



The Economic Value of the
Blinn College District's Bryan Campus

EXECUTIVE SUMMARY



THE Blinn College District's Bryan Campus (Blinn-Bryan) creates value in many ways. The campus plays a key role in helping students increase their employability and achieve their individual potential. The campus draws students to the county, generating new dollars and opportunities for Brazos County. Blinn-Bryan provides students with the education, training, and skills they need to have fulfilling and prosperous careers. Furthermore, Blinn-Bryan is a place for students to meet new people, increase their self-confidence, and promote their overall health and well-being.

Blinn-Bryan influences both the lives of its students and the county economy. The campus supports a variety of industries in Brazos County, serves county businesses, and benefits society as a whole in Texas from an expanded economy and improved quality of life. The benefits created by Blinn-Bryan even extend to the state government through increased tax revenues and public sector savings.

This study measures the economic impacts created by Blinn-Bryan on the business community and the benefits the campus generates in return for the investments made by its key stakeholder groups—students, taxpayers, and society. The following two analyses are presented:



Economic impact analysis



Investment analysis

All results reflect employee, student, and financial data, provided by the Blinn College District, for fiscal year (FY) 2018-19. Impacts on the Brazos County economy are reported under the economic impact analysis and are measured in terms of added income. The returns on investment to students, taxpayers, and society in Texas are reported under the investment analysis.

*Blinn-Bryan influences both
the **lives of its students** and
the **county economy**.*



Economic impact analysis

Blinn-Bryan promotes economic growth in Brazos County through its direct expenditures and the resulting expenditures of students and county businesses. The campus serves as an employer and buyer of goods and services for its day-to-day and construction operations. Its activities attract students from outside Brazos County, whose expenditures benefit county vendors. In addition, Blinn-Bryan is a primary source of higher education to Brazos County residents and a supplier of trained workers to county industries, enhancing overall productivity in the county workforce.

Operations spending impact



Blinn-Bryan adds economic value to Brazos County as an employer of county residents and a large-scale buyer of goods and services. In FY 2018-19, the campus employed 865 full-time and part-time faculty and staff, 69% of whom lived in Brazos County. Total payroll at Blinn-Bryan was \$45.1 million, much of which was spent in the county for groceries, mortgage and rent payments, dining out, and other household expenses. In addition, the campus spent \$25.8 million on day-to-day expenses related to facilities, supplies, and professional services.

Blinn-Bryan's day-to-day operations spending added \$62.9 million in income to the county during the analysis year. This figure represents Blinn-Bryan's payroll, the multiplier effects generated by the in-county spending of the campus and its employees, and a downward adjustment to account for funding that the campus received from county sources. The \$62.9 million in added income is equivalent to supporting 1,098 jobs in the county.

Construction spending impact



Blinn-Bryan invests in construction each year to maintain its facilities, create additional capacities, and meet its growing educational demands. While the amount varies from year to year, these quick infusions of income and jobs have an impact on the county economy. In FY 2018-19, Blinn-Bryan's construction spending generated \$290.3 thousand in added income, which is equivalent to supporting five jobs.

Student spending impact



Around 81% of students attending Blinn-Bryan originated from outside the county in FY 2018-19, and some of these students relocated to Brazos County to attend Blinn-Bryan. These students may not

IMPACTS CREATED BY
BLINN-BRYAN IN FY 2018-19



\$62.9 million
Operations Spending Impact



\$290.3 thousand
Construction Spending Impact



\$27 million
Student Spending Impact



\$73.9 million
Alumni Impact



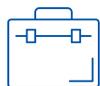
\$164.1 million
TOTAL IMPACT

- OR -

3,049
JOBS SUPPORTED

have come to the county if the campus did not exist. In addition, some in-county students, referred to as retained students, would have left Brazos County if not for the existence of Blinn-Bryan. While attending, these relocated and retained students spent money on groceries, accommodation, transportation, and other household expenses. This spending generated \$27 million in added income for the county economy in FY 2018-19, which supported 700 jobs in Brazos County.

Alumni impact



The education and training Blinn-Bryan provides for county residents has one of the greatest impacts. Since its establishment, students have studied at Blinn-Bryan and entered the county workforce with greater knowledge and new skills. Today, thousands of former Blinn-Bryan students are employed in Brazos County. As a result of their Blinn-Bryan educations, the students receive higher earnings and increase the productivity of the businesses that employ them. In FY 2018-19, Blinn-Bryan alumni generated \$73.9 million in added income for the county economy, which is equivalent to supporting 1,246 jobs.

Total impact

Blinn-Bryan added \$164.1 million in income to the Brazos County economy during the analysis year, equal to the sum of the operations and construction spending impacts, the student spending impact, and the alumni impact. For context, the \$164.1 million impact was equal to approximately 1.7% of the total gross regional product (GRP) of Brazos County. This contribution that the campus provided on its own was nearly twice as large as the entire Transportation & Warehousing industry in the county.

Blinn-Bryan's total impact can also be expressed in terms of jobs supported. The \$164.1 million impact supported 3,049 county jobs, using the jobs-to-sales ratios specific to each industry in the county. This means that one out of every 47 jobs in Brazos County is supported by the activities of Blinn-Bryan and its students. In addition, the \$164.1 million, or 3,049 supported jobs, stemmed from different industry sectors. Among non-education industry sectors, Blinn-Bryan's spending and alumni in the Accommodation & Food Services industry sector supported 483 jobs in FY 2018-19. These are impacts that would not have been generated without Blinn-Bryan's presence in Brazos County.

BLINN-BRYAN IMPACTS BY INDUSTRY (JOBS SUPPORTED)



One out of every 47 jobs in Brazos County is supported by the activities of Blinn-Bryan and its students.



Investment analysis

An investment analysis evaluates the costs associated with a proposed venture against its expected benefits. If the benefits outweigh the costs, then the investment is financially worthwhile. The analysis presented here considers Blinn-Bryan as an investment from the perspectives of students, taxpayers, and society in Texas.

Student perspective



In FY 2018-19, Blinn-Bryan served 18,760 credit and 1,529 non-credit students. In order to attend, these students paid for tuition, fees, books, and supplies. They also took out loans and will incur interest on those loans. Additionally, students gave up money they would have otherwise earned had they been working instead of attending college. The total investment made by Blinn-Bryan's students in FY 2018-19 amounted to a present value of \$96.4 million, equal to \$35.6 million in out-of-pocket expenses (including future principal and interest on student loans) and \$60.8 million in forgone time and money.

In return for their investment, Blinn-Bryan's students will receive a stream of higher future earnings that will continue to grow throughout their working lives. For example, the average Blinn-Bryan associate degree graduate from FY 2018-19 will see annual earnings that are \$9,300 higher than a person with a high school diploma or equivalent working in Texas. Over a working lifetime, the benefits of the associate degree over a high school diploma will amount to an undiscounted value of \$418.5 thousand in higher earnings per graduate. The present value of the cumulative higher future earnings that Blinn-Bryan's FY 2018-19 students will receive over their working careers is \$379.1 million.

STUDENTS SEE A HIGH RATE OF RETURN FOR THEIR INVESTMENT IN BLINN-BRYAN



14.9%

Average annual return for Blinn-Bryan students



9.9%

Stock market 30-year average annual return

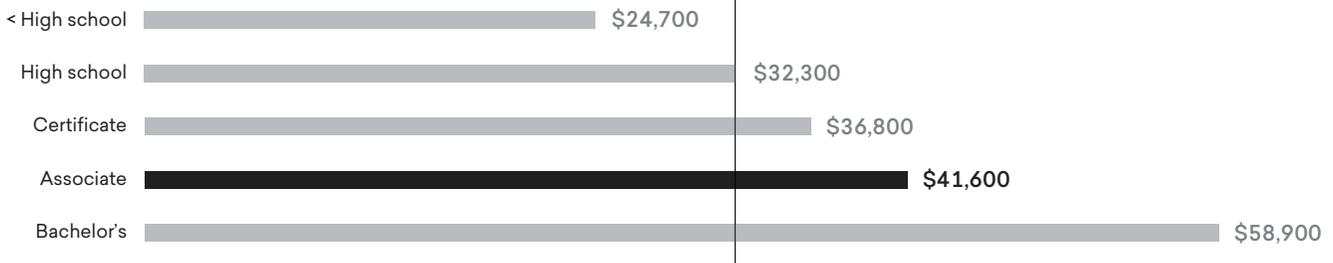


0.8%

Interest earned on savings account (National Rate Cap)

Source: Forbes' S&P 500, 1989-2018. FDIC.gov, 6-2019.

The average associate degree graduate from Blinn-Bryan will see an increase in earnings of **\$9,300** each year compared to a person with a high school diploma or equivalent working in Texas.



Source: Emsi employment data.

The students' benefit-cost ratio is 3.9. In other words, for every dollar students invest in Blinn-Bryan, in the form of out-of-pocket expenses and forgone time and money, they will receive a cumulative value of \$3.90 in higher future earnings. Annually, the students' investment in Blinn-Bryan has an average annual internal rate of return of 14.9%, which is impressive compared to the U.S. stock market's 30-year average rate of return of 9.9%.

Taxpayer perspective



Blinn-Bryan generates more in tax revenue than it takes. These benefits to taxpayers consist primarily of taxes that the state government will collect from the added revenue created in the state.

As Blinn-Bryan students will earn more, they will make higher tax payments throughout their working lives. Students' employers will also make higher tax payments as they increase their output and purchases of goods and services. By the end of the FY 2018-19 students' working lives, the state government will have collected a present value of \$117.3 million in added taxes.

Benefits to taxpayers will also consist of savings generated by the improved lifestyles of Blinn-Bryan students and the corresponding reduced government services. Education is statistically correlated with a variety of lifestyle changes. Students' Blinn-Bryan educations will generate savings in three main categories:

1) healthcare, 2) crime, and 3) income assistance. Improved health will lower students' demand for national health care services. In addition, students will be less likely to interact with the criminal justice system, resulting in a reduced demand for law enforcement and victim costs. Blinn-Bryan students will be more employable, so their reduced demand for income assistance such as welfare and unemployment benefits will benefit taxpayers. Altogether, the present value of the benefits associated with a Blinn-Bryan education will generate \$10.2 million in savings to state taxpayers.

Total taxpayer benefits amount to \$127.5 million, the present value sum of the added taxes and public sector savings. Taxpayer costs are \$24 million, equal to the amount of state government funding Blinn-Bryan received in FY 2018-19. These benefits and costs yield a benefit-cost ratio of 5.3. This means that for every dollar of public money invested in Blinn-Bryan in FY 2018-19, taxpayers will receive a cumulative value of \$5.30 over the course of the students'

*For every dollar of public money invested in Blinn-Bryan, taxpayers will receive a cumulative value of **\$5.30** over the course of the students' working lives.*



STUDENT PERSPECTIVE

\$379.1 million
Present value benefits

\$96.4 million
Present value costs

\$282.7 million
Net present value

Benefit-cost ratio	Rate of return
3.9	14.9%



TAXPAYER PERSPECTIVE

\$127.5 million
Present value benefits

\$24 million
Present value costs

\$103.5 million
Net present value

Benefit-cost ratio	Rate of return
5.3	13.2%



SOCIAL PERSPECTIVE

\$1.9 billion
Present value benefits

\$141.7 million
Present value costs

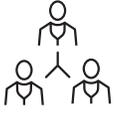
\$1.7 billion
Net present value

Benefit-cost ratio	Rate of return
13.3	n/a*

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

working lives. The average annual internal rate of return for taxpayers is 13.2%, which compares favorably to other long-term investments in the public and private sectors.

Social perspective



Society as a whole in Texas benefits from the presence of Blinn-Bryan in two major ways. Primarily, society benefits from an increased economic base in the state. This is attributed to higher student earnings and increased business output, which raise economic prosperity in Texas.

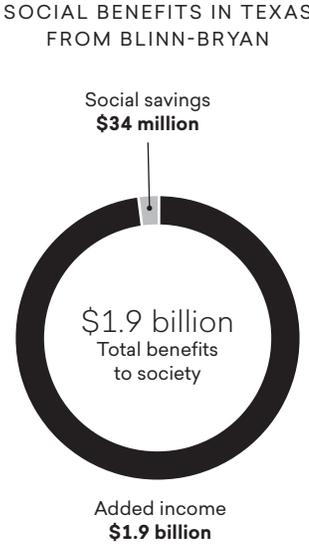
Benefits to society also consist of the savings generated by the improved lifestyles of Blinn-Bryan students. As discussed in the previous section, education is statistically correlated with a variety of lifestyle changes that generate social savings. Note that these costs are avoided by the consumers but are distinct from the costs avoided by the taxpayers outlined above. Healthcare savings include avoided medical costs associated with smoking, alcohol dependence, obesity, drug abuse, and depression. Savings related to crime include reduced security expenditures and insurance administration, lower victim costs, and reduced expenditures by the criminal justice system. Income assistance savings include reduced welfare and unemployment claims.

Altogether, the social benefits of Blinn-Bryan equal a present value of \$1.9 billion. These benefits include \$1.9 billion in added income through students' increased lifetime earnings and increased business output, as well as \$34 million in social savings related to health, crime, and income assistance in Texas. People in Texas invested a present value total of \$141.7 million in Blinn-Bryan in FY 2018-19. The cost includes all the campus and student costs.

The benefit-cost ratio for society is 13.3, equal to the \$1.9 billion in benefits divided by the \$141.7 million in costs. In other words, for every dollar invested in Blinn-Bryan, people in Texas will receive a cumulative value of \$13.30 in benefits. The benefits of this investment will occur for as long as Blinn-Bryan's FY 2018-19 students remain employed in the state workforce.

Summary of investment analysis results

The results of the analysis demonstrate that Blinn-Bryan is a strong investment for all three major stakeholder groups—students, taxpayers, and society. As shown, students receive a great return for their investments in a Blinn-Bryan education. At the same time, taxpayers' investment in Blinn-Bryan returns more to government budgets than it costs and creates a wide range of social benefits throughout Texas.



Conclusion

The results of this study demonstrate that Blinn-Bryan creates value from multiple perspectives. The campus benefits county businesses by increasing consumer spending in the county and supplying a steady flow of qualified, trained workers to the workforce. Blinn-Bryan enriches the lives of students by raising their lifetime earnings and helping them achieve their individual potential. The campus benefits state taxpayers through increased tax receipts and a reduced demand for government-supported social services. Finally, Blinn-Bryan benefits society as a whole in Texas by creating a more prosperous economy and generating a variety of savings through the improved lifestyles of students.

*The results of this study demonstrate that Blinn-Bryan creates value from **multiple perspectives.***

About the study

Data and assumptions used in the study are based on several sources, including the FY 2018-19 academic and financial reports from the Blinn College District, industry and employment data from the U.S. Bureau of Labor Statistics and U.S. Census Bureau, outputs of Emsi's Multi-Regional Social Accounting Matrix model, and a variety of studies and surveys relating education to social behavior. The study applies a conservative methodology and follows standard practice using only the most recognized indicators of economic impact and investment effectiveness. For a full description of the data and approach used in the study, please contact the Blinn College District for a copy of the main report.



Important note

In 2013, Emsi conducted an economic impact analysis of Blinn-Bryan on Blinn College's 13-county service area. The present study focuses on a single county to provide more localized information about the campus' impact. Due to this difference in region, results of the two studies are not comparable.



Emsi is a labor market analytics firm that integrates data from a wide variety of sources to serve professionals in higher education, economic development, workforce development, talent acquisition, and site selection. Emsi is a leading provider of economic impact studies and labor market data to educational institutions in the U.S. and internationally. Since 2000, Emsi has completed over 2,000 economic impact studies for institutions across three countries. For more information about Emsi's products and services, visit www.economicmodeling.com.



The Economic Value of the Blinn College District's Bryan Campus **FACT SHEET**

THE Blinn College District's Bryan Campus (Blinn-Bryan) 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) 2018-19.



Economic impact analysis

In FY 2018-19, Blinn-Bryan added **\$164.1 million** in income to the Brazos County economy, a value approximately equal to **1.7%** of the county's total gross regional product (GRP). Expressed in terms of jobs, Blinn-Bryan's impact supported **3,049 jobs**. For perspective, the activities of Blinn-Bryan and its students support **one out of every 47 jobs** in Brazos County.

OPERATIONS SPENDING IMPACT

- Blinn-Bryan employed 865 full-time and part-time faculty and staff. Payroll amounted to \$45.1 million, much of which was spent in the county for groceries, mortgage and rent payments, dining out, and other household expenses. The campus spent another \$25.8 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of Blinn-Bryan's operations spending added **\$62.9 million** in income to the county economy in FY 2018-19.

CONSTRUCTION SPENDING IMPACT

- Blinn-Bryan invests in construction each year to maintain its facilities, create additional capacities, and meet its growing educational demands, generating a short-term infusion of spending and jobs in the county economy.
- The net impact of Blinn-Bryan's construction spending in FY 2018-19 was **\$290.3 thousand** in added income for Brazos County.

STUDENT SPENDING IMPACT

- Around 81% of students attending Blinn-Bryan originated from outside the county. Some of these students relocated to Brazos County. In addition, some in-county students, referred to as retained students, would have left Brazos County for other educational opportunities if not for Blinn-Bryan. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at county businesses.

IMPACTS CREATED BY
BLINN-BRYAN IN FY 2018-19



\$62.9 million
Operations Spending Impact



\$290.3 thousand
Construction Spending Impact



\$27 million
Student Spending Impact



\$73.9 million
Alumni Impact



\$164.1 million
TOTAL IMPACT

- OR -

3,049
JOBS SUPPORTED



- The expenditures of relocated and retained students in FY 2018-19 added **\$27 million** in income to the Brazos County economy.

ALUMNI IMPACT

- Over the years, students have studied at Blinn-Bryan and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in Brazos County.
- The net impact of Blinn-Bryan's former students currently employed in the county workforce amounted to **\$73.9 million** in added income in FY 2018-19.



Investment analysis

STUDENT PERSPECTIVE

- Blinn-Bryan's FY 2018-19 students paid a present value of **\$35.6 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forewent **\$60.8 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$379.1 million** in increased earnings over their working lives. This translates to a return of **\$3.90** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **14.9%**.

TAXPAYER PERSPECTIVE

- Taxpayers provided Blinn-Bryan with **\$24 million** of funding in FY 2018-19. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$117.3 million**. A reduced demand for government-funded services in Texas will add another **\$10.2 million** in benefits to taxpayers.
- For every dollar of public money invested in Blinn-Bryan, taxpayers will receive **\$5.30** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **13.2%**.

SOCIAL PERSPECTIVE

- In FY 2018-19, Texas invested **\$141.7 million** to support Blinn-Bryan. In turn, the Texas economy will grow by **\$1.9 billion**, over the course of students' working lives. Society will also benefit from **\$34 million** of public and private sector savings.
- For every dollar invested in Blinn-Bryan in FY 2018-19, people in Texas will receive **\$13.30** in return, for as long as Blinn-Bryan's FY 2018-19 students remain active in the state workforce.

STUDENTS SEE A HIGH RATE OF RETURN FOR THEIR INVESTMENT IN BLINN-BRYAN



14.9%

Average annual return for Blinn-Bryan students



9.9%

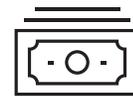
Stock market 30-year average annual return



0.8%

Interest earned on savings account (National Rate Cap)

Source: Forbes' S&P 500, 1989-2018. FDIC.gov, 6-2019.



FOR EVERY \$1...



Students gain

\$3.90

in lifetime earnings



Taxpayers gain

\$5.30

in added tax revenue and public sector savings



Society gains

\$13.30

in added income and social savings

