

FACT SHEET: ECONOMIC IMPACT OF LANE COMMUNITY COLLEGE

What role does Lane Community College (LCC) play in the local economy? The results of this study demonstrate that LCC 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, greater availability of public funds, and an eased tax burden.

LCC stimulates the state and local economy

- The Lane County economy receives roughly **\$59.6 million in regional income** annually due to LCC operations and capital spending.
- LCC 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 Lane County workforce embodies around **8.4 million credit and non-credit hours** of past and present LCC training.
- LCC skills embodied in the workforce of Lane County where the former students are employed **increase regional income by \$642.9 million**. Associated indirect effects increase income by **another \$124.1 million**.
- Altogether, the Lane County economy annually receives roughly **\$826.5 million in income** due to the past and present efforts of LCC. Clearly it is accurate to describe LCC as an engine of economic growth.

The regional economy is \$826.5 million stronger due to the actions of LCC.

LCC leverages taxpayer dollars

- The state and local community will see **avoided social costs amounting to \$8 per year for every credit earned** by LCC students, including savings associated with improved health, reduced crime, and fewer welfare and unemployment claims.
- This translates to **\$4.1 million worth of social savings** to the State of Oregon 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 state and local taxpayers. When aggregated together, LCC students generate about **\$34.6 million annually in higher earnings** due to their LCC education.

LCC generates a return on government investment

- State and local government allocated around **\$47.8 million in support of LCC** in fiscal year 2005.
- For every dollar appropriated by state and local government, taxpayers will see a **cumulative return of \$3.60** over the course of the students' working career (in the form of higher tax receipts and avoided social costs).

LCC returns \$3.60 for every dollar of taxpayer financial support.

- State and local government will see a **rate of return of 15%** on their support for LCC, which compares very favorably with private sector rates of return on similar long-term investments.

LCC increases students' earning potential

- A total of **29,930 credit and non-credit students** attended the college in academic year 2004-2005. As many as **84% of these students stay in the region** initially after they leave the 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 \$30,338**, or 84% more than someone without a high school diploma or GED, and 16% more than a student with a high school diploma. **The average earnings of a student with an Associate Degree are \$35,718**, or 117% more than someone without a high school diploma or GED, and 37% more than a student with a high school diploma or GED.
- LCC students will see their annual income increase, on average, by about **\$69 per year for every credit completed** at LCC during the analysis year.
- Throughout his or her working career, the average LCC student's discounted lifetime earnings (i.e., future values expressed in present value terms) will increase **\$4.60 for every education dollar invested** (in the form of tuition, fees, books, and foregone earnings from employment).
- Students enjoy an attractive **17% annual rate of return** on their LCC educational investment, and recover all costs (including wages foregone while attending) in **8 years**.

Students see their annual income increase by \$69 per year for every credit completed at LCC.