

FACT SHEET: ECONOMIC IMPACT OF COLLEGE OF NEW CALEDONIA

What role does College of New Caledonia play in the local economy? The results of this study demonstrate that CNC is a sound investment from multiple perspectives. Students benefit from improved lifestyles and increased earnings. Taxpayers benefit from an enlarged economy and lower social costs. And the community as a whole benefits from increased job and investment opportunities, higher business revenues, and an eased tax burden.

CNC stimulates provincial and local economy

- The CNC Service Area economy receives roughly **\$32.5 million in regional income** annually due to CNC operations and capital spending.
- About 17% of CNC's students come from outside the region, bringing with them monies that would not have otherwise entered the local economy. The expenditures of CNC's out-of-region students for books and supplies, room and board, transportation, or other personal expenses generate roughly **\$6.3 million in regional income in the CNC Service Area**.
- CNC activities encourage new business, assist existing business, and create long-term economic growth. The college enhances worker skills and provides customized training to local business and industry. It is estimated that the present-day CNC Service Area workforce embodies around **2.0 million credit hour equivalents (CHEs)** of past and present CNC training.
- College skills embodied in the workforce of the CNC Service Area where past and present students are employed yield a cumulative of **\$350.4 million in added regional income**.
- Altogether, the CNC Service Area economy annually receives roughly **\$389.3 million in income** due to the past and present efforts of CNC. Clearly it is accurate to describe the college as an engine of economic growth.

CNC leverages taxpayer dollars

- The provincial and local community will see **avoided social costs amounting to \$11 per year for every credit earned** by CNC students, including savings associated with improved health, reduced crime, and fewer welfare and unemployment claims.
- This translates to **\$1.2 million worth of social savings** to the Province of British Columbia each year as long as students are in the workforce.
- Students benefit from higher earnings, thereby expanding the tax base and reducing the tax burden on provincial and local taxpayers. When aggregated together, students generate about **\$13.4 million annually in higher earnings** due to their CNC education.

CNC generates return on investment

- Provincial and local government allocated around **\$34.9 million in support of CNC** in fiscal year 2006.
- For every dollar appropriated by provincial and local government, taxpayers will see a **cumulative return of \$3.30** over the course of the students' working career (in the form of higher tax receipts and avoided social costs).

CNC returns \$3.30 for every dollar of taxpayer financial support.

- Provincial and local government will see a **rate of return of 12%** on their support for CNC, which compares very favorably with private sector rates of return on similar long-term investments.

CNC increases students' earning potential

- A total of **9,036 credit and non-credit students** attended CNC in academic year 2005-2006. As many as **87% of these students stay in the region** initially after they leave college and contribute to the local economy.
- Studies demonstrate that education increases lifetime earnings. **The average annual earnings of a student with a one-year certificate are \$37,000**, or 35% more than someone without a high school diploma or GED, and 12% more than a student with a high school diploma. **The average earnings of a student with a diploma are \$42,200**, or 54% more than someone without a high school diploma or GED, and 28% more than a student with a high school diploma or GED.
- Students will see their annual income increase, on average, by about **\$122 per year for every credit completed** at CNC during the analysis year.
- Throughout his or her working career, the average CNC student's discounted lifetime earnings (i.e., future values expressed in present value terms) will increase **\$4.80 for every education dollar invested** (in the form of tuition, fees, books, and foregone earnings from employment).
- Students enjoy an attractive **16% annual rate of return** on their CNC educational investment, and recover all costs (including wages foregone while attending) in **9 years**.

Students see their annual income increase by \$122 per year for every credit completed at CNC.