

# **F**ACT SHEET: ECONOMIC IMPACT OF ILLINOIS' 39 COMMUNITY COLLEGE DISTRICTS

*What role do the 39 community college districts in Illinois play in the local economy? Business sales in State of Illinois are \$24,769.9 million larger, and labor income is \$10,148.4 million larger due to the past and present operations of these 39 community colleges. 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.*

## **Illinois' 39 CC districts stimulate the economy**

- The combined operating budgets of the CC districts amounted to \$1,855.4 million in fiscal 2001, of which \$1,716.9 million (93%) was spent on wages, salaries and supply purchases in Illinois.
- The colleges employ 12,510 full-time and 20,919 part-time faculty and staff. They paid faculty and staff wages of \$1,008.1 million in fiscal 2001.
- For every \$1 paid by the colleges in wages and salaries, there is another \$0.71 in wages and salaries generated off the campuses in the state economy – this is the commonly known multiplier effect.
- The activities of the 39 CC districts encourage new business, assist existing business, and create long-term economic growth. The colleges enhance worker skills and provide customized training to local business and industry. It is estimated that the present-day Illinois workforce embodies over 124.1 million credit and non-credit hours of past and present CC training.
- CC skills embodied in the present-day workforce increase the output of industries in the State of Illinois economy where the former students are employed by \$10,096.49 million. Associated multiplier effects (sometimes called indirect effects) in other industries increase sales by \$12,788.51 million.
- CC skills from current and former students increase wages and salaries in the State of Illinois by \$3,646.4 million directly, and by another \$4,777.4 million indirectly in fiscal 2001.

## **Leveraging taxpayer dollars**

- State taxpayers allocated \$1,105.2 million in support of Illinois' 39 CC districts in fiscal 2001. For every dollar appropriated by state and county government, college spending alone generated \$1.56 in wages and salaries in the state.

- For every dollar appropriated by the taxpayers in fiscal 2001, student earnings will increase by an average of \$0.78 per year, every year through the rest of their working lives. Likewise, for every state dollar appropriated, Illinois will see social savings of \$0.16 per year, every year (i.e., reduced incarceration and health care expenditures, reduced expenditures on unemployment and welfare, and reduced absenteeism).

## **CCs generate a return on government investment**

- Taxpayer support for the CCs in fiscal 2001 will be fully recovered in 9.1 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, the state taxpayers will see a rate of return of 13.8% on their fiscal 2001 support for the CCs.

## **CCs increase individuals' earning potential**

- 884,904 credit and non-credit students attended the 39 colleges in fiscal 2001, of which 79% were employed full- or part-time while attending.
- 95% of the students stay in the state and contribute to the state economy after they leave the colleges.
- Studies demonstrate that education increases lifetime earnings. The average annual earnings of students with a 1-year certificate is \$31,698, or 80.8% more than someone without a high school degree or GED, and 16.0% more than a student with just a high school diploma. The average earnings of someone with an Associate Degree is \$37,275, or 112.6% more than someone without a high school degree or GED, and 36.4% more than a student with just a high school diploma or GED.
- After leaving the college, the average student in the Illinois CC system will spend 34.7 years in the workforce. The student who leaves with a two-year college degree will earn \$345,298 more than someone with just a high school degree or GED.
- Over their next 34.7 years in the workforce, the average student's lifetime earnings will increase \$15 for every education dollar invested (in the form of tuition, fees, books, and forgone earnings from employment).
- Students in the Illinois CC system enjoy an attractive 26.1% rate of return on their educational investment, and recover all costs (including wages foregone while attending) in 5.6 years.