

FACT SHEET: ECONOMIC IMPACT OF HALIFAX COMMUNITY COLLEGE

What role does Halifax Community College (HCC) play in the local economy? This study demonstrates the value the college brings to students and the community. The benefits of a robust local economy translate into job and investment opportunities, increased business revenues, greater availability of public funds, and an eased tax burden.

HCC stimulates the local economy

- HCC had operating expenses of \$11.1 million in fiscal year 2009-10, and spent \$10.1 million (90%) of this in the Eastern North Carolina, Roanoke Valley Region Service Area to pay salaries, wages, and benefits (i.e., earnings).
- HCC employs 169 full-time and 190 part-time faculty and staff. HCC paid faculty and staff wages, salaries, and benefits of \$11.3 million in fiscal year 2009-10.
- For every \$1 HCC pays in earnings, there is an additional \$0.06 in earnings generated off campus in the Eastern North Carolina, Roanoke Valley Region Service Area economy – this is the commonly known multiplier effect.
- HCC 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 Eastern North Carolina, Roanoke Valley Region Service Area workforce embodies over 485,000 credit and non-credit hours of past and present HCC training.
- HCC skills from current and former students increase earnings in the Eastern North Carolina, Roanoke Valley Region Service Area by \$26.8 million directly, and by another \$3.7 million indirectly in fiscal year 2009-10.

HCC leverages taxpayer dollars

- State and local government allocated around \$10.1 million in support of HCC in fiscal year 2009-10. For every dollar appropriated by state and local government, HCC's spending alone generated \$1.06 in income in the Eastern North Carolina, Roanoke Valley Region Service Area.
- For every dollar appropriated by the state and local government in fiscal year 2009-10, student earnings will increase by an average of \$0.28 per year, every year through the rest of their working lives. Likewise, for every state dollar appropriated, the Eastern North Carolina, Roanoke Valley Region Service Area will see social savings of \$0.05 per year, every year (i.e., reduced incarceration and health care expenditures, reduced expenditures on unemployment and welfare, and reduced absenteeism).

HCC generates a return on government investment

- State and local government support for HCC in fiscal year 2009-10 will be fully recovered in 21.2 years, in the form of higher tax receipts (from increased student wages) and avoided costs (e.g., from reduced public expenditures on incarceration).
- Accounting for increased tax receipts and avoided costs, state and local government will see a rate of return of 2.1% on their fiscal year 2009-10 support for HCC.

HCC increases individuals' earning potential

- A total of 8,056 credit and non-credit students attended the college in fiscal year 2009-10, 53% of whom were employed full-or part-time while attending.
- As many as 75% of the students stay in the region initially after they leave the college and contribute to the local economy. Their continued contribution is measured after accounting for out-migration, retirement, and death.
- Studies demonstrate that education increases lifetime earnings. The average annual earnings of a student with an associate's degree are \$31,700, or 109.9% more than someone without a high school diploma or GED, and 35.5% more than a student with a high school diploma.
- After leaving the college, the average HCC student will spend 28 years in the workforce. The student who leaves with an associate's degree will earn \$232,400 more than someone with a high school diploma or GED.
- Over the next 28 years in the workforce, the average HCC student's discounted lifetime earnings (i.e., future values expressed in present value terms) will increase \$2.60 for every education dollar invested (in the form of tuition, fees, books, and foregone earnings from employment).
- Students enjoy an attractive 13.2% rate of return on their HCC educational investment, and recover all costs (including wages foregone while attending HCC) in 9.4 years.

Total Affects in Service Area

- The defined economic region generated 1.5 billion in total income in FY 2009 - 2010.
- Of this, college operations, student spending, and past student productivity effects accounted for 44.1 million, or 3.0% of all regional income.

