

The Economic Value of Independence Community College

Independence Community College (ICC) 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) 2021-22.

Economic impact analysis

In FY 2021-22, ICC added \$39.1 million in income to the ICC Service Area* economy, a value approximately equal to 1.6% of the region's total gross regional product (GRP). Expressed in terms of jobs, ICC's impact supported 965 jobs. For perspective, the activities of ICC and its students support one out of every 28 jobs in the ICC Service Area.

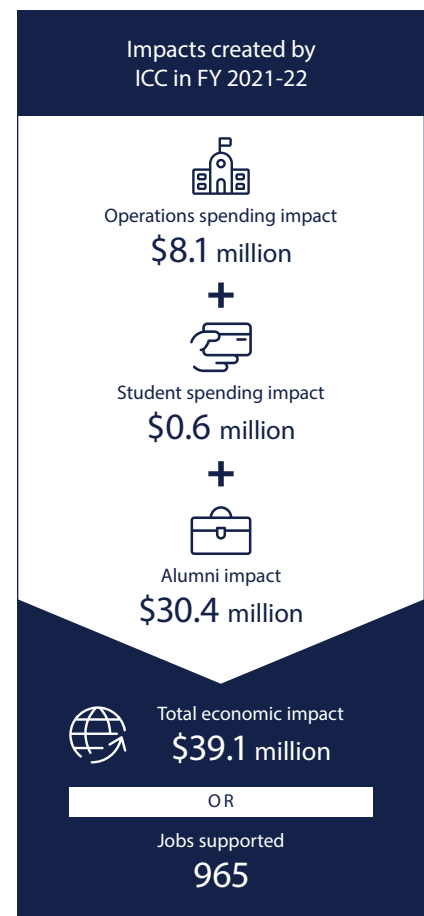
Operations spending impact

- ICC employed 172 full-time and part-time faculty and staff. Payroll amounted to \$7.8 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 \$10.8 million (excluding capital spending) on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added \$8.1 million in income to the regional economy in FY 2021-22.

Student spending impact

- A number of students attending ICC originated from outside the region. Some of these students relocated to the ICC Service Area. In addition, some in-region students, referred to as retained students, would have left the ICC Service Area for other educational opportunities if not for ICC. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.

* For the purposes of this analysis, the ICC Service Area is comprised of Chautauqua, Elk, Montgomery, and Wilson Counties.



- The expenditures of relocated and retained students in FY 2021-22 added \$568 thousand in income to the ICC Service Area economy.

Alumni impact

- Over the years, students have studied at ICC and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in the ICC Service Area.
- The net impact of ICC’s former students currently employed in the regional workforce amounted to \$30.4 million in added income in FY 2021-22.

Investment analysis

Student perspective

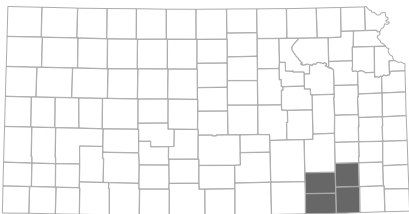
- ICC’s FY 2021-22 students paid a present value of \$2 million to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent \$2.6 million in time and in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of \$40.6 million in increased earnings over their working lives. This translates to a return of \$8.70 in higher future earnings for every dollar students invest in their education. Students’ average annual rate of return is 26.4%.

Taxpayer perspective

- Taxpayers provided ICC with \$9.4 million of funding in FY 2021-22. In return, they will benefit from added tax revenue, stemming from students’ higher lifetime earnings, increased property taxes, and increased business output, amounting to \$9.3 million. A reduced demand for government-funded services in Kansas will add another \$579.8 thousand in benefits to taxpayers.
- Total taxpayer benefits amount to \$9.9 million, the present value sum of the added tax revenue and public sector savings.

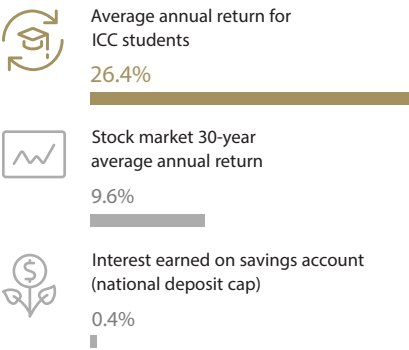
Social perspective

- In FY 2021-22, Kansas invested \$21.9 million to support ICC. In turn, the Kansas economy will grow by \$82.1 million, over the course of students’ working lives. Society will also benefit from \$1.6 million of public and private sector savings.
- For every dollar invested in ICC in FY 2021-22, people in Kansas will receive \$3.80 in return, for as long as ICC’s FY 2021-22 students remain active in the state workforce.



The ICC Service Area, Kansas

Students see a high rate of return for their investment in ICC



Source: Forbes’ S&P 500, 1992-2021. FDIC.gov, 2-2022.

