



FACT SHEET

THE ECONOMIC VALUE OF NORTHEAST LAKEVIEW COLLEGE | OCTOBER 2018

Northeast Lakeview College (NLC) 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.

IMPACTS CREATED BY NLC IN FY 2016-17

ADDED INCOME	JOBS
\$28.4 million	579
Operations spending impact	
\$354.6 thousand	6
Construction spending impact	
\$19.9 million	297
Student spending impact	
\$11.9 million	198
Alumni impact	
\$60.6 million	1,079
Total impact	

IMPACT ON THE BUSINESS COMMUNITY

During the analysis year, NLC and its students added **\$60.6 million** in income to the Alamo Colleges Service Area economy. NLC's impact supported **1,079** jobs in FY 2016-17. The economic impacts of NLC break down as follows:

Operations spending impact

- NLC employed 444 full-time and part-time employees in FY 2016-17. Payroll amounted to \$20.1 million, much of which was spent in the Alamo Colleges Service Area to purchase groceries, clothing, and other household goods and services. The college spent another \$15.1 million to support its day-to-day operations. These figures include an allocation of DSO employees and expenditures to NLC.
- The net impact of college payroll and expenses in the Alamo Colleges Service Area during the analysis year was approximately **\$28.4 million** in income.

Construction spending impact

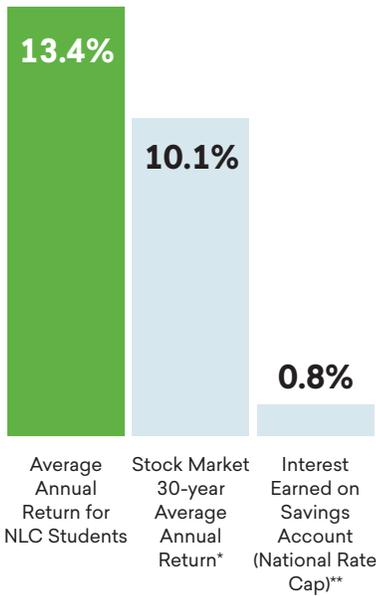
- NLC commissioned contractors to build or renovate facilities during the analysis year, generating a short-term infusion of spending and jobs in the regional economy.
- The net impact of NLC's construction spending in FY 2016-17 was **\$354.6 thousand** in added income for the Alamo Colleges Service Area.

Student spending impact

- Around 28% of credit students attending NLC originated from outside the region. Some of these students relocated to the Alamo Colleges Service Area. In addition, a number of students would have left the region if not for NLC. These relocated and retained students spent money on groceries, transportation, rent, and so on at regional businesses.

* The Alamo Colleges Service Area is comprised of Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Kerr, and Wilson Counties.

STUDENT RATE OF RETURN



* Forbes' S&P 500, 1987-2016.

** FDIC.gov, 7-2017.

- The expenditures of relocated and retained students during the analysis year added approximately **\$19.9 million** in income to the Alamo Colleges Service Area economy.

Alumni impact

- Over the years, students have studied at NLC and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in the Alamo Colleges Service Area.
- The impact of former students currently employed in the regional workforce amounted to **\$11.9 million** in added income during the analysis year.

RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS, AND SOCIETY

Student perspective

- NLC's FY 2016-17 students paid a total present value of **\$13.1 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forewent **\$20.6 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 **\$124.8 million** in increased earnings over their working lives. This translates to a return of **\$3.70** in higher future earnings for every dollar that students invest in their education. The average annual return for students is **13.4%**.

Taxpayer perspective

- In FY 2016-17, state and local taxpayers in Texas paid **\$27.2 million** to support the operations of NLC. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$52.3 million** in benefits to taxpayers. Savings to the public sector add another **\$4 million** in benefits due to a reduced demand for government-funded services in Texas.
- Dividing benefits to taxpayers by the associated costs yields a **2.1** benefit-cost ratio, i.e., every dollar in costs returns \$2.10 in benefits. The average annual return on investment for taxpayers is **5.4%**.

Social perspective

- The economic base in Texas will grow by **\$873.9 million** over the course of the students' working lives. Society will also benefit from **\$14.3 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 NLC FY 2016-17 educations, society will receive a cumulative value of **\$14.70** in benefits, for as long as the FY 2016-17 student population at NLC remains active in the state workforce.

