

The Economic Value of Cowley County Community College

Cowley County Community College (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) 2021-22.

Economic impact analysis

In FY 2021-22, Cowley College added **\$203.5 million** in income to the Cowley College Service Area* economy, a value approximately equal to **0.5%** of the region's total gross regional product (GRP). Expressed in terms of jobs, Cowley College's impact supported **3,071 jobs**.

Operations spending impact

- Cowley College employed 372 full-time and part-time faculty and staff. Payroll amounted to \$14.3 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 \$20.2 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$20.3 million** in income to the regional economy in FY 2021-22.

Student spending impact

- A number of 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, referred to as retained students, would have left the Cowley College Service Area for other educational opportunities if not for

* For the purposes of this analysis, the Cowley College Service Area is comprised of Chautauqua, Cowley, Sedgwick, and Sumner Counties in Kansas and Grant, Kay, and Osage Counties in Oklahoma.

Impacts created by Cowley College in FY 2021-22



Operations spending impact
\$20.3 million



Student spending impact
\$3.8 million



Alumni impact
\$179.4 million



Total economic impact
\$203.5 million

OR

Jobs supported
3,071



Cowley College. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.

- The expenditures of relocated and retained students in FY 2021-22 added **\$3.8 million** in income to the Cowley College Service Area economy.

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 **\$179.4 million** in added income in FY 2021-22.

Investment analysis

Student perspective

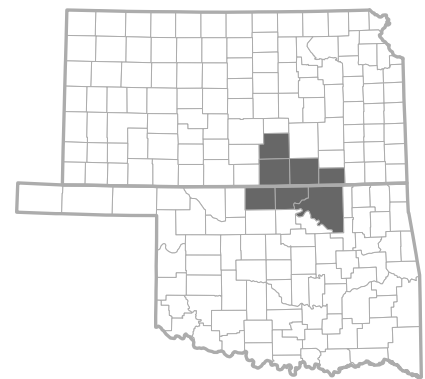
- Cowley College's FY 2021-22 students paid a present value of **\$8.4 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$5.9 million** in time and in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of **\$152.8 million** in increased earnings over their working lives. This translates to a return of **\$10.70** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **34.8%**.

Taxpayer perspective

- Taxpayers provided Cowley College with **\$16.8 million** of funding in FY 2021-22. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings, increased property taxes, and increased business output, amounting to **\$35.3 million**. A reduced demand for government-funded services in Kansas will add another **\$2.2 million** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$37.6 million**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in Cowley College, taxpayers will receive **\$2.20** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **5.0%**.

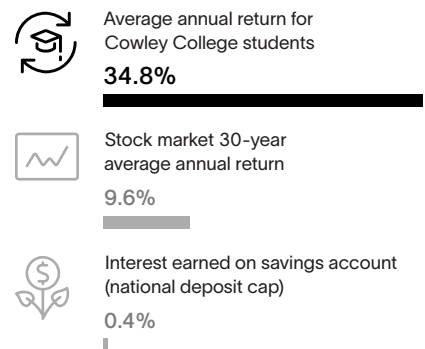
Social perspective

- In FY 2021-22, Kansas invested **\$45 million** to support Cowley College. In turn, the Kansas economy will grow by **\$353.6 million**, over the course of students' working lives. Society will also benefit from **\$6.3 million** of public and private sector savings.
- For every dollar invested in Cowley College in FY 2021-22, people in Kansas will receive **\$8.00** in return, for as long as Cowley College's FY 2021-22 students remain active in the state workforce.



The Cowley College Service Area (in Kansas and Oklahoma)

Students see a high rate of return for their investment in Cowley College



Source: Forbes' S&P 500, 1992-2021. FDIC.gov, 2-2022.

For every \$1...

| | |
|--|------------------------------------------------------------------------------------------------------------------------------------------|
| | Students gain in lifetime earnings \$10.70 |
| | Taxpayers gain in added tax revenue and public sector savings \$2.20 |
| | Society gains in added income and social savings \$8.00 |