FACT SHEET

Demonstrating the Value of Blinn College-Sealy Campus

DECEMBER 2013

Blinn-Sealy 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-Sealy in FY 2012-13 (added income)

<table>
<thead>
<tr>
<th>Income Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$499.7 THOUSAND</td>
<td>Effect of college operations</td>
</tr>
<tr>
<td>$360.6 THOUSAND</td>
<td>Effect of student spending</td>
</tr>
<tr>
<td>$3 MILLION</td>
<td>Effect of student productivity</td>
</tr>
<tr>
<td>$3.9 MILLION</td>
<td>Total effect</td>
</tr>
</tbody>
</table>

Impact on local business community

During the analysis year, Blinn-Sealy and its students added **$3.9 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-Sealy break down as follows:

Impact of college operations

- Blinn-Sealy employed 15 full-time and part-time employees in FY 2012-13. Payroll amounted to **$454,569**, 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 **$228,254** 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 **$499,711** in added regional income.

Impact of student spending

- About **19.2%** of students at Blinn-Sealy 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 **$360,582** in income to the economy.

Impact of student productivity

- Over the years, students have studied at Blinn-Sealy 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 **$3 MILLION** in added income during the analysis year.
Return on investment to students, society, and taxpayers

**Student perspective**
- Blinn-Sealy’s 2012-13 students paid a total of $678,681 to cover the cost of tuition, fees, books, and supplies. They also forwent $2.1 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 $17.4 million in increased earnings over their working lives. This translates to a return of $6.20 in higher future income for every $1 that students invest in their education. The average annual return for students is 19.0%.

**Social perspective**
- Society as a whole in Texas will receive a present value of $16.6 million in added state income over the course of the students’ working lives. Society will also benefit from $353,867 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-Sealy during the analysis year, society will receive a cumulative value of $70.30 in benefits, for as long as Blinn-Sealy’s 2012-13 students remain active in the state workforce.

**Taxpayer perspective**
- In FY 2012-13, state taxpayers in Texas paid $241,645 to support the operations of Blinn-Sealy. The net present value of the added tax revenue stemming from the students’ higher lifetime incomes and the increased output of businesses amounts to $1.1 million in benefits to taxpayers. Savings to the public sector add another $84,167 in benefits due to a reduced demand for government-funded services in Texas.
- Dividing benefits to taxpayers by the associated costs yields a 4.9 benefit-cost ratio, i.e., every $1 in costs returns $4.90 in benefits. The average annual return on investment for taxpayers is 10.3%.

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**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-Sealy, the job equivalents are as follows:

- Effect of college operations = 11 job equivalents
- Effect of student spending = 8 job equivalents
- Effect of student productivity = 68 job equivalents

Overall, the added income created by Blinn-Sealy and its students supported 87 job equivalents.

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**FOR EVERY $1 SPENT...**

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Breakdown</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$6.20</strong></td>
<td>Gained</td>
<td>lifetime income for STUDENTS</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>$70.30</strong></td>
<td>Gained</td>
<td>added state income and social</td>
</tr>
<tr>
<td></td>
<td></td>
<td>savings for SOCIETY</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>$4.90</strong></td>
<td>Gained</td>
<td>added taxes and public sector</td>
</tr>
<tr>
<td></td>
<td></td>
<td>savings for TAXPAYERS</td>
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</tbody>
</table>

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