

# The Economic Value of Blue Ridge Community College

Blue Ridge Community College (Blue Ridge) 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.



BLUE RIDGE SERVICE AREA, NC



## ECONOMIC IMPACT ANALYSIS

In FY 2019-20, Blue Ridge added **\$128.1 million** in income to the Blue Ridge Service Area\* economy, a value approximately equal to **2.5%** of the region's total gross regional product (GRP). Expressed in terms of jobs, Blue Ridge's impact supported **2,416 jobs**. For perspective, the activities of Blue Ridge and its students support **one out of every 31 jobs** in the Blue Ridge Service Area.

### OPERATIONS SPENDING IMPACT

- Blue Ridge employed 436 full-time and part-time faculty and staff. Payroll amounted to \$21.5 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 \$4.8 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$22.1 million** in income to the regional economy in FY 2019-20.

### STUDENT SPENDING IMPACT

- Some in-region students, referred to as retained students, would have left the Blue Ridge Service Area for other educational opportunities if not for Blue Ridge. These retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.
- The expenditures of retained students in FY 2019-20 added **\$4.5 million** in income to the Blue Ridge Service Area economy.

### IMPACTS CREATED BY BLUE RIDGE IN FY 2019-20



Operations spending impact

**\$22.1 million**



Student spending impact

**\$4.5 million**



Alumni impact

**\$101.6 million**



TOTAL ECONOMIC IMPACT

**\$128.1 million**

OR

Jobs supported

**2,416**

\* For the purposes of this analysis, the Blue Ridge Service Area is comprised of Henderson and Transylvania Counties.

## ALUMNI IMPACT

- Over the years, students have studied at Blue Ridge and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in the Blue Ridge Service Area.
- The net impact of Blue Ridge's former students currently employed in the regional workforce amounted to **\$101.6 million** in added income in FY 2019-20.



## INVESTMENT ANALYSIS

### STUDENT PERSPECTIVE

- Blue Ridge's FY 2019-20 students paid a present value of **\$6 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$18.6 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value **\$120.2 million** in increased earnings over their working lives. This translates to a return of **\$4.90** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **28.0%**.

### TAXPAYER PERSPECTIVE

- Taxpayers provided Blue Ridge with **\$19.2 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 **\$34.7 million**. A reduced demand for government-funded services in North Carolina will add another **\$2.5 million** in benefits to taxpayers.
- For every dollar of public money invested in Blue Ridge, taxpayers will receive **\$1.90** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **6.4%**.

### SOCIAL PERSPECTIVE

- In FY 2019-20, North Carolina invested **\$49.1 million** to support Blue Ridge. In turn, the North Carolina economy will grow by **\$390.5 million**, over the course of students' working lives. Society will also benefit from **\$7.3 million** of public and private sector savings.
- For every dollar invested in Blue Ridge in FY 2019-20, people in North Carolina will receive **\$8.10** in return, for as long as Blue Ridge's FY 2019-20 students remain active in the state workforce.

### STUDENTS SEE A HIGH RATE OF RETURN FOR THEIR INVESTMENT IN BLUE RIDGE



Average annual return for Blue Ridge students

**28.0%**



Stock market 30-year average annual return

**10.6%**



Interest earned on savings account (National Rate Cap)

**0.8%**

Source: Forbes' S&P 500, 1991-2020. FDIC.gov, 6-2021.

### For every \$1...



**Students** gain in lifetime earnings  
**\$4.90**



**Taxpayers** gain in added tax revenue and public sector savings  
**\$1.90**



**Society** gains in added income and social savings  
**\$8.10**