

The Economic Value of Coast Mountain College

Coast Mountain College (CMTN) 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) 2019-20.



ECONOMIC IMPACT ANALYSIS

In FY 2019-20, CMTN added **\$138.9 million** in income to the Northcoast/Nechako* economy, a value approximately equal to **3.5%** of the region's total gross regional product (GRP). Expressed in terms of jobs, CMTN's impact supported **1,532 regional jobs**. For perspective, the activities of CMTN and its students support **one out of every 25 jobs** in Northcoast/Nechako.

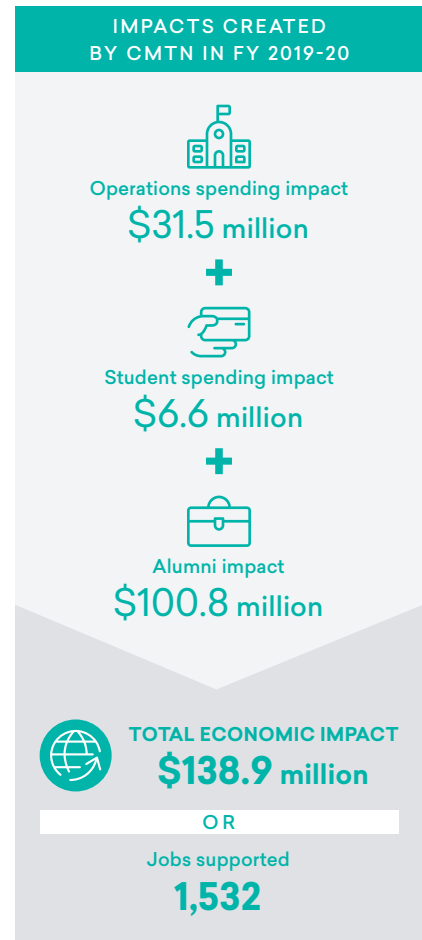
OPERATIONS SPENDING IMPACT

- CMTN employed 221 full-time equivalent (FTE) employees in FY 2019-20. Payroll amounted to \$22.2 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 \$12 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$31.5 million** in income to the regional economy.

STUDENT SPENDING IMPACT

- Around 11% of students attending CMTN originated from outside the region in FY 2019-20, and some of these students relocated to Northcoast/Nechako to attend CMTN. In addition, a number of local students would have left the region if not for CMTN.
- These students spent money on groceries, mortgage and rent payments, and so on at regional businesses. This spending in FY 2019-20 added **\$6.6 million** in income to the Northcoast/Nechako economy.

* For the purposes of this analysis, Northcoast/Nechako is comprised of parts of the Nechako/Bulkley Valley and North Coast census divisions.



ALUMNI IMPACT

- Over the years, students have studied at CMTN and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in Northcoast/Nechako.
- The net impact of CMTN's former students currently employed in the regional workforce amounted to **\$100.8 million** in added income in FY 2019-20.



INVESTMENT ANALYSIS

STUDENT PERSPECTIVE

- CMTN's FY 2019-20 students paid a present value of **\$6.9 million** to cover the cost of tuition, fees, and supplies. They also forwent **\$20.2 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$42.6 million** in increased earnings over their working lives. This translates to a return of **\$1.60** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **11.4%**.

TAXPAYER PERSPECTIVE

- Provincial taxpayers provided CMTN with **\$29.7 million** of funding in FY 2019-20. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$33.4 million**. A reduced demand for government-funded services in British Columbia will add another **\$1.3 million** in benefits to taxpayers.
- For every dollar of public money invested in CMTN, taxpayers will receive **\$1.20** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **3.6%**.

SOCIAL PERSPECTIVE

- In FY 2019-20, society in British Columbia invested **\$55.9 million** to support CMTN, including all student and all college costs. In turn, the British Columbia economy will grow by **\$231.3 million**, over the course of students' working lives. Society will also benefit from **\$3.3 million** in present value social savings related to reduced crime, reduced demand for income assistance, and increased health and well-being across the province.
- For every dollar invested in CMTN in FY 2019-20, people in British Columbia will receive **\$4.20** in return, for as long as CMTN's FY 2019-20 students remain active in the provincial workforce.

For every \$1...



Students gain in lifetime earnings
\$1.60



Taxpayers gain in added tax revenue and public sector savings
\$1.20



Society gains in added income and social savings
\$4.20