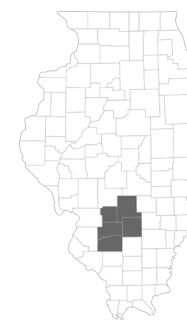


The Economic Value of Kaskaskia College



DISTRICT 501,
ILLINOIS

Kaskaskia College (KC) 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) 2022-23.

Economic impact analysis

In FY 2022-23, KC added **\$132.7 million** in income to District 501¹ economy, a value approximately equal to **2.5%** of the district's total gross regional product (GRP). Expressed in terms of jobs, KC's impact supported **2,062 jobs**. For perspective, the activities of KC and its students support **one out of every 29 jobs** in District 501.

Operations spending impact

- KC employed 348 full-time and part-time faculty and staff. Payroll amounted to \$22.1 million, much of which was spent in the district for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$12.3 million (excluding construction) on its day-to-day expenses related to facilities, supplies, and professional services.

¹ For the purposes of this analysis, District 501 is comprised of Bond, Clinton, Fayette, Marion, and Washington Counties.

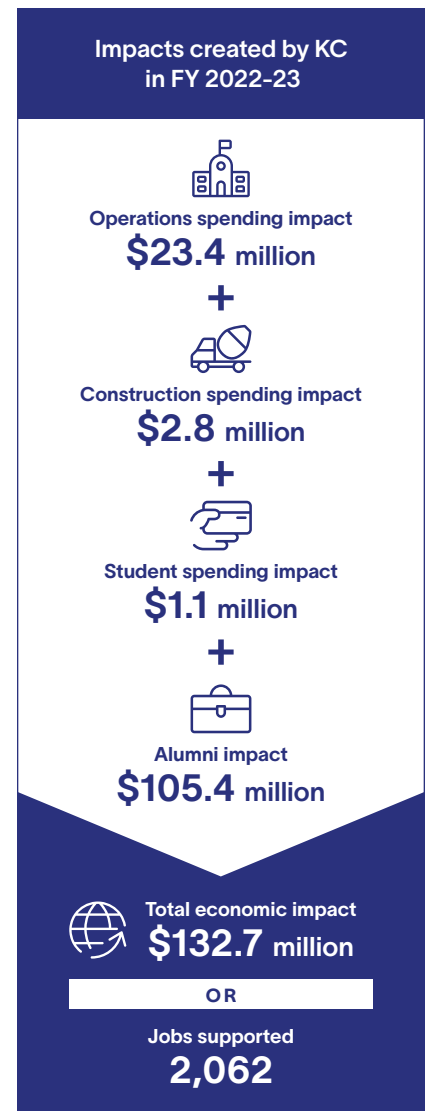
- The net impact of the college's operations spending added **\$23.4 million** in income to the district's economy in FY 2022-23.

Construction spending impact

- KC invested in construction, taking advantage of historically low interest rates to modernize and maintain its facilities, create additional capacities, and meet its growing educational demands, generating a short-term infusion of spending and jobs in the district's economy. During FY 2022-23, KC spent a total of \$11.7 million on various construction projects. The College embarked on an ambitious modernization of its main campus. Phase one saw the transformation of classrooms in both the Library and Health and Business buildings, with innovative alcoves providing versatile spaces for coursework, individual study, peer collaboration, and faculty engagement.
- The net impact of KC's construction spending in FY 2022-23 was **\$2.8 million** in added income for District 501.

Student spending impact

- Some in-district students, referred to as retained students, would have left District 501 for other educational opportunities if not for KC. These retained students spent money on groceries, mortgage and rent payments, and other living expenses at district businesses.
- The expenditures of retained students in FY 2022-23 added **\$1.1 million** in income to the District 501 economy.



Alumni impact

- Over the years, students have studied at KC and entered or re-entered the workforce with newly acquired knowledge and skills. Today, thousands of these former students are employed in District 501.
- The net impact of KC's former students currently employed in the district's workforce amounted to **\$105.4 million** in added income in FY 2022-23.

Investment analysis

Student perspective

- KC's FY 2022-23 students paid a present value of **\$8.0 million** to cover the cost of tuition, fees, and supplies. They also forwent a value of **\$3.3 million** in time and money had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of **\$72.4 million** in increased earnings over their working lives. This translates to a return of **\$6.40** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **20.8%**.

Taxpayer perspective

- Taxpayers provided KC with **\$28.5 million** of funding in FY 2022-23. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$27.3 million**. A reduced demand for government-funded services in Illinois will add another **\$2.7 million** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$30.1 million**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in KC, taxpayers will receive **\$1.10** in return over the course of students' working lives. The average annual rate of return for taxpayers is **1.0%**.

Social perspective

- In FY 2022-23, Illinois invested **\$51.7 million** to support KC. In turn, the Illinois economy will grow by **\$281.5 million**, over the course of students' working lives. Society will also benefit from **\$8.4 million** of public and private sector savings.
- For every dollar invested in KC in FY 2022-23, people in Illinois will receive **\$5.60** in return, for as long as KC's FY 2022-23 students remain active in the state workforce.

Students see a high rate of return for their investment in the KC



Average annual return for KC students

20.8%



Stock market 30-year average annual return

10.1%



Interest earned on savings account (National Rate Cap)

0.4%

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

For every \$1...



Students gain in lifetime earnings

\$6.40



Taxpayers gain in added tax revenue and public sector savings

\$1.10



Society gains in added income and social savings

\$5.60

