



The Economic Value of Eastern West Virginia Community and Technical College FACT SHEET

Eastern West Virginia Community and Technical College (Eastern) 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.



Economic impact analysis

In FY 2016-17, Eastern added **\$12.5 million** in income to the Potomac Highlands economy,¹ a value approximately equal to **0.3%** of the region's total gross regional product (GRP). Expressed in terms of jobs, Eastern's impact supported **292** regional jobs.

OPERATIONS SPENDING IMPACT

- Eastern employed 77 full-time and part-time faculty and staff. Payroll amounted to \$2.5 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 \$871.3 thousand on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$2.9 million** in income to the regional economy.

STUDENT SPENDING IMPACT

- Around 15% of students attending Eastern originated from outside the region. Some of these students relocated to the Potomac Highlands. In addition, some in-region students would have left Potomac Highlands for other educational opportunities if not for Eastern. These relocated and retained students spent money on groceries, mortgage and rent payments, and so on at regional businesses.
- The expenditures of relocated and retained students in FY 2016-17 added **\$1.2 million** in income to the Potomac Highlands economy.

IMPACTS CREATED BY EASTERN IN FY 2016-17



\$2.9 million
Operations Spending Impact



\$1.2 million
Student Spending Impact



\$8.5 million
Alumni Impact



\$12.5 million
TOTAL IMPACT

- OR -

292
JOBS SUPPORTED

¹ For the purposes of this analysis, the Potomac Highlands is comprised of Grant, Hampshire, Hardy, Mineral, Pendleton, Pocahontas, Randolph, and Tucker Counties.



ALUMNI IMPACT

- Over the years, students have studied at Eastern and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in the Potomac Highlands.
- The net impact of Eastern's former students currently employed in the regional workforce amounted to **\$8.5 million** in added income in FY 2016-17.



Investment analysis

STUDENT PERSPECTIVE

- Eastern's FY 2016-17 students paid a present value of **\$1.3 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$2.6 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$28.6 million** in increased earnings over their working lives. This translates to a return of **\$7.30** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **28.4%**.

TAXPAYER PERSPECTIVE

- Taxpayers provided Eastern with **\$2.6 million** of funding in FY 2016-17. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$10 million**. A reduced demand for government-funded services in West Virginia will add another **\$545.3 thousand** in benefits to taxpayers.
- For every dollar of public money invested in Eastern, taxpayers will receive **\$4.10** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **10.6%**.

SOCIAL PERSPECTIVE

- In FY 2016-17, West Virginia invested **\$8.4 million** to fully support Eastern. In turn, the West Virginia economy will grow by **\$112.9 million**, over the course of students' working lives. Society will also benefit from **\$2.2 million** of public and private sector savings.
- For every dollar invested in Eastern educations in FY 2016-17, people in West Virginia will receive \$13.70 in return, for as long as Eastern's FY 2016-17 students remain active in the state workforce.

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



28.4%

Average annual return for Eastern students



10.1%

Stock market 30-year average annual return



0.8%

Interest earned on savings account (National Rate Cap)

Source: Forbes' S&P 500, 1987-2016. FDIC.gov, 7-2016.



FOR EVERY \$1...



Students gain

\$7.30

in lifetime earnings



Taxpayers gain

\$4.10

in added tax revenue and public sector savings



Society gains

\$13.70

in added state revenue and social savings

