

# Regional Economic Impact

## COLLEGE OPERATIONS SPENDING

- Direct earnings: WCC employed 249 full-time and 669 part-time faculty and staff in FY 2003. This amounts to a total payroll of **\$13.9 million**.
- Indirect earnings: Faculty and staff wages and salaries add **\$6.4 million** worth of income as they are spent in the local region.

## PAST STUDENT PRODUCTIVITY EFFECTS

- Direct Earnings: Past students contribute an estimated **\$73.5 million** worth of added income per year to the regional economy after leaving WCC.
- Indirect Earnings: The estimated multiplier effect of past student earnings in other industries increase output by yet another **\$43.5 million**.

## TOTAL EARNINGS IN COLLEGE SERVICE AREA

- The defined economic region generated **\$1.7 billion** in total earnings in FY 2003.
- Of this, the college operations spending and past student productivity effects accounted for **\$137.2 million**, or **8.1%** of all regional earnings.

## SUMMARY

	<b>Earnings \$1000</b>	<b>% of Total</b>
College Service Area	\$1,694,525	100%
Direct Earnings: Faculty and Staff	\$13,884	0.8%
Indirect Earnings	\$6,385	0.4%
Direct Earnings: Past Students	\$73,476	4.3%
Indirect Earnings	\$43,485	2.6%
Grand Total	\$137,230	8.1%

The total shows the extent to which the activities of the college impact the regional economy.

# Student Benefits

## SERVICE AREA OBSERVATIONS

- ❑ Approximately **75%** of the students who attend WCC stay in the region after they leave college and contribute to the local economy. Their continued contribution is measured after accounting for out-migration, retirement and death.
- ❑ Each year students leave WCC and join or rejoin the local workforce. Their added skills translate to higher earnings and a more robust WCC Service Area Economy.
- ❑ The student perspective on the benefits of higher education is the most obvious: he or she sacrifices tuition and current earnings for a lifetime of higher earnings.
- ❑ After leaving the college, the average WCC student will spend 33 years in the workforce.

## SOME KEY FINDINGS

- ❑ The student who leaves with a two-year degree will earn **\$222,231** more than someone with a high school diploma or GED over his or her future career.
- ❑ The average earnings for a student with a one-year certificate are **82%** more than someone without a high school diploma and **15.4%** more than someone with a high school diploma.
- ❑ The average earnings for a student with an Associate Degree is **112.5%** more than someone without a high school diploma or GED, and **34.9%** more than a student with a high school diploma or GED.

## STUDENT BENEFITS

- ❑ For every credit completed, WCC students will, on average, earn **\$104** more per year each year they are in the workforce.
- ❑ For every year they attend full-time, they will earn an additional **\$3,129** per year.
- ❑ WCC students will enjoy a **19.3%** rate of return on their investments of time and money, which compares favorably with the returns on other investments, e.g., the long-term return of U.S. stocks and bonds.
- ❑ For every **\$1.00** the student invests in a WCC education, he or she will receive approximately **\$4.45** in higher future earnings over the next 30 years.
- ❑ The payback period (the time needed to recover all costs) is 7 years.

*"This study demonstrates the tangible results of our ongoing commitment to improve the lives of our people by supporting our strong Community College system."*

**Governor Mike Easley**

# Taxpayer Return On Investment

## BROAD PERSPECTIVE

- ❑ Taxpayers expect their annual investment in WCC to result in higher lifetime earnings for students and social savings from lifestyle changes such as reduced crime, welfare and unemployment, and improvements in health.
- ❑ WCC provides a benefit/cost ration of 15.4, i.e., every dollar of state or local tax money invested in WCC today returns a cumulative total of **\$15.36** over the next 30 years.

## IMPROVED HEALTH

- ❑ Employers in the WCC Service Area will see health-related absenteeism decline by approximately 5,135 days per year, with a corresponding annual dollar savings of **\$374,200**.
- ❑ The state will benefit from the health-related savings of roughly 18 fewer smokers and 33 fewer alcohol abusers.
- ❑ The corresponding dollar savings are **\$54,300** and **\$259,100** per year, now and into the future (these savings include insurance premiums, co-payments and deductibles, and withholdings for Medicare and Medicaid).

## REDUCED CRIME

- ❑ In the WCC Service Area, approximately 61 fewer individuals will be incarcerated per year, resulting in annual savings of **\$583,200**.
  - Combined savings from reduced arrest, prosecution, jail and reform costs.
- ❑ Reductions in victim costs result in savings of **\$642,300** per year.
  - Property damage, legal expenses, lost workdays, etc.
- ❑ The fact that people are employed rather than incarcerated adds another **\$170,200** of earnings per year to the economy.

## REDUCED WELFARE/ UNEMPLOYMENT

- ❑ There will be roughly 156 fewer people on welfare per year.
- ❑ There will be 70 fewer people drawing unemployment benefits per year.
- ❑ This amounts to a savings of **\$689,800** and **\$644,200** per year, respectively.

## CONCLUSION

- ❑ WCC is a sound investment from multiple perspectives.
  - The college enriches the lives of students and increases their lifetime incomes.
  - It benefits taxpayers by reducing the demand for taxpayer-support social services.
  - It contributes to the vitality of both the local and state economies.
- ❑ The total socio-economic savings are approximately **\$3.4 million** per year.