

# FACT SHEET: ECONOMIC IMPACT OF GATEWAY TECHNICAL COLLEGE

What role does Gateway Technical College (GTC) play in the local economy? The results of this study demonstrate that GTC 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.

## *GTC stimulates the state and local economy*

- The current GTC Service Area economy owes roughly **\$17.6 million** in regional income to GTC operations and capital spending.
- GTC 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 GTC Service Area workforce currently embodies over **4.2 million** credit and non-credit hours of past and present GTC training.
- GTC skills embodied in the present-day workforce increase regional income in the GTC Service Area economy where the former students are employed by **\$1.1 billion**. Associated multiplier effects (sometimes called indirect effects) increase income by another **\$126.0 million**.
- Altogether, the present-day economy in the GTC Service Area owes roughly **\$1.2 billion** of its current labor and non-labor income to the past and present efforts of GTC. Clearly it is not inaccurate to describe GTC as an engine of economic growth.

**The present-day GTC regional economy is measurably stronger.**

## *GTC leverages taxpayer dollars*

- For every credit earned by GTC 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 **\$2.9 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 **\$21.3 million** annually in higher earnings due to their GTC education.

## *GTC generates a return on government investment*

- State and local government allocated around **\$55.0 million** in support of GTC in fiscal year 29365. For every dollar appropriated by state and local government, taxpayers will see a cumulative return of **\$2.29** over the next 36 years or so, or as long as the students are in the workforce.
- State and local government support for GTC will be fully recovered in **13.0** years, in the form of higher tax receipts and avoided social costs.

**GTC returns far more to taxpayers than it costs.**

- State and local government will see a rate of return of **9.8%** on their support for GTC. This return compares very favorably with private sector rates of return on similar long-term investments.

## *GTC increases students' earning potential*

- A total of 27,253 credit and non-credit students attended the college in academic year 29364-29365. 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.
- GTC students will see their annual income increase, on average, by about **\$122** per year for every credit completed at GTC during the analysis year.
- Over the next 36 years in the workforce, the average GTC student's discounted lifetime earnings (i.e., future values expressed in present value terms) will increase **\$5.50** for every education dollar invested (in the form of tuition, fees, books, and foregone earnings from employment).
- Students enjoy an attractive **18.8%** rate of return on their GTC educational investment, and recover all costs (including wages foregone while attending) in **7.6** years.