

The Economic Value of Western Technical College

FACT SHEET

WESTERN Technical College (Western) provides relevant, high quality education, in a collaborative and sustainable environment that changes the lives of students and grows their communities. This creates a significant positive impact on the business community and generates a return on investment to Western’s 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) 2017-18.

Economic impact analysis

In FY 2017-18, Western added **\$330.3 million** in income to the Western district* economy, a value approximately equal to **2.4%** of the region’s total gross regional product (GRP). Expressed in terms of jobs, Western’s impact supported **4,699 jobs**. For perspective, the activities of Western and its students support **one out of every 37 jobs** in the Western district.

OPERATIONS SPENDING IMPACT

- Western employed 859 full-time and part-time faculty and staff. Payroll amounted to \$41 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 \$19.2 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college’s operations spending added **\$45.1 million** in income to the regional economy in FY 2017-18.

STUDENT SPENDING IMPACT

- Some in-region students, referred to as retained students, would have left the Western district for other educational opportunities if not for Western. These retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.

* For the purposes of this analysis, the Western district is comprised of 60 zip codes within 11 counties: Jackson, Juneau, La Crosse, Monroe, Richland, Sauk, Trempealeau, Vernon, and portions of Buffalo, Clark, and Crawford.

IMPACTS CREATED
BY WESTERN IN FY 2017-18



\$45.1 million
Operations Spending Impact



\$3.6 million
Student Spending Impact



\$281.6 million
Alumni Impact



\$330.3 million
TOTAL IMPACT

- OR -

4,699
JOBS SUPPORTED



- The expenditures of retained students in FY 2017-18 added **\$3.6 million** in income to the Western district economy.

ALUMNI IMPACT

- Over the years, students have studied at Western and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in the Western district.
- The net impact of Western's former students currently employed in the regional workforce amounted to **\$281.6 million** in added income in FY 2017-18.



Investment analysis

STUDENT PERSPECTIVE

- Western's FY 2017-18 students paid a present value of **\$12 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$17.6 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$186.8 million** in increased earnings over their working lives. This translates to a return of **\$6.30** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **23.9%**.

TAXPAYER PERSPECTIVE

- Taxpayers will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$64.2 million**. A reduced demand for government-funded services in Wisconsin will add another **\$5.6 million** in benefits to taxpayers. Taxpayers provided Western with **\$55.7 million** of funding in FY 2017-18, including **\$5.5 million** in local tax revenue from Western's 2012 property tax levy.
- For every dollar of public money invested in Western, taxpayers will receive **\$1.30** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **2.1%**.

SOCIAL PERSPECTIVE

- In FY 2017-18, Wisconsin invested **\$83.4 million** to support Western. In turn, the Wisconsin economy will grow by **\$689.2 million**, over the course of students' working lives. Society will also benefit from **\$17.9 million** of public and private sector savings.
- For every dollar invested in Western in FY 2017-18, people in Wisconsin will receive **\$8.50** in return, for as long as Western's FY 2017-18 students remain active in the state workforce.

STUDENTS SEE A HIGH RATE OF RETURN FOR THEIR INVESTMENT IN WESTERN



23.9%

Average annual return for Western students



9.9%

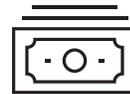
Stock market 30-year average annual return



0.8%

Interest earned on savings account (National Rate Cap)

Source: Forbes' S&P 500, 1989-2018. FDIC.gov, 6-2019.



FOR EVERY \$1...



Students gain

\$6.30

in lifetime earnings



Taxpayers gain

\$1.30

in added tax revenue and public sector savings



Society gains

\$8.50

in added income and social savings

