



OCTOBER 2018

FACT SHEET

The Economic Value of Loyalist College of Applied Arts and Technology

Loyalist College of Applied Arts and Technology (Loyalist College) 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 LOYALIST COLLEGE IN FY 2016-17

ADDED INCOME	JOBS
\$48.6 million	878
Operations spending impact	
\$393.4 thousand	5
Construction spending impact	
\$5.0 million	156
Student spending impact	
\$411.0 million	4,457
Alumni impact	
\$465.0 million	5,496
Total impact	

IMPACT ON BUSINESS COMMUNITY

During the analysis year, Loyalist College and its students added **\$465.0 million** in income to the LOYT Service Region economy, approximately equal to **5.8%** of the region's total gross regional product (GRP). Loyalist College's impact supported **5,496** jobs in FY 2016-17. For perspective, this means that **one out of every 22** jobs in the LOYT Service Region is supported by the activities of Loyalist College and its students. The economic impacts of Loyalist College break down as follows:

Operations spending impact

- Loyalist College employed 735 full-time equivalent (FTE) employees in FY 2016-17. Payroll amounted to \$39.7 million, a portion of which was spent in the LOYT Service Region to purchase groceries, clothing, and other household goods and services. The college spent another \$20 million to support its day-to-day operations.
- The net impact of college payroll and expenses toward day-to-day operations in the LOYT Service Region during the analysis year was approximately **\$48.6 million** in added regional income.

Construction spending impact

- Loyalist College commissioned contractors to build or renovate its facilities during the analysis year, generating a short-term infusion of spending and jobs in the regional economy.
- The net impact of Loyalist College's construction spending in FY 2016-17 was **\$393.4 thousand** in added income for the LOYT Service Region.

Student spending impact

- Around **1,061** students relocated to the LOYT Service Region from outside of the region or outside of Canada to attend Loyalist College. In addition, a number of students would have left the region if not for Loyalist College. These relocated

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

STUDENTS

\$4.80

Gained in lifetime earnings for STUDENTS

SOCIETY

\$16.00

Gained in added provincial revenue and social savings for SOCIETY

TAXPAYERS

\$8.90

Gained in added tax revenue and public sector savings for TAXPAYERS

and retained students spent money at local businesses to purchase groceries, rent accommodation, and pay for transport.

- The expenditures of out-of-region and retained students during the analysis year added approximately **\$5.0 million** in income to the regional economy.

Alumni impact

- Over the years, students have studied at Loyalist College and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in the LOYT Service Region.
- The accumulated contribution of former students currently employed in the regional workforce amounted to **\$411 million** in added income during the analysis year.

RETURN ON INVESTMENT TO STUDENTS, SOCIETY, AND TAXPAYERS

Student perspective

- Loyalist College's FY 2016-17 students paid a total of **\$25 million** to cover the cost of tuition, fees, books, and supplies. They also forwent **\$51.1 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 **\$367.4 million** in increased earnings over their working lives. This translates to a return of **\$4.80** in higher future earnings for every \$1 that students invest in their education. The average annual return for students is **19.4%**.

Social perspective

- Society as a whole in Ontario will receive a present value of **\$1.8 billion** in added provincial income over the course of the students' working lives. Society will also benefit from **\$15.5 million** in present value social savings related to reduced crime, fewer demands for income assistance, and increased health and well-being across the province.
- For every \$1 that society spent on educations from Loyalist College during the analysis year, society as a whole will receive a cumulative value of **\$16.00** in benefits. This will occur for as long as Loyalist College's FY 2016-17 students remain active in the provincial workforce.

Taxpayer perspective

- In FY 2016-17, provincial taxpayers in Ontario paid **\$34.2 million** to support the operations of Loyalist College. The net present value of the added tax revenue stemming from higher lifetime student earnings and increased output of businesses amounts to **\$297.4 million**. Savings to the public sector add another **\$6.2 million** in benefits due to a reduced demand for government-funded social services in Ontario.
- Dividing benefits to taxpayers by the associated costs yields an 8.9 benefit-cost ratio, that is, every \$1 in costs returns **\$8.90** in benefits. This means that Loyalist College not only pays its own way, but also generates a surplus that the provincial government can use to fund other programs.