



FACT SHEET: GATEWAY TECHNICAL COLLEGE

What role does Gateway Technical College play in the local economy? The results of this study demonstrate that Gateway is a sound investment from multiple perspectives. Students benefit from improved lifestyles and increased earnings. Taxpayers benefit from an enlarged economy and lower social costs. And the community as a whole benefits from increased job and investment opportunities, higher business revenues, greater availability of public funds, and an eased tax burden.

Gateway stimulates the state and local economy

- The current Gateway Service Area economy owes roughly \$18.3 million in regional income to Gateway operations and capital spending.
- Gateway activities encourage new business, assist existing business, and create long-term economic growth. The college enhances worker skills and provides customized training to local business and industry. It is estimated that the present-day Gateway Service Area workforce currently embodies over 2.5 million credit and non-credit hours of past and present Gateway training.
- Gateway skills embodied in the present-day workforce increase regional income in the Gateway Service Area economy where the former students are employed by \$339.0 million. Associated multiplier effects (sometimes called indirect effects) increase income by another \$44.0 million.
- Altogether, the Gateway Service Area economy owes roughly \$401.4 million of its labor and non-labor income to the past

The Gateway regional economy is measurably stronger.

and present efforts of Gateway. Clearly it is not inaccurate to describe Gateway as an engine of economic growth.

Gateway leverages taxpayer dollars

- For every credit earned by Gateway students, the state and local community will see social savings amounting to some \$17 per year, including savings associated with improved health, lower crime costs, and reduced welfare and unemployment.
- When aggregated across all exiting students, the State of Wisconsin will benefit from \$2.1 million worth of avoided costs each year over the next 36-year period.
- Students benefit from higher earnings, thereby expanding the tax base and reducing the tax burden on state and local taxpayers. When aggregated together, students generate about \$15.1 million annually in higher earnings due to their Gateway education.

Gateway generates a return on government investment

- State and local government allocated around \$49.5 million in support of Gateway in fiscal year 2005. For every dollar appropriated by state and local government, taxpayers will see a cumulative return of \$1.24 over the next 36 years or so, or as long as the students are in the workforce.
- State and local government support for Gateway will be fully recovered in 19 years, in the form of higher tax receipts and avoided social costs.

Gateway returns far more to taxpayers than it costs.

- State and local government will see a rate of return of 5% on their support for Gateway. This return compares very favorably with private sector rates of return on similar long-term investments.

Gateway increases students' earning potential

- A total of 27,253 credit and non-credit students attended the college in academic year 2004-2005. As many as 90% of these students stay in the region initially after they leave the college and contribute to the local economy.
- Studies demonstrate that education increases lifetime earnings. The average annual earnings of a student with a one-year certificate are \$28,667, or 81% more than someone without a high school diploma or GED, and 15% more than a student with a high school diploma. The average earnings of someone with an Associate Degree are \$33,539, or 112% more than someone without a high school diploma or GED, and 35% more than a student with a high school diploma or GED.
- Gateway students will see their annual income increase, on average, by about \$124 per year for every credit completed at Gateway during the analysis year.
- Over the next 36 years in the workforce, the average Gateway student's discounted lifetime earnings (i.e., future values expressed in present value terms) will increase \$5 for every education dollar invested (in the form of tuition, fees, books, and foregone earnings from employment).
- Students enjoy an attractive 18% rate of return on their Gateway educational investment, and recover all costs (including wages foregone while attending) in 8 years.

Past Gateway students are measurably better off.

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