

## The Economic Value of Loyalist College of Applied Arts and Technology



Loyalist College of Applied Arts and Technology (Loyalist College) 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) 2022-23.

### Economic impact analysis

In FY 2022-23, Loyalist College added **\$450.2 million** in income to the Loyalist Service Region<sup>1</sup> economy, a value approximately equal to **3.0%** of the region's total gross regional product (GRP). Expressed in terms of jobs, Loyalist College's impact supported **4,872** regional jobs. For perspective, the activities of Loyalist College and its students support one out of every **28** jobs in the Loyalist Service Region.

<sup>1</sup> For the purposes of this analysis, the Loyalist Service Region is comprised of Hastings County, Lennox & Addington County, Northumberland County, and Prince Edward County.



## Operations spending impact

- Loyalist College employed 675 full-time equivalent (FTE) employees (excluding research employees) in FY 2022-23. Payroll amounted to \$55.6 million (excluding payroll from research employees), much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$27.6 million on day-to-day expenses related to facilities, supplies, and professional services (excluding research expenditures).
- The net impact of the college's operations spending added **\$67.9 million** in income to the regional economy.

## Research spending impact

- Research activities at Loyalist College impact the regional economy by employing people and making purchases for equipment, supplies, and services. In FY 2022-23, Loyalist College spent \$1.6 million on payroll and \$490 thousand on other expenses to support research activities.
- Loyalist College's research spending generated **\$2.0 million** in added income for the Loyalist Service Region economy in FY 2022-23.

## Construction spending impact

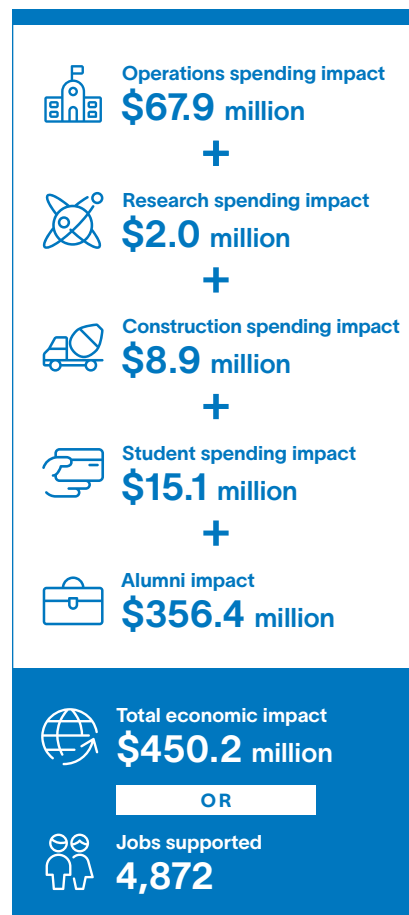
- Loyalist College spends money on construction each year to maintain its facilities, create additional capacities, and meet its growing educational demands. While the amount varies from year to year, this spending generates a short-term infusion of spending and jobs in the regional economy.
- The net impact of Loyalist College's construction spending in FY 2022-23 was **\$8.9 million** in added income for the Loyalist Service Region.

## Student spending impact

- Around 66% of credit students attending Loyalist College originated from either outside the region or outside Canada in FY 2022-23, and some of these students relocated to the Loyalist Service Region to attend Loyalist College. In addition, a number of local students would have left the region if not for Loyalist College.
- These students spent money on groceries, mortgage and rent payments, and so on at regional businesses. This spending in FY 2022-23 added **\$15.1 million** in income to the Loyalist Service Region economy. Of this impact, **\$10.9 million** is attributable to international students who relocated to the Loyalist Service Region to attend Loyalist College. Additionally, **\$497.9 thousand** is attributable to Indigenous students who moved to or stayed in the region to attend Loyalist College.<sup>2</sup>

<sup>2</sup> Indigenous student identification is self-reported, but not all Indigenous students choose to self-identify. As such, the numbers presented here represent the best efforts to capture the important impact Indigenous students have had and continue to have in the community.

### Impacts created by Loyalist College in FY 2022-23



## Alumni impact

- Over the years, students have studied at Loyalist College and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in the Loyalist Service Region.
- The net impact of Loyalist College's former students currently employed in the regional workforce amounted to **\$356.4 million** in added income in FY 2022-23. Of this impact, **\$12.6 million** is attributable to former international students working in the Loyalist Service Region, with another **\$10.2 million** being attributable to former Indigenous students.

## Investment analysis

### Student perspective

- Loyalist College's FY 2022-23 students paid a present value of **\$66.7 million** to cover the cost of tuition, fees, and supplies. They also forwent **\$77.8 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$179.2 million** in increased earnings over their working lives. This translates to a return of **\$1.20** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **9.1%**.

### Taxpayer perspective

- Provincial taxpayers provided Loyalist College with **\$29.6 million** of funding in FY 2022-23. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$140.3 million**. A reduced demand for government-funded services in Ontario will add another **\$7.5 million** in benefits to taxpayers.
- For every dollar of public money invested in Loyalist College, taxpayers will receive **\$5.00** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **30.2%**.

### Social perspective

- In FY 2022-23, society in Ontario invested **\$167.0 million** to support Loyalist College, including all student and all college costs. In turn, the Ontario economy will grow by **\$1.1 billion**, over the course of students' working lives. Society will also benefit from **\$18.7 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 Loyalist College in FY 2022-23, people in Ontario will receive **\$6.80** in return, for as long as Loyalist College's FY 2022-23 students remain active in the provincial workforce.

