



MAY 2018

FACT SHEET

The Economic Value of Northwest Florida State College

Northwest Florida State College (NWFS) 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) 2016-17.

IMPACTS CREATED BY NWFS IN FY 2016-17

ADDED INCOME	JOBS
\$36.5 million	977
Operations spending impact	
\$12 million	255
Student spending impact	
\$277.7 million	6,102
Alumni impact	
\$326.2 million	7,335
Total impact	

IMPACT ON BUSINESS COMMUNITY

During the analysis year, NWFS and its students added **\$326.2 million** in income to the NWFS Service Area* economy, approximately equal to **2.3%** of the region's total gross regional product (GRP). NWFS's impact supported **7,335** jobs in FY 2016-17. For perspective, this means that one out of every 23 jobs in the NWFS Service Area is supported by the activities of NWFS and its students. The economic impacts of NWFS break down as follows:

Operations spending impact

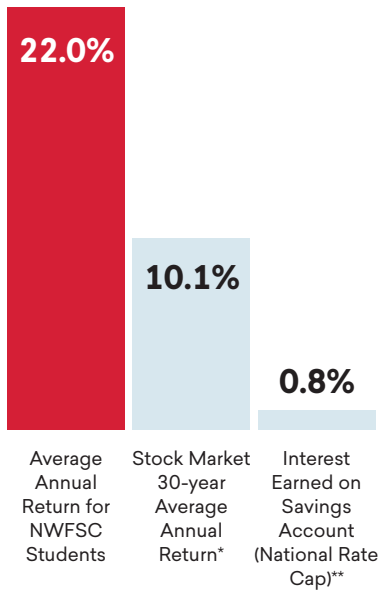
- NWFS employed 742 full-time and part-time employees in FY 2016-17. Payroll amounted to \$23.6 million, much of which was spent in the NWFS Service Area to purchase groceries, clothing, and other household goods and services. The college spent another \$25.2 million to support its day-to-day operations.
- The net impact of college payroll and expenses in the NWFS Service Area during the analysis year was approximately **\$36.5 million** in income.

Student spending impact

- Around 15% of students attending NWFS originated from outside the region. Some of these students relocated to the NWFS Service Area. In addition, a number of students would have left the region if not for NWFS. These relocated and retained students spent money on groceries, transportation, rent, and so on at regional businesses.
- The expenditures of relocated and retained students during the analysis year added approximately **\$12 million** in income to the NWFS Service Area economy.

* The NWFS Service Area is comprised of Okaloosa and Walton Counties.

STUDENT RATE OF RETURN



* Forbes' S&P 500, 1987-2016.

** FDIC.gov, 7-2017.

Alumni impact

- Over the years, students have studied at NWFSC and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in the NWFSC Service Area.
- The impact of former students currently employed in the regional workforce amounted to **\$277.7 million** in added income during the analysis year.

RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS, AND SOCIETY

Student perspective

- NWFSC's FY 2016-17 students paid a total present value of **\$14.1 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$35.4 million** in money that they would have earned had they been working instead of learning.
- In return for the monies invested in the college, students will receive a present value of **\$337.5 million** in increased earnings over their working lives. This translates to a return of **\$6.80** in higher future earnings for every dollar that students invest in their education. The average annual return for students is **22.0%**.

Taxpayer perspective

- In FY 2016-17, state and local taxpayers in Florida paid **\$25.3 million** to support the operations of NWFSC. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$84.4 million** in benefits to taxpayers. Savings to the public sector add another **\$8.1 million** in benefits due to a reduced demand for government-funded services in Florida.
- Dividing benefits to taxpayers by the associated costs yields a **3.7** benefit-cost ratio, i.e., every dollar in costs returns \$3.70 in benefits. The average annual return on investment for taxpayers is **10.6%**.

Social perspective

- The economic base in Florida will grow by **\$1.3 billion** over the course of the students' working lives. Society will also benefit from **\$28.5 million** in present value social savings related to reduced crime, lower unemployment, and increased health and well-being across the state.
- For every dollar that society spent on NWFSC FY 2016-17 educations, society will receive a cumulative value of **\$15.00** in benefits, for as long as the FY 2016-17 student population at NWFSC remains active in the state workforce.

