reflect fiscal year (FY) 2019-20.



ECONOMIC IMPACT ANALYSIS

In FY 2019-20, ICCC added **\$152.9 million** in income to the ICCC Service Region^{*} economy, a value approximately equal to **1.9%** of the region's total gross regional product (GRP). Expressed in terms of jobs, ICCC's impact supported **2,860 jobs**. For perspective, the activities of ICCC and its students support **one out of every 27 jobs** in the ICCC Service Region.

OPERATIONS SPENDING IMPACT

- ICCC employed 1,189 full-time and part-time faculty and staff. Payroll amounted to \$31.8 million, much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$36.9 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$27.5 million** in income to the regional economy in FY 2019-20.

CONSTRUCTION SPENDING IMPACT

- ICCC invests in construction each year to maintain its facilities, create additional capacities, and meet its growing educational demands, generating a short-term infusion of spending and jobs in the regional economy.
- The net impact of ICCC's construction spending in FY 2019-20 was **\$2.3 million** in added income for the ICCC Service Region.

STUDENT SPENDING IMPACT

- Around 22% of credit students attending ICCC originated from outside the region. Some of these students relocated to the ICCC Service Region. In

* For the purposes of this analysis, the ICCC Service Region is comprised of Buena Vista, Calhoun, Greene, Hamilton, Humboldt, Pocahontas, Sac, Webster, and Wright Counties in Iowa.



addition, some in-region students, referred to as retained students, would have left the ICCC Service Region for other educational opportunities if not for ICCC. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.

- The expenditures of relocated and retained students in FY 2019-20 added **\$6.6 million** in income to the ICCC Service Region economy.

ALUMNI IMPACT

- Over the years, students have studied at ICCC and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in the ICCC Service Region.
- The net impact of ICCC's former students currently employed in the regional workforce amounted to **\$116.5 million** in added income in FY 2019-20.



INVESTMENT ANALYSIS

STUDENT PERSPECTIVE

- ICCC's FY 2019-20 students paid a present value of **\$18.4 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$2.1 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value **\$151.1 million** in increased earnings over their working lives. This translates to a return of **\$7.40** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **33.0%**.

TAXPAYER PERSPECTIVE

- Taxpayers provided ICCC with **\$27.9 million** of funding in FY 2019-20. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$36.4 million**. A reduced demand for government-funded services in Iowa will add another **\$4.1 million** in benefits to taxpayers.
- For every dollar of public money invested in ICCC, taxpayers will receive **\$1.50** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **2.3%**.

SOCIAL PERSPECTIVE

- In FY 2019-20, Iowa invested **\$86.8 million** to support ICCC. In turn, the Iowa economy will grow by **\$451.2 million**, over the course of students' working lives. Society will also benefit from **\$11.5 million** of public and private sector savings.
- For every dollar invested in ICCC in FY 2019-20, people in Iowa will receive **\$5.30** in return, for as long as ICCC's FY 2019-20 students remain active in the state workforce.

STUDENTS SEE A HIGH RATE OF RETURN FOR THEIR INVESTMENT IN ICCC



Average annual return for ICCC students
33.0%



Stock market 30-year average annual return
10.6%



Interest earned on savings account (National Rate Cap)
0.8%

Source: Forbes' S&P 500, 1991-2020. FDIC.gov, 6-2021.

For every \$1...



Students gain in lifetime earnings
\$7.40



Taxpayers gain in added tax revenue and public sector savings
\$1.50



Society gains in added income and social savings
\$5.30