The economic value of Iowa Central Community College

Analysis of the economic impact and return on investment of education
Emsi Burning Glass & Community Colleges

20+ years working with higher education institutions

2,200+ economic impact studies completed

2M students used Emsi Burning Glass’ career pathways tool in 2020

7 of 10 2021 Aspen Prize finalists received Emsi Burning Glass economic impact studies

10 of 10 2021 Aspen Prize finalists are Emsi Burning Glass customers
What is an **ECONOMIC IMPACT ANALYSIS**?
Measures how an event or institution affects the local economy

What is an **INVESTMENT ANALYSIS**?
A comparison of the costs and benefits to determine the return on investment
About the ICCC Area IV

Average Earnings by Education Level

- < HS: $23,300
- HS: $30,200
- Certificate: $34,000
- Associate: $38,200
- Bachelor's: $50,800

$7.9 billion
Total Gross Regional Product (GRP)

78,511
Total Jobs
ICCC in FY 2019-20

6,451  Credit students served

8,517  Non-credit students served

$31.8 million  Total payroll/benefits

$15.1 million  Total tuition revenue

1,189  Employees

22%  Students from outside the region
Overview of results

- $152.9 million: Total income added to the region
- 1.9%: Of region’s GRP
- 2,860: Total jobs supported in the region
- 7.4: Benefit-cost ratio for students
- 1.5: Benefit-cost ratio for taxpayers
- 5.3: Benefit-cost ratio for society
**ECONOMIC IMPACT ANALYSIS**

**Operations Spending Impact**
- College payroll and other spending + ripple effects
- $27.5 million Added regional income
- 942 Jobs supported in the region

**Construction Spending Impact**
- College construction expenditures + ripple effects
- $2.3 million Added regional income
- 34 Jobs supported in the region

*All results measured in income, not sales. Results are net of counterfactual scenarios.*
**Economic Impact Analysis**

**Student Spending Impact**
- Relocated/retained student spending + ripple effects
- $6.6 million Added regional income
- 141 Jobs supported in the region

**Alumni Impact**
- Higher alumni earnings and increased business profit + ripple effects
- $116.5 million Added regional income
- 1,742 Jobs supported in the region

All results measured in income, not sales. Results are net of counterfactual scenarios.
$152.9 million
Total income added in the region

1.9%
Of region’s GRP

2,860
Total jobs supported in the region

1 out of 27 jobs in the region
## INVESTMENT ANALYSIS

### Student Perspective
- Benefit: Higher future earnings
  - $151.1 million
- Cost: Tuition, supplies, opportunity cost
  - $20.5 million

### Taxpayer Perspective
- Benefit: Future tax revenue, government savings
  - $40.5 million
- Cost: State and local funding
  - $27.9 million

### Social Perspective
- Benefit: Future earnings, tax revenue, private savings
  - $462.8 million
- Cost: All college and student costs
  - $86.8 million

### Performance Indicators
- **Student Perspective**
  - Benefit/cost ratio: 7.4
  - Rate of return: 33.0%
- **Taxpayer Perspective**
  - Benefit/cost ratio: 1.5
  - Rate of return: 2.3%
- **Social Perspective**
  - Benefit/cost ratio: 5.3
  - Rate of return: n/a*

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*Future benefits are discounted to the present.

* The rate of return is not reported for the social perspective because the beneficiaries are not necessarily the same as the original investors.
Next Steps

- Send the executive summary to state legislators.
- Share industry impacts with local business partners.
- Share results with state & local media.
- Use campus fliers, newsletters, & websites to publish results.
- Use social media to broadcast student returns to prospective students and parents.
- Leverage impacts for proposals, grant writing, & strategic planning.

**HOW CAN EMSI BURNING GLASS HELP?**

- Emsi Burning Glass’ press packet
- Ongoing presentations from your Emsi Burning Glass economist
- Email/call us anytime
Share your results

Combine your results with other institutional highlights to create a fact sheet.

Create a web page that includes written highlights, animations, and videos.

Include your results in your periodic publications.
Share your results

Create a press release or hold a press conference to share results with your state and local media.

Use social media to share your investment results with prospective students.

Use your study to help secure additional funding.

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**Higher Career Earnings**

The average bachelor's degree graduate from UT Energy will see an increase of $9,500 each year compared to a person with a high school diploma or equivalent in Texas.

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**Students See a High Rate of Return**

- **15.7%** Average Annual Rate of Return for UT Energy Students
- **10.1%** Stock Market 30-year Average Annual Return
- **0.8%** Interest Earned on Savings Account (Retail Bank)

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**Emsi's Capital Analysis Justifies Funding for New UT Martin STEM Facility**

**October 24, 2016 by Matthew Hyndman**

**Summary:**

In a time of serious need, the University of Tennessee at Martin UT Martin used Emsi’s Economic Impact and Capital Analysis studies to demonstrate the ROI that would come from building a proposed STEM facility. The results, in part, led to a boost in state funding—reducing the university’s share of facility construction costs from 25% to 10%.

**Key takeaways:**

- UT Martin leveraged Emsi’s Economic Impact and Capital Analysis studies to communicate the institution’s value and make the case for additional state funding to build a new STEM facility—now known as the Lutner Engineering and Science Building.
- Among other things, the study found that building the new facility would generate 300 plus jobs.
- The Capital Analysis helped justify a state budget amendment increasing state funding of the $55 million project.

Led by its current Interim Chancellor, Dr. Robert Smith—a longtime acquaintance of Emsi from his time at Slippery Rock University in Pennsylvania—UT Martin came to Emsi last year needing support for a critical project. Limited by inadequate space and antiquated laboratory facilities, UT Martin needed to prove that the proposed construction of a new STEM facility would be a smart and profitable investment for the state.

After working with Emsi several years ago, Smith knew that Emsi could provide him with the analysis he needed to advance UT Martin’s cause. Emsi consultants worked closely with the UT Martin team to develop a customized report based on the Economic Impact Study and the Capital Analysis. The report would show the broad-reaching value of UT Martin and detail the potential ROI of building the new STEM facility.
The results of this study were prepared by

For a copy of the report, please contact ICCC.