



Economic Impact Study Shows Lewis and Clark a Great Investment for Local Taxpayers, Students and the State of Illinois

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Godfrey, Ill. – A recent economic impact study focused on the contributions of Lewis and Clark Community College to its district residents, students and the State of Illinois revealed that the college is a great investment for all three stakeholder groups.

Economic Modeling Specialists, Inc. (EMSI), a third-party research firm from Moscow, ID, recently applied its economic impact model to Lewis and Clark Community College and District 536 to analyze the impact the college has on district residents, students and the State of Illinois. The model has been field-tested to generate more than 900 studies for community, technical and other educational institutions in the U.S., Canada, U.K. and Australia, and is designed to quantify the economic benefits of community and technical colleges and translate these into common sense benefit/cost and investment terms.

The results of this study show that local taxpayers in District 536 experience a rate of return on their investment of 6 percent. According to EMSI, positive economic returns are generally not expected from government investments, and even small, positive returns (a rate of return equal or greater to 3 percent) are a favorable outcome.

“This is one of the most significant findings that we think it is important to stress to our area residents whose tax dollars help support Lewis and Clark,” said Tom Wunderle, Lewis and Clark’s director of Institutional Planning and Effectiveness. “Essentially what this study reveals is that Lewis and Clark is a revenue generator. We put back into our local economy each year more than we receive in tax dollars.”

Wunderle added that the college's annual operations and student spending results in an additional \$26.4 million added to the local economy each year. Based on Lewis and Clark's historical enrollment and credit production over the past 30 years, it is estimated that the accumulated contribution of Lewis and Clark annually adds \$221.6 million in income to District 536. Altogether, the average annual added income due to the activities of Lewis and Clark and its graduates equals \$248 million, which is the equivalent of 3.8 percent of the total district economy.

"We are drawing students from within our district, providing them with an inexpensive, high quality education, and when they graduate they become nurses, dental hygienists, police officers, fire fighters, paralegals, automotive technicians, process operations technicians and numerous other professionals who work and raise their families in our community," Lewis and Clark Community College President Dale Chapman said. "That is what really multiplies the impact we have economically on our district, and why we are responsible for almost 4 percent of the region's economy."

"This is independent evidence of our accountability to the communities we serve and demonstrates the great value of the investments made in Lewis and Clark," Chapman said.

The study also reveals that Lewis and Clark students experience a 17.4 percent rate of return on their investments of time and money. When compared with other investments such as stocks and bonds, Lewis and Clark scores favorably for students. The study indicates that for every \$1 a student spends on his/her education at Lewis and Clark, they can expect to receive an additional \$6 in higher future income.

Students who earn an associate's degree can expect on average to earn \$9,700 more per year than a student with a high school diploma, according to EMSI.

Other benefits revealed by the study show a significant savings to Illinois taxpayers of \$1.9 million annually.

"As individuals achieve higher levels of education, they are also less likely to smoke, abuse alcohol, draw welfare or unemployment benefits or commit crimes," Chapman said. "In addition to the social savings to the state, Lewis and Clark students expand the state's economic base through their higher incomes."

These benefits contribute an estimated \$31.7 million in taxable income to the Illinois economy each year.

The study estimated that because of these economic benefits, Lewis and Clark provides a benefit/cost ratio of 18.9, which means that every dollar of state and local tax money

invested in the college today yields a cumulative of \$18.90 in benefits that accrue to all Illinois residents, in terms of added taxable income and avoided social costs.

Lewis and Clark Board Chairman Robert Watson said the end result of the study demonstrates that Lewis and Clark is a great investment from multiple perspectives.

“We are enriching the lives of our students and increasing their lifetime incomes,” Watson said. “We are also benefiting taxpayers by generating increased tax revenues from an enlarged economy and reducing the demand for taxpayer-supported social services. And, we are contributing significantly to the vitality of both the local and state economies.”

Data sources for the study included academic and financial reports from the college, industry and employment data from the U.S. Bureau of Labor Statistics, earnings and demographic data from the U.S. Census Bureau, and a variety of studies and surveys relating education to social behavior. For more information, visit www.economicmodeling.com.