

# Overview Fact Sheet

*What role do the Atlantic Community Colleges play in the economy of the Atlantic Provinces? The results of the study demonstrate that the Atlantic Colleges are a sound investment from multiple perspectives. Students benefit from improved lifestyles and increased earnings. Taxpayers benefit from an enlarged economy and lower social costs. And society as a whole benefits from increased job and investment opportunities, higher business revenues, greater availability of public funds, and an eased tax burden.*

## The Atlantic Colleges stimulate the economy

- The Atlantic Provinces economy receives roughly \$191.2 million in added income due to the Atlantic Colleges' operations spending (net of monies withdrawn from the economy in support of the colleges).
- About 4% of the Atlantic Colleges' students come from outside the Provinces to attend college. Their expenditures for accommodation, transportation, and other personal expenses generate approximately \$11.6 million in income in the Atlantic Provinces economy.
- College activities encourage new business, assist existing business, and create long-term economic growth. It is estimated that the present-day workforce in the Atlantic Provinces embodies around 17.9 million credits of past and present college training.
- College skills embodied in the present-day workforce increase income in the regional economy where former students are employed by \$2.3 billion. Associated multiplier effects (sometimes called indirect effects) increase income by another \$336.4 million.
- Altogether, the Atlantic Provinces economy owes roughly \$2.9 billion of its current total income to the past and present efforts of the Atlantic Colleges. Clearly it is accurate to describe the colleges as an engine of economic growth.

## The Atlantic Colleges leverage taxpayer dollars

- For every credit earned by students, taxpayers in the Atlantic Provinces will see social savings amounting to some \$9 per year, including savings associated with improved health, lower crime costs, and reduced welfare and unemployment.
- When aggregated across all students, avoided costs in the Atlantic Provinces will amount to \$9.6 million per year each year that the students are in the workforce.
- Students benefit from higher earnings, thereby expanding the tax base and reducing the tax burden on taxpayers. When aggregated together, students of the Atlantic Colleges generate about \$107.7 million annually in higher earnings due to their education.

## The Atlantic Colleges generate a return on government investment

- Provincial taxpayers contributed around \$245.3 million in support of the Atlantic Colleges in 2007. For every dollar appropriated by provincial governments, taxpayers will see a cumulative return of \$3.00 over the course of the students' working careers.
- Provincial government support for the Atlantic Colleges will be fully recovered in 10 years, in the form of higher tax receipts and avoided social costs.
- Provincial governments will see a rate of return of 13% on their college support—this compares favorably with private sector rates of return on similar long-term investments.

## The Atlantic Colleges increase students' earning potential

- A total of 75,483 full and part-time students attended the Atlantic Colleges in academic year 2006–07.
- Studies demonstrate that education increases lifetime earnings. The average annual earnings of a student with a one-year certificate are \$29,300, or 33% more than someone without a high school diploma, and 17% more than a student with a high school diploma. The average earnings of someone with a two-year diploma are \$34,700, or 58% more than someone without a high school diploma, and 39% more than a student with a high school diploma.
- Students will see their annual income increase, on average, by about \$105 per year for every credit completed at the Atlantic Colleges during the analysis year.
- Over their working career, the average student's discounted lifetime earnings (i.e., future values expressed in present value terms) will increase \$4.70 for every education dollar invested (in the form of tuition, fees, and foregone earnings from employment).
- Students enjoy an attractive 17% rate of return on their educational investment, and recover all costs (including wages foregone while attending) in 8 years.