

Economic Impact of Illinois Community Colleges

Illinois Community College Board

Northern Illinois University Center for Governmental Studies

November 2014



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Economic Impact Study Collaborators

- Northern Illinois University (NIU) Center for Governmental Studies (CGS) Economic Impact Study (EIS) Project Team –
 - **Brian Richard, Ph.D., EDFP (Project Lead, NIU CGS)**
 - Diana Robinson (Director, NIU CGS)
 - Andrew Blanke, Brian Harger, and Ben Xu (Staff, NIU CGS)
- Illinois Community College System (ICCS)
 - Illinois Community College Board (ICCB)
 - Research and Policy Studies, Financial Compliance & Program Accountability, Information Technology, and External Affairs divisions.
 - ICCS Economic Impact Study (EIS) Advisory Committee



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Economic Impact Study Cost and Deliverables

- 2014 EIS Cost
 - Commissioned by ICCB thru American Recovery and Reinvestment Act (ARRA) Statewide Longitudinal Data Systems (SLDS) Grant funds
 - One of the SLDS Grant Components: Postsecondary Education Accessing Employment/Workforce Data
- NIU CGS report deliverables to ICCB and ICCS:
 - ICCB -- Statewide EIS Report & Statewide EIS Supplementary Data Report
 - ICCS -- **39** Community College District EIS Reports & EIS Supplementary Data Reports



Economic Impact Study Primary Data Sources

- ICCB Centralized Data System
- ICCB Financial Submissions
- Brief Economic Impact Study Online Survey -- Request for Select College Employee and Visitor Data
- IDES Unemployment Insurance (UI) Wage Records
- IMPLAN Economic Impact Modeling System (Input-Output)



Economic Impact Study Roll-out

- September - November 2014 – ICCB and NIU CGS presented preliminary statewide EIS findings at:
 - ICCS Presidents Council Meeting
 - ICCS Trustees Assoc Meeting
 - ICCB Board Meeting
 - Illinois Joint Education Leadership Committee (JELC)
 - Illinois Association for Institutional Research (IAIR)
 - Illinois Workforce Data Quality Initiative (WDQI) Committee
- September - October 2014 – Embargoed release of community college district EIS reports and EIS Supplemental Data reports to individual community college IR and PR/Marketing/Gov Relations staff for review.
- October 2014 – EIS Regional Workshops for Illinois community college IR and PR/Marketing/Gov Relations staff.
- November 12, 2014 – Statewide and district release of final EIS findings.



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Economic Impact Study

Four Types of Returns Documented

- *An Illinois community college education **increases earnings** for workers. By completing courses, students gain skills that contribute to **higher earnings** and graduates enjoy even **higher returns**.*
- *Illinois community colleges **add skills** to our workforce and **boost the competitiveness** of our businesses.*
- *Illinois community college graduates **generate billions of dollars** in state and federal tax revenues.*
- *Illinois community colleges **annually generate billions of dollars** in local sales and wages and more than 47,000 **jobs directly as major employers**.*



An Illinois community college education increases earnings for workers

- Graduates employed full-time averaged **\$35,270** in the year after completing their program of study.
- For students likely to seek employment post-completion, Return on Investment (ROI) exceeds **14%**.
 - Lifetime earnings gain over **\$570,000**.
- For all completers, earnings increased **30%** over pre-enrollment levels in 1st year after completion.
 - Average gain (2005-2011): **\$4,387**.
- For all enrollees, the average first year earnings gain per credit hour was **\$159**.

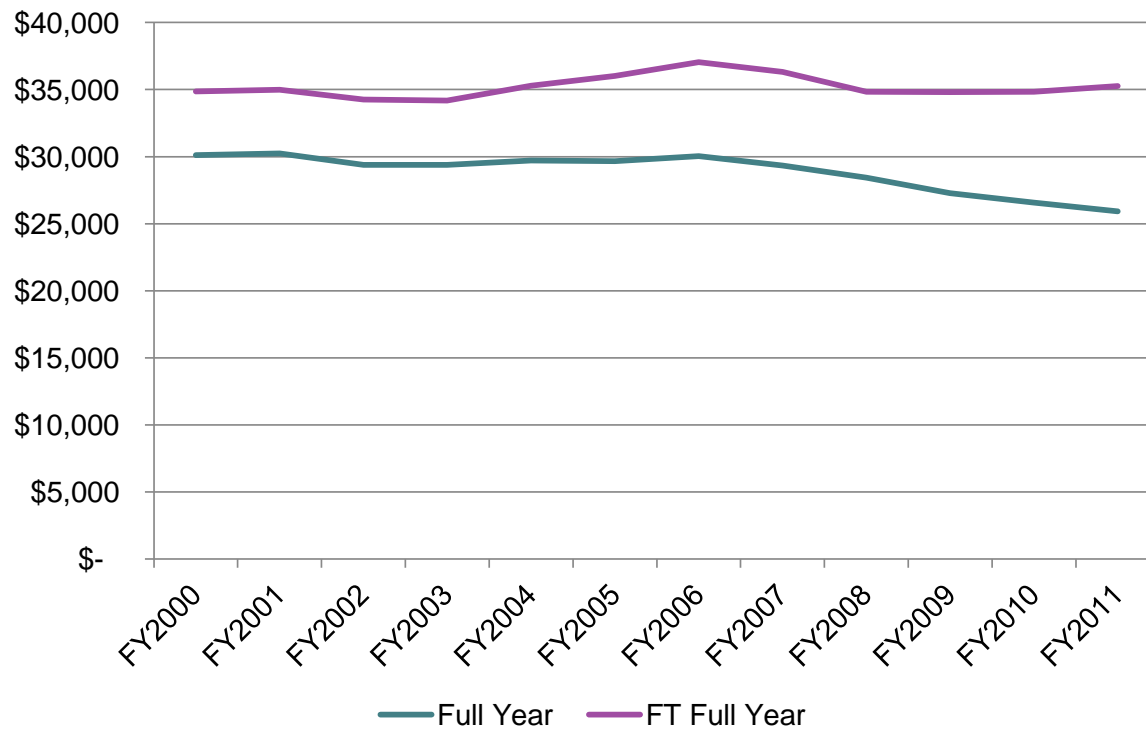


*An Illinois community college education increases earnings for workers -
Return on Investment (ROI) for community college graduates*

Year	Net Price	Opportunity Cost	Total Cost	Increased Earnings	Discounted Cash Flow	
-1	4,945	\$16,298	\$21,243		-\$22,093	
0	5,301	\$16,787	\$22,088		-\$22,088	
1				\$7,595	\$7,291	
2				\$7,823	\$7,210	
3				\$8,058	\$7,129	
4				\$8,299	\$7,049	
5				\$8,548	\$6,970	
⋮				⋮	⋮	
⋮				⋮	⋮	
38				\$22,673	\$4,806	
39				\$23,353	\$4,752	
40				\$24,054	\$4,699	
Total Increased Earnings				\$572,673	NPV	\$191,943
					IRR	14.2%



An Illinois community college education increases earnings for workers - The following year earnings for each fiscal year graduates



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An Illinois community college education increases earnings for workers-

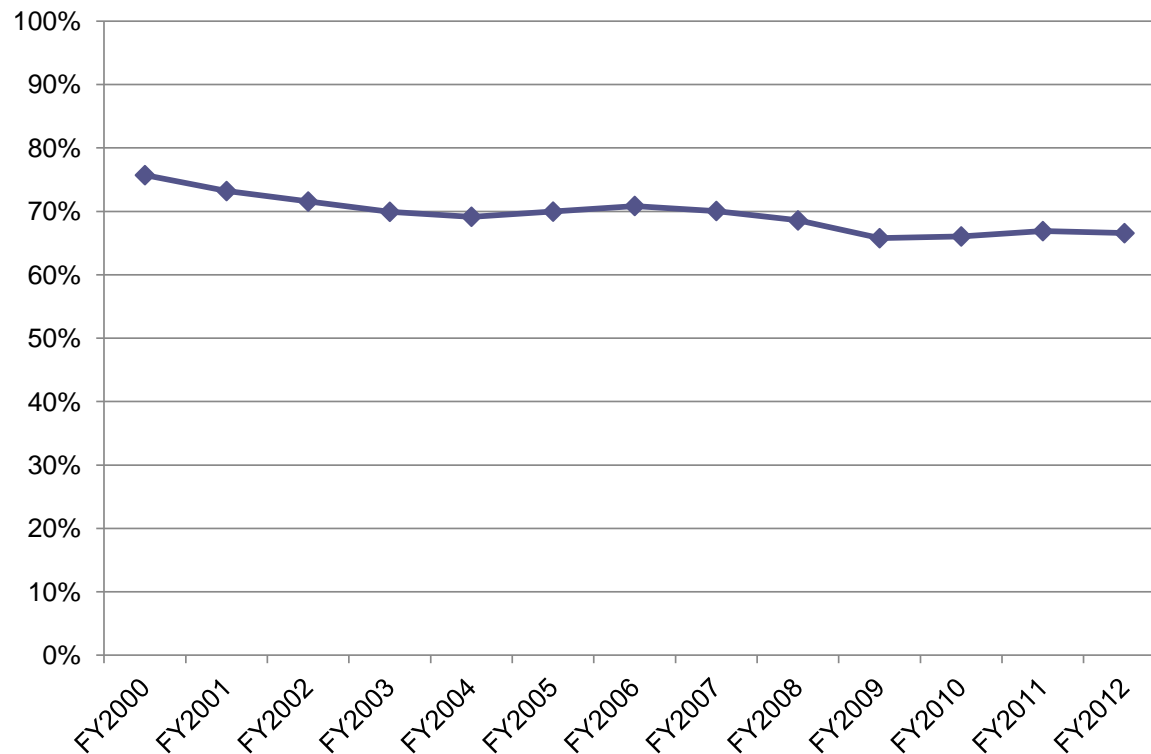
Earning credits increases earnings for students

Earned Credit Hours	Total Number of Exiters	Percent of Total	Average Earnings Gains	Average Earnings Gain Per Credit Hour
Total	396,556	100.0%	\$2,948	\$159
Missing	1,017	0.3%	\$945	**
.5 to 04 hours	136,963	34.5%	\$897	\$385
05 to 09	75,971	19.2%	\$2,402	\$345
10 to 14	39,981	10.1%	\$3,463	\$292
15 to 19	26,031	6.6%	\$3,888	\$232
20 to 24	18,709	4.7%	\$4,101	\$186
25 to 29	13,886	3.5%	\$4,505	\$167
30 to 34	11,835	3.0%	\$4,775	\$150
35 to 39	9,271	2.3%	\$5,218	\$141
40 to 44	7,805	2.0%	\$5,358	\$128
45 to 49	6,888	1.7%	\$5,157	\$110
50 to 54	6,786	1.7%	\$7,052	\$135
55 to 59	5,758	1.5%	\$5,829	\$102
60 and up	35,655	9.0%	\$6,175	\$80



An Illinois community college education increases earnings for workers -

Percentage employed 6 months after earning credential for each fiscal year graduates



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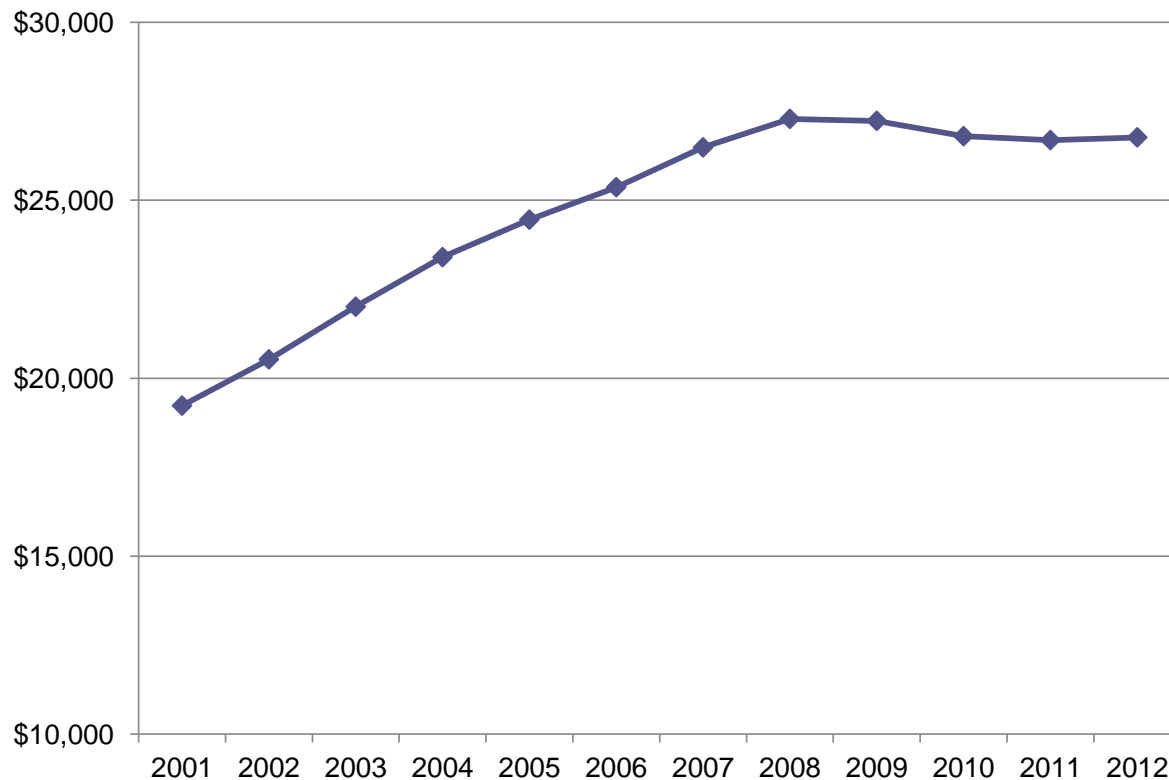


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An Illinois community college education increases earnings for workers - Longitudinal analysis of fiscal year 2000 graduates' earnings



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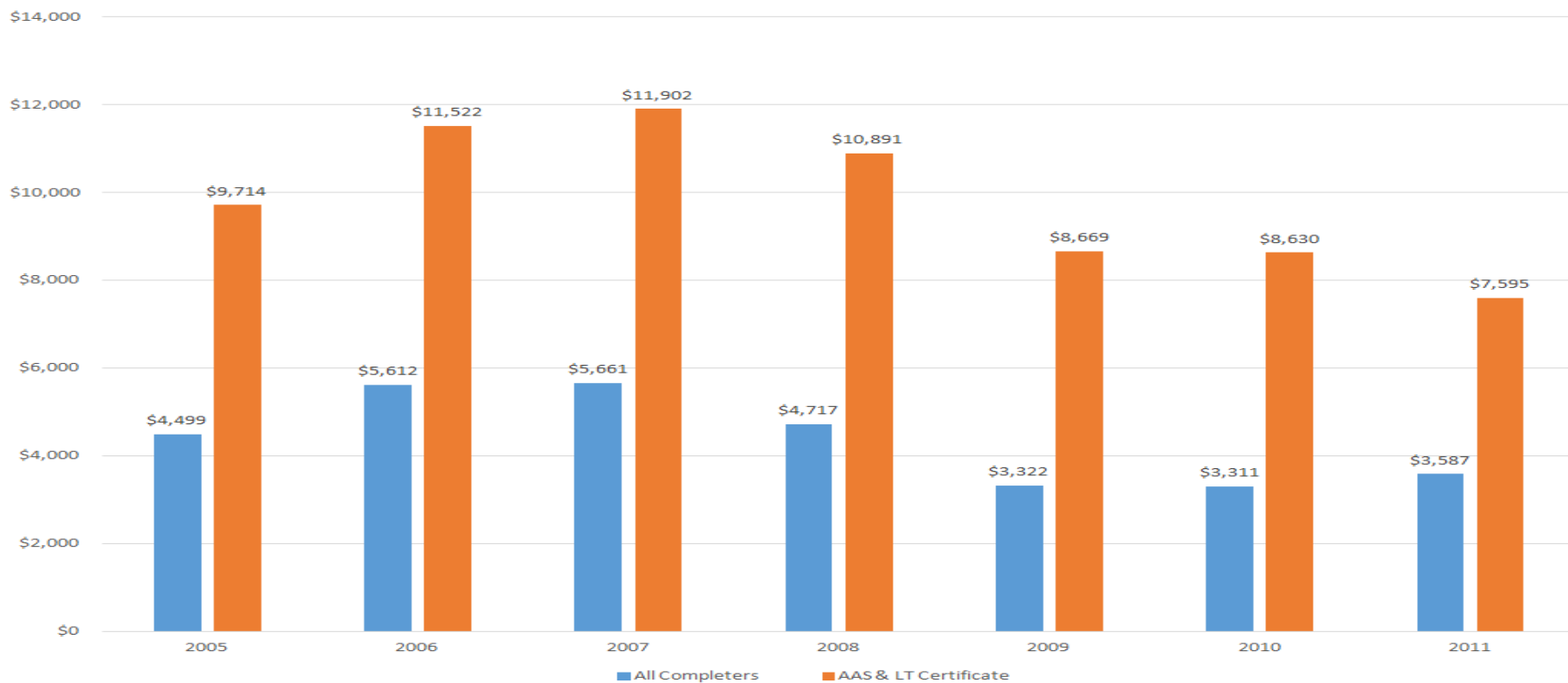
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An Illinois community college education increases earnings for workers - even during the recession

- Pre-enrollment to post-completion earnings gains



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Illinois community college graduates generate billions of dollars in local, state, and federal tax income revenues
Between 2003-2012:

- Illinois community college students who attended in 2002 paid an estimated **\$4.0 billion** in state taxes and **\$13.2 billion** in federal taxes.
- Illinois community college students who graduated in 2002 paid an estimated **\$285 million** in state taxes and **\$942 million** in federal taxes.



Illinois community colleges add skills to our workforce and boost businesses' competitiveness

Between 2002 and 2012:

- **74%** of Illinois employers hired a community college student.
- **1.7 million** Illinois workers participated in credit courses at an Illinois community college
- Statewide, there was a **57%** increase in Illinois community college graduates
 - **Health Professions and Related Sciences** had the highest number of completers, increasing **173%**



Illinois community colleges generate significant economic impacts as major employers.

In Fiscal Year 2013:

- Direct employment of almost **15,000** full time and **20,000** part time employees
 - Resulted in almost **51,000** total jobs statewide
- Payrolls of **\$1.5 billion** and other expenditures of **\$1.05 billion**
 - Added **\$3.1 billion** to state and local economies



Illinois community colleges generate significant economic impacts as major employers.

Impact Type	Operations	Construction	Total	Employment
Direct	\$1,533,190,540	\$146,042,328	\$1,679,232,868	36,465
Indirect	\$1,241,576,084	\$177,367,565	\$1,418,943,649	14,508
Total	\$2,774,766,624	\$323,409,893	\$3,098,176,517	50,973



Questions and Comments are Welcome

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- Nathan Wilson, Senior Director for Research and Policy Studies, ICCB, 217-558-2067 and Nathan.Wilson@illinois.gov



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