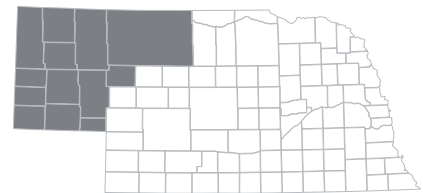


# The Economic Value of Western Nebraska Community College

Western Nebraska Community College (WNCC) 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) 2020-21.



THE WESTERN COMMUNITY COLLEGE AREA, NE



## ECONOMIC IMPACT ANALYSIS

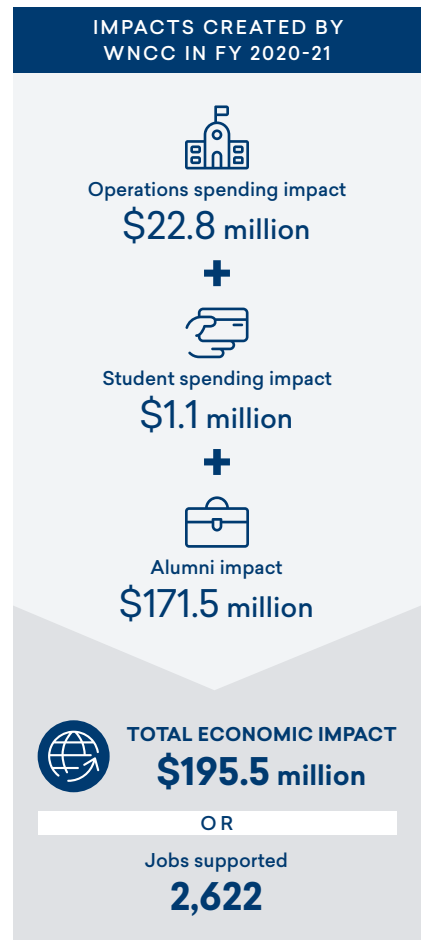
In FY 2020-21, WNCC added **\$195.5 million** in income to the Western Community College Area (WCCA)\* economy, a value approximately equal to **4.1%** of the region's total gross regional product (GRP). Expressed in terms of jobs, WNCC's impact supported **2,622 jobs**. For perspective, the activities of WNCC and its students support **one out of every 21 jobs** in the WCCA.

### OPERATIONS SPENDING IMPACT

- WNCC employed 324 full-time and part-time faculty and staff. Payroll amounted to \$19 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 \$12.4 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$22.8 million** in income to the regional economy in FY 2020-21.

### STUDENT SPENDING IMPACT

- Around 4% of students attending WNCC originated from outside the region. Some of these students relocated to the WCCA. In addition, some in-region students, referred to as retained students, would have left the WCCA for other educational opportunities if not for WNCC. 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 2020-21 added **\$1.1 million** in income to the WCCA economy.



\* For the purposes of this analysis, the WCCA is comprised of Banner, Box Butte, Cherry, Cheyenne, Dawes, Deuel, Garden, Grant, Kimball, Morrill, Scotts Bluff, Sheridan, and Sioux Counties.

## ALUMNI IMPACT

- Over the years, students have studied at WNCC and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in the WCCA.
- The net impact of WNCC's former students currently employed in the regional workforce amounted to **\$171.5 million** in added income in FY 2020-21.



## INVESTMENT ANALYSIS

### STUDENT PERSPECTIVE

- WNCC's FY 2020-21 students paid a present value of **\$2.5 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$3.3 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 **\$42.7 million** in increased earnings over their working lives. This translates to a return of **\$7.30** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **23.6%**.

### TAXPAYER PERSPECTIVE

- Taxpayers provided WNCC with **\$23.8 million** of funding in FY 2020-21. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$11.4 million**. A reduced demand for government-funded services in Nebraska will add another **\$1.1 million** in benefits to taxpayers. Total benefits to Nebraska taxpayers amount to **\$12.5 million**.

### SOCIAL PERSPECTIVE

- In FY 2020-21, Nebraska invested **\$35.7 million** to support WNCC. In turn, the Nebraska economy will grow by **\$144.6 million**, over the course of students' working lives. Society will also benefit from **\$2.9 million** of public and private sector savings.
- For every dollar invested in WNCC in FY 2020-21, people in Nebraska will receive **\$4.10** in return, for as long as WNCC's FY 2020-21 students remain active in the state workforce.

### STUDENTS SEE A HIGH RATE OF RETURN FOR THEIR INVESTMENT IN WNCC



Average annual return for WNCC students

**23.6%**



Stock market 30-year average annual return

**10.5%**



Interest earned on savings account (National Rate Cap)

**0.8%**

Source: Forbes' S&P 500, 1992-2021. FDIC.gov, 2-2022.

### For every \$1...



**Students** gain in lifetime earnings

**\$7.30**



**Society** gains in added income and social savings

**\$4.10**

### In total...



**Taxpayers** gained in added tax revenue and public sector savings

**\$12.5 million**