Analysis of the Economic Impact of Education and Return on Investment

THE ECONOMIC VALUE OF KEENE STATE COLLEGE
FY 2014–15
What is an economic impact analysis?

Measures how an event or institution affects the local economy.

What is an investment analysis?

A comparison of the costs and benefits to determine the return on investment.
About the KSC Service Area

$3.2 BILLION
TOTAL GROSS REGIONAL PRODUCT

45,688
TOTAL JOBS

HIGHER EARNINGS BY EDUCATION LEVEL AT CAREER MIDPOINT

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TOTAL GROSS REGIONAL PRODUCT

45,688
TOTAL JOBS

HIGHER EARNINGS BY EDUCATION LEVEL AT CAREER MIDPOINT
KSC in FY 2014-15

- 5,224 Credit Students Served
- 723 Non-Credit Students Served
- 2,570 Employees
- $66.9 Million Total Payroll/Benefits
- 90% Students from Outside the Region
- 19% Students Remaining in the Region After Leaving the College
Overview of Results

$138.3 MILLION
TOTAL INCOME SUPPORTED IN THE REGION

4,053
JOBS SUPPORTED IN THE REGION

4.3%
OF THE REGION'S GRP

3.0
BENEFIT-COST RATIO FOR STUDENTS

5.9
BENEFIT-COST RATIO FOR STATE GOVERNMENT
<table>
<thead>
<tr>
<th>Operations Spending Impact</th>
<th>Research Spending Impact</th>
<th>Student Spending Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>College payroll and other spending + ripple effects</td>
<td>Research payroll and other research spending + ripple effects</td>
<td>Relocated/Retained student spending + ripple effects</td>
</tr>
<tr>
<td>$74 MILLION</td>
<td>$2.7 MILLION</td>
<td>$5.3 MILLION</td>
</tr>
<tr>
<td>ADDED REGIONAL INCOME</td>
<td>ADDED REGIONAL INCOME</td>
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<tr>
<td>or</td>
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<td>or</td>
</tr>
<tr>
<td>2,642</td>
<td>97</td>
<td>210</td>
</tr>
<tr>
<td>EQUIVALENT JOBS SUPPORTED IN THE REGION</td>
<td>EQUIVALENT JOBS SUPPORTED IN THE REGION</td>
<td>EQUIVALENT JOBS SUPPORTED IN THE REGION</td>
</tr>
</tbody>
</table>

All results measured in income, not sales
Results are net of counterfactual scenarios
<table>
<thead>
<tr>
<th>Visitor Spending Impact</th>
<th>Alumni Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Out-of-region and retained visitor spending + ripple effects</td>
<td>Higher alumni earnings and increased business profit + ripple effects</td>
</tr>
<tr>
<td>$0.8 MILLION ADDED REGIONAL INCOME</td>
<td>$55.5 MILLION ADDED REGIONAL INCOME</td>
</tr>
<tr>
<td>26 EQUIVALENT JOBS SUPPORTED IN THE REGION</td>
<td>1,078 EQUIVALENT JOBS SUPPORTED IN THE REGION</td>
</tr>
</tbody>
</table>

All results measured in income, not sales
Results are net of counterfactual scenarios
Total Impact

4.3% of Gross Regional Product (GRP)

$138.3 MILLION
TOTAL ADDED REGIONAL INCOME

or

4,053 TOTAL EQUIVALENT JOBS IN THE REGION

Note: Equivalent jobs 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 annual wages per worker in the region.
<table>
<thead>
<tr>
<th>Perspective</th>
<th>Benefit:</th>
<th>Cost:</th>
<th>Benefit/Cost Ratio</th>
<th>Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student</td>
<td>Higher future earnings</td>
<td>Tuition, supplies, opportunity cost</td>
<td>3.0</td>
<td>12.5%</td>
</tr>
<tr>
<td></td>
<td>$357.2 MILLION</td>
<td>$120.8 MILLION</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Government</td>
<td>Future tax revenue, government savings</td>
<td>State funding</td>
<td>5.9</td>
<td>43.5%</td>
</tr>
<tr>
<td></td>
<td>$70.1 MILLION</td>
<td>$11.8 MILLION</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social</td>
<td>Future earnings, tax revenue, private savings</td>
<td>Student and all college costs</td>
<td>3.6</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>$651.7 MILLION</td>
<td>$183.3 MILLION</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Future benefits are discounted to the present.
Adding income to your region

- Add value to your alumni.
- Push workforce training and dual-credit
- Increase enrollment
- Keep your graduates in-region.
- Attract outside funding.

Note that external factors heavily influence a college’s impact.
Next steps

▪ Send the executive summary to regional legislators
▪ Use social media to broadcast student returns to prospective students and parents
▪ Share industry impacts with local business partners
▪ Leverage impacts for proposals, grant writing, & strategic planning
▪ Publish results in campus fliers, newsletters, & websites
▪ Share results with local media

How can Emsi help?
▪ Emsi’s press packet
▪ Ongoing presentations from your Emsi economist
▪ Email or call us anytime
The results of this study were prepared by Emsi.