



News release

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Report: Gateway and its students add more than \$930 million to local economy

Gateway Technical College and its students added \$933.2 million in income to the Gateway Technical College District economy, or about equal to 5.6 percent of the region's gross regional product, a recent economic survey indicated.

In addition, for every \$1 of public money invested in Gateway, taxpayers receive a cumulative return of \$4.20 in the form of higher tax receipts and public sector savings, the report also indicated.

This survey was part of a sweeping report of the college's impact on the economy, taxpayers, its students and the state conducted by Economic Modeling Specialists Int. and released to the college's board of trustees at their Sept. 17 meeting.

"We're always proud of our graduates' contribution to their communities – they support their families, contribute to the tax base, and have a career that inspires them and helps their employer grow," said Gateway Technical College President Bryan Albrecht.

“This report, however, quantifies and confirms their contributions, and the contributions of the college as a whole, to our communities’ economic well-being.”

The report is the first such in-depth look at the college’s impact locally and statewide in eight years. It shows the deep roots the college has in the economy and tax base of Southeastern Wisconsin and the long-lasting impact a Gateway education has on its graduates and the economy. While it took a look at lifelong skills and impacts of the college and students on the economy, taxes and personal income, it also focused specifically on the 2012-13 year for other specific data.

Key findings include:

- Taxpayers see an annual return of 10.6 percent on their investment in Gateway.
- The accumulated contribution of former students now employed in the regional workforce amounted to \$859.9 million in added income during the analysis year.
- Gateway’s 2012-13 students will receive an average annual rate of return of 26.7 percent on their investment in college, which will continue throughout their working lives.
- On average, Gateway’s 2012-13 students will receive a cumulative \$7.50 in higher future income for every \$1 they invested in their education.
- The average annual return on investment for students is 27 percent.

- Overall, the added income created by Gateway and its students supported the equivalent of 20,818 jobs.

In the report, Economic Modeling Specialists said its goal was to “assess the economic impact of Gateway on the local business community and the return on investment generated by the college for its key stakeholder groups: students, society, and taxpayers.”

The second component of the study was a standard investment analysis to determine how money spent on Gateway performs as an investment over time. The investors in this case are students, society, and taxpayers, all of whom pay a certain amount in costs to support the educational activities at Gateway.

“The Board of Trustees keenly recognizes its role to make decisions that insure taxpayers and students alike are receiving high value education and a solid rate of return on their investment. We have sought data to guide our decisions as board members. We are very pleased that this report confirms we are on the right track in helping to improve the economic status of individual students and the community in which they live,” says Gary Olsen, chairman, Gateway Technical College Board of Trustees.

The report also indicated societal impact of the college, and concluded that “Society as a whole in the state of Wisconsin will receive a present value of \$2.8 billion in added state income over the course of the students' working lives. Society will also benefit from \$52.2 million in present value social savings related to reduced crime, lower welfare and unemployment, and increased health and well-being across the state.”

An even deeper look revealed that:

1. Over the students' working lives, state and local government will collect a present value of \$268.1 million in the form of higher tax receipts.
2. Over their working lives, Gateway's 2012-13 student population will generate a present value of \$42.8 billion in added income in Wisconsin.
3. For every \$1 spent on Gateway educations, society, as a whole in Wisconsin, will receive a cumulative value of \$11.80 in benefits, as long as the 2012-13 students remain active in the state's workforce.
4. The net impact of college payroll, expenses and student spending in the Gateway District was \$73.3 million in added regional income.
5. On average, associate degree earners in the Gateway District will earn \$35,900 at the midpoint of their careers, \$9,300 more than someone with a high school diploma.
6. Associate degree completers on average will earn \$1.51 million over their working lifetime, an increase of \$390,600 compared to someone with a high school diploma.
7. About 95 percent of Gateway's students remain in Wisconsin after completing their educational goals.

Gateway Technical College collaborates with communities in Kenosha, Racine and Walworth counties to ensure economic growth and viability by providing education, training, leadership and technological resources to meet the changing needs of students, employers and communities.

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