

FACT SHEET

Demonstrating the Value of Blinn College- Schulenberg Campus

DECEMBER 2013

Blinn-Schulenberg creates a significant positive impact on the local business community and generates a return on investment to its major stakeholder groups—students, society, and taxpayers. Using a two-pronged approach that involves a regional economic impact analysis and an investment analysis, the study calculates the benefits to each of these groups. Results of the analysis reflect Fiscal Year (FY) 2012-13.

INCOME CREATED BY BLINN-SCHULENBERG IN FY 2012-13 (ADDED INCOME)

\$1.1 MILLION

Effect of college operations

\$769.6 THOUSAND

Effect of student spending

\$9.2 MILLION

Effect of student productivity

\$11.1 MILLION

Total effect

IMPACT ON LOCAL BUSINESS COMMUNITY

During the analysis year, Blinn-Schulenberg and its students added **\$11.1 MILLION** in income to the Blinn College Service Area economy, approximately equal to **<1%** of the region's Gross Regional Product. The economic impacts of Blinn-Schulenberg break down as follows:

Impact of college operations

- Blinn-Schulenberg employed 39 full-time and part-time employees in FY 2012-13. Payroll amounted to **\$956,368**, much of which was spent in the Blinn College Service Area to purchase groceries, clothing, and other household goods and services. The college spent another **\$480,224** to support its day-to-day operations.
- The net impact of college payroll and expenses in the Blinn College Service Area during the analysis year was approximately **\$1.1 MILLION** in added regional income.

Impact of student spending

- About **35.2%** of students at Blinn-Schulenberg relocated to the Blinn College Service Area from outside of the region and spent money at local businesses to purchase groceries, rent accommodation, pay for transport, and so on.
- The expenditures of students who relocated to the region during the analysis year added approximately **\$769,557** in income to the economy.

Impact of student productivity

- Over the years, students have studied at Blinn-Schulenberg and entered or re-entered the workforce with newly-acquired skills. Today thousands of these former students are employed in the Blinn College Service Area.
- The accumulated contribution of former students currently employed in the regional workforce amounted to **\$9.2 MILLION** in added income during the analysis year.

JOB EQUIVALENTS BASED ON INCOME

Job equivalents are a measure of the average-wage jobs that a given amount of income can potentially support. They are calculated by dividing income by the average income per worker in the region. Based on the added income created by Blinn-Schulenberg, the job equivalents are as follows:

Effect of college operations = **25** job equivalents

Effect of student spending = **17** job equivalents

Effect of student productivity = **208** job equivalents

Overall, the added income created by Blinn-Schulenberg and its students supported **250** job equivalents.

FOR EVERY \$1 SPENT...

\$5.20

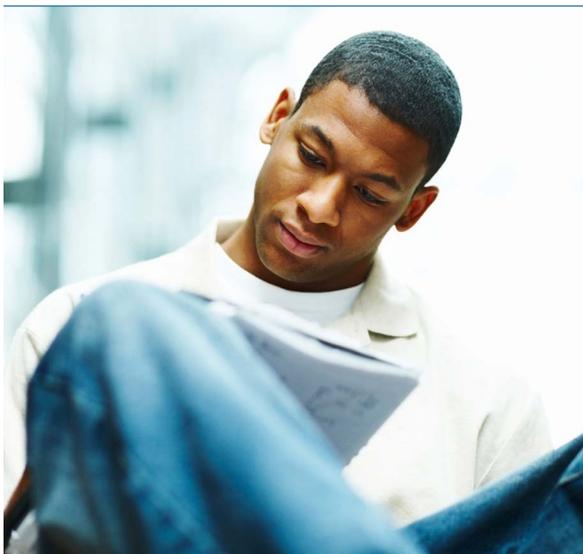
Gained in lifetime income for STUDENTS

\$66.40

Gained in added state income and social savings for SOCIETY

\$4.60

Gained in added taxes and public sector savings for TAXPAYERS



RETURN ON INVESTMENT TO STUDENTS, SOCIETY, AND TAXPAYERS

Student perspective

- Blinn-Schulenberg's 2012-13 students paid a total of **\$952,027** to cover the cost of tuition, fees, books, and supplies. They also forwent **\$3.1 MILLION** in money that they would have earned had they been working instead of learning.
- In return for the monies invested in the college, students will receive a present value of **\$21.1 MILLION** in increased earnings over their working lives. This translates to a return of **\$5.20** in higher future income for every \$1 that students invest in their education. The average annual return for students is **17.5%**.

Social perspective

- Society as a whole in Texas will receive a present value of **\$22.9 MILLION** in added state income over the course of the students' working lives. Society will also benefit from **\$626,586** in present value social savings related to reduced crime, lower unemployment, and increased health and well-being across the state.
- For every dollar that state taxpayers spent on Blinn-Schulenberg during the analysis year, society will receive a cumulative value of **\$66.40** in benefits, for as long as Blinn-Schulenberg's 2012-13 students remain active in the state workforce.

Taxpayer perspective

- In FY 2012-13, state taxpayers in Texas paid **\$354,042** to support the operations of Blinn-Schulenberg. The net present value of the added tax revenue stemming from the students' higher lifetime incomes and the increased output of businesses amounts to **\$1.5 MILLION** in benefits to taxpayers. Savings to the public sector add another **\$130,004** in benefits due to a reduced demand for government-funded services in Texas.
- Dividing benefits to taxpayers by the associated costs yields a **4.6** benefit-cost ratio, i.e., every \$1 in costs returns \$4.60 in benefits. The average annual return on investment for taxpayers is **10.0%**.