

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) 2020-21.



Economic impact analysis

In FY 2020-21, Loyalist College added **\$398.9 million** in income to the Loyalist Service Region^{*} economy, a value approximately equal to **3.8%** of the region's total gross regional product (GRP). Expressed in terms of jobs, Loyalist College's impact supported **5,324** regional jobs. For perspective, the activities of Loyalist College and its students support one out of every **24** jobs in the Loyalist Service Region.

Operations spending impact

- Loyalist College employed 560 full-time equivalent (FTE) employees in FY 2020-21. Payroll amounted to \$50.1 million, much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses.

^{*} For the purposes of this analysis, the Loyalist Service Region is comprised of Hastings County, Lennox & Addington County, Northumberland County, and Prince Edward County.

The college spent another \$28 million on day-to-day expenses related to facilities, supplies, and professional services.

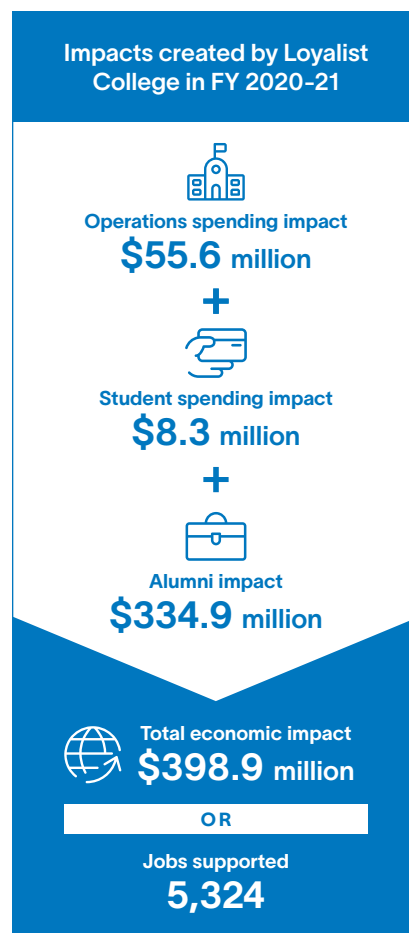
- The net impact of the college's operations spending added **\$55.6 million** in income to the regional economy.

Student spending impact

- Around 44% of credit students attending Loyalist College originated from either outside the region or outside Canada in FY 2020-21, 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 2020-21 added **\$8.3 million** in income to the Loyalist Service Region economy. Of this impact, **\$4.0 million** is attributable to international students who relocated to the Loyalist Service Region to attend Loyalist College.

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 **\$334.9 million** in added income in FY 2020-21. Of this impact, **\$6.8 million** is attributable to former international students working in the Loyalist Service Region.



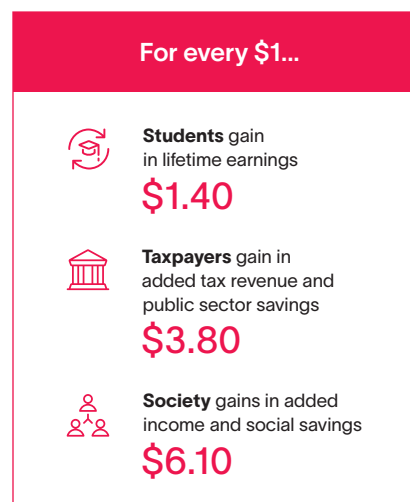
Investment analysis

Student perspective

- Loyalist College's FY 2020-21 students paid a present value of **\$47.1 million** to cover the cost of tuition, fees, and supplies. They also forwent **\$80.1 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$172.4 million** in increased earnings over their working lives. This translates to a return of **\$1.40** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **10.0%**.

Taxpayer perspective

- Provincial taxpayers provided Loyalist College with **\$34.8 million** of funding in FY 2020-21. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$124.3 million**. A reduced demand for government-funded services in Ontario will add another **\$6.4 million** in benefits to taxpayers.



- For every dollar of public money invested in Loyalist College, taxpayers will receive **\$3.80** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **17.1%**.

Social perspective

- In FY 2020-21, society in Ontario invested **\$163.5 million** to support Loyalist College, including all student and all college costs. In turn, the Ontario economy will grow by **\$977.5 million**, over the course of students' working lives. Society will also benefit from **\$15 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 2020-21, people in Ontario will receive **\$6.10** in return, for as long as Loyalist College's FY 2020-21 students remain active in the provincial workforce.

