

FACT SHEET

The Economic Value of Thomas Nelson Community College | September 2016

Thomas Nelson Community College (Thomas Nelson) 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 to each of these groups. Results of the analysis reflect Fiscal Year (FY) 2014-15.

IMPACT ON BUSINESS COMMUNITY

During the analysis year, Thomas Nelson and its students added **\$329.6 million** in added income to the Virginia Peninsula economy, approximately equal to **1.4%** of the region's total GRP. The economic impacts of Thomas Nelson break down as follows:

IMPACTS CREATED BY THOMAS NELSON IN FY 2014-15

ADDED INCOME	JOBS
\$50.0 million	1,125
Operations spending impact	
\$17.5 million	429
Student spending impact	
\$262.1 million	4,901
Alumni impact	
\$329.6 million	6,454
Total impact	

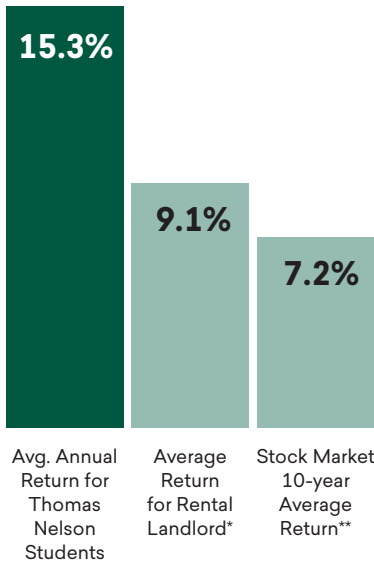
Operations spending impact

- Thomas Nelson employed 933 full-time and part-time employees in FY 2014-15. Payroll amounted to **\$37.2 million**, much of which was spent in the Virginia Peninsula to purchase groceries, clothing, and other household goods and services. The college spent another **\$27.4 million** to support its day-to-day operations.
- The net impact of college payroll and expenses in the Virginia Peninsula during the analysis year was approximately **\$50 million** in added income.

Impact of student spending

- Around **25%** of students attending Thomas Nelson originated from outside the region. Some of these students relocated to the Virginia Peninsula. In addition, a number of students would have left the region if not for Thomas Nelson. These relocator and retained students spent money on groceries, transportation, rent, and so on at region businesses.
- The expenditures of relocator and retained students during the analysis year added approximately **\$17.5 million** in added income to the Virginia Peninsula economy.

STUDENT RATE OF RETURN



* RealtyTrac's Q3, 2014
 ** Forbes' S&P 500, 1994-2014.

Alumni impact

- Over the years, students have studied at Thomas Nelson and entered or re-entered the workforce with newly-acquired skills. About 54% of former students settle in the region. Today, thousands of these former students are employed in the Virginia Peninsula.
- The accumulated contribution of former students currently employed in the regional workforce amounted to **\$262.1 million** in added income during the analysis year.

RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS, AND SOCIETY

Student perspective

- Thomas Nelson's FY 2014-15 students paid a total of **\$26.2 million** to cover the cost of tuition, fees, and supplies. They also forwent **\$82.3 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 **\$390.2 million** in increased earnings over their working lives. This translates to a return of **\$3.60** in higher future earnings for every \$1 that students invest in their education. The average annual return for students is **15.3%**.

Taxpayer perspective

- In FY 2014-15, state and local taxpayers in Virginia paid **\$25 million** to support the operations of Thomas Nelson. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$134.2 million** in benefits to taxpayers. Savings to the public sector add another **\$8.2 million** in benefits due to a reduced demand for government-funded services in Virginia.
- Dividing benefits to taxpayers by the associated costs yields a **5.7** benefit-cost ratio, i.e., every \$1 in costs returns \$5.70 in benefits. The average annual return on investment for taxpayers is **20.1%**.

Social perspective

- The economic base in Virginia will grow by **\$1.5 billion** over the course of the students' working lives. Society will also benefit from **\$28.5 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 Thomas Nelson educations during the analysis year, society will receive a cumulative value of **\$10.20** in benefits, for as long as the FY 2014-15 student population at Thomas Nelson remains active in the state workforce.

For every **\$1** spent by...

<p>STUDENTS</p> <p>\$3.60</p> <p>Gained in lifetime earnings for STUDENTS</p>
<p>TAXPAYERS</p> <p>\$5.70</p> <p>Gained in added state revenue and social savings for TAXPAYERS</p>
<p>SOCIETY</p> <p>\$10.20</p> <p>Gained in added taxes and public sector savings for SOCIETY</p>