



The Economic Value of Cowley College

FACT SHEET

COWLEY College 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) 2016-17.



Economic impact analysis

In FY 2016-17, Cowley College added **\$265.5 million** in income to the Cowley College Service Area¹ economy, a value approximately equal to **0.8%** of the region's total gross regional product (GRP). Expressed in terms of jobs, Cowley College's impact supported **3,735** regional jobs. For perspective, the activities of Cowley College and its students support one out of every **98** jobs in the Cowley College Service Area.

OPERATIONS SPENDING IMPACT

- Cowley College employed 322 full-time and part-time faculty and staff. Payroll amounted to \$13.2 million, much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$14.4 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$17.9 million** in income to the regional economy.

STUDENT SPENDING IMPACT

- Around 25% of credit students attending Cowley College originated from outside the region. Some of these students relocated to the Cowley College Service Area. In addition, some in-region students would have left Cowley College Service Area for other educational opportunities if not for Cowley College. These relocated and retained students spent money on groceries, mortgage and rent payments, and so on at regional businesses.
- The expenditures of relocated and retained students in FY 2016-17 added **\$3.5 million** in income to the Cowley College Service Area economy.

¹ For the purposes of this analysis, the Cowley College Service Area is comprised of select zip codes in Chautauqua, Cowley, Sumner, and Sedgwick Counties.

IMPACTS CREATED BY
COWLEY COLLEGE IN FY 2016-17



\$17.9 million
Operations Spending Impact



\$3.5 million
Student Spending Impact



\$244.2 million
Alumni Impact



\$265.5 million
TOTAL IMPACT

- OR -

3,735
JOBS SUPPORTED



ALUMNI IMPACT

- Over the years, students have studied at Cowley College and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in the Cowley College Service Area.
- The net impact of Cowley College's former students currently employed in the regional workforce amounted to **\$244.2 million** in added income in FY 2016-17.



Investment analysis

STUDENT PERSPECTIVE

- Cowley College's FY 2016-17 students paid a present value of **\$8.3 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forewent **\$17.9 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$117.7 million** in increased earnings over their working lives. This translates to a return of **\$4.50** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **17.8%**.

TAXPAYER PERSPECTIVE

- Taxpayers provided Cowley College with **\$13.5 million** of funding in FY 2016-17. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$45.8 million**. A reduced demand for government-funded services in Kansas will add another **\$2.1 million** in benefits to taxpayers.
- For every dollar of public money invested in Cowley College, taxpayers will receive **\$3.60** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **8.7%**.

SOCIAL PERSPECTIVE

- In FY 2016-17, Kansas invested **\$51.1 million** to fully support Cowley College. In turn, the Kansas economy will grow by **\$555.4 million**, over the course of students' working lives. Society will also benefit from **\$5.9 million** of public and private sector savings.
- For every dollar invested in Cowley College educations in FY 2016-17, people in Kansas will receive **\$11.00** in return, for as long as Cowley College's FY 2016-17 students remain active in the state workforce.

STUDENTS SEE A HIGH RATE OF RETURN FOR THEIR INVESTMENT IN COWLEY COLLEGE



17.8%

Average annual return for Cowley College students



10.1%

Stock market 30-year average annual return



0.8%

Interest earned on savings account (National Rate Cap)

Source: Forbes' S&P 500, 1987-2016. FDIC.gov, 7-2016.



FOR EVERY \$1...



Students gain

\$4.50

in lifetime earnings



Taxpayers gain

\$3.60

in added tax revenue and public sector savings



Society gains

\$11.00

in added income and social savings

