

FACT SHEET

The Economic Value of Laramie County Community College

FEBRUARY 2016

Laramie County Community College (LCCC) creates a significant positive impact on the business community. Using a two-pronged approach that involves an economic impact analysis and an investment analysis, this study calculates the benefits to each of these groups. Results of the analysis reflect Fiscal Year (FY) 2013-14.

IMPACTS CREATED BY LCCC IN FY 2013-14

ADDED INCOME	JOBS
\$37.5 MILLION	979
Operations spending impact	
\$5.9 MILLION	230
Student spending impact	
\$129.3 MILLION	2,051
Alumni impact	
\$172.7 MILLION	3,260
Total impact	

Implicit multiplier

The implicit multiplier represents total additional sales from operations spending divided by total college expenditures. Every dollar spent by LCCC in the region created **\$1.10** in additional sales throughout the LCCC Service Area.

IMPACT ON BUSINESS COMMUNITY

During the analysis year, LCCC and its students added **\$172.7 MILLION** in added income to the LCCC Service Area economy, approximately equal to **2.2%** of the region's total GRP. By comparison, this impact from the college is nearly as large as the entire Wholesale Trade industry. The economic impacts of LCCC break down as follows:

Operations spending impact

- LCCC employed 920 full-time and part-time employees in FY 2013-14. Payroll amounted to **\$32.4 MILLION**, much of which was spent in the LCCC Service Area to purchase groceries, clothing, and other household goods and services. The college spent another **\$24.7 MILLION** to support its day-to-day operations.
- The net impact of college payroll and expenses in the LCCC Service Area during the analysis year was approximately **\$37.5 MILLION** in added income.

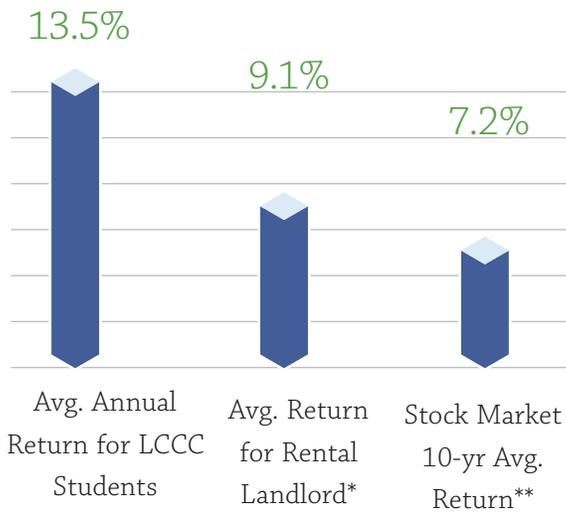
Impact of student spending

- Around 18% of students attending LCCC originated from outside the region. Some of these students relocated to the LCCC Service Area. In addition, a number of students would have left the region if not for LCCC. These relocator and retained students spent money on groceries, transportation, rent, and so on at region businesses.
- The expenditures of relocator and retained students during the analysis year added approximately **\$5.9 MILLION** in added income to the LCCC Service Area economy.

Alumni impact

- Over the years, students have studied at LCCC and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in the LCCC Service Area.
- The accumulated contribution of former students currently employed in the regional workforce amounted to **\$129.3 MILLION** in added income during the analysis year.

STUDENT RATE OF RETURN



*RealityTrac's Q3, 2014
 **Forbes's S&P 500, 1994-2014.

RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS, AND SOCIETY

Student perspective

- LCCC's FY 2013-14 students paid a total of **\$13.9 MILLION** to cover the cost of tuition, fees, and supplies. They also forwent **\$52.5 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 **\$200.7 MILLION** in increased earnings over their working lives. This translates to a return of **\$3.00** in higher future earnings for every \$1 that students invest in their education. The average annual return for students is **13.5%**.

Taxpayer perspective

- In FY 2013-14, state and local taxpayers in Wyoming paid **\$34 MILLION** to support the operations of LCCC. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$53.7 MILLION** in benefits to taxpayers. Savings to the public sector add another **\$6.5 MILLION** in benefits due to a reduced demand for government-funded services in Wyoming.
- Dividing benefits to taxpayers by the associated costs yields a **1.8** benefit-cost ratio, i.e., every \$1 in costs returns \$1.80 in benefits. The average annual return on investment for taxpayers is **5.2%**.

Social perspective

- The economic base in Wyoming will grow by **\$524.3 MILLION** over the course of the students' working lives. Society will also benefit from **\$17.9 MILLION** in present value social savings related to reduced crime, lower unemployment, and increased health and well-being across the state.
- For every dollar that society spent on LCCC educations during the analysis year, society will receive a cumulative value of **\$4.80** in benefits, for as long as the FY 2013-14 student population at LCCC remains active in the state workforce.

FOR EVERY \$1 SPENT BY...

STUDENTS	<p>\$3.00</p> <p>Gained in lifetime earnings for STUDENTS</p>
TAXPAYERS	<p>\$1.80</p> <p>Gained in added state revenue and social savings for TAXPAYERS</p>
SOCIETY	<p>\$4.80</p> <p>Gained in added taxes and public sector savings for SOCIETY</p>