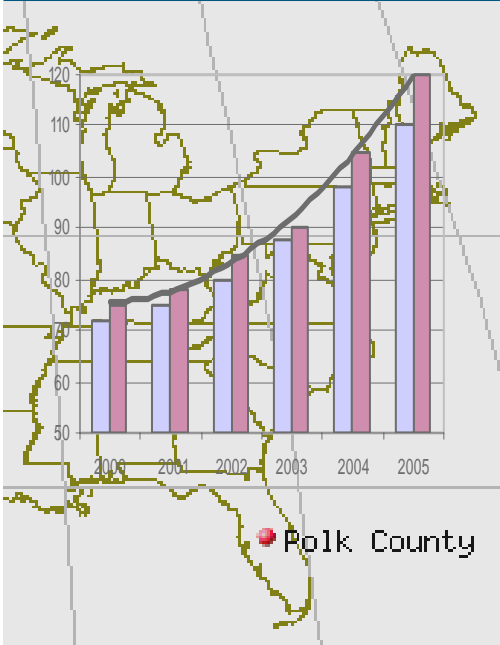




Polk Community College Economic Impact 2004



Education Impact

PCC plays a vital role in its service region. As a result of their study at the college, students obtain jobs, refine professional skills, transfer to 4-year institutions, and acquire knowledge that enriches many aspects of their personal and professional development. In addition, PCC's Corporate College provides technical training for regional businesses, supports local economic growth, and hosts many events.

Economic Impact

Often overlooked is the economic role PCC plays. The college produces jobs, and its employees and students consume goods and services, own property, and invest in the community. Funds are circulated throughout the local economy through college expenditures: purchases of goods and services, salary payments, and capital construction. All these funds, in turn, stimulate the local business volume, leading to new jobs and additional spending. In short, the college has a significant impact upon the economic growth of Polk County.

How PCC Stimulates Polk County's Economy - Summary of Findings:

A recent study by the college's Office of Institutional Research determined the value of PCC's contributions to the local business volume based on an Economic Impact Model developed by Caffrey & Isaacs (p.2) for the American Council on Education. The academic year 2003/04 assessment involves college expenditures; faculty, staff, and student data; socio-economic county/community information; and regional input-output multipliers proposed by the U.S. Department of Commerce. The analysis reflects conservative estimates based on audited financial report data and numerous statistical resources. Assessment results (Chart 1) can be summarized as follows:

- **College Expenditures** in Polk County alone contributed an aggregate value of over 10.5 million dollars
- **Employees** spent \$12.7 million of disposable income locally; creating a business volume of over \$23 million
- **Students** from other areas plus the academic spending of local students added \$39.6 million in economic volume
- **Out-of County Visitor** spending of over 17,500 visitors added local economic activity worth almost \$ 4.5 million
- **Local Alumni:** 938 PCC degrees/certificates contributed an enhanced local income value of over \$10 million
- **Corporate College:** \$10.85 million in productivity gains by training 12,000 employees across local industries
- **PCC 's Total Impact on the local economy was almost \$99 million; \$53.4 million direct impact, plus \$44.6 million economic activity generated in other industries**
- **Employment Impact:** Beyond the 1000 people employed in 510 full-time equivalent positions at PCC, an additional 1,360 jobs in other industries resulted from its activity

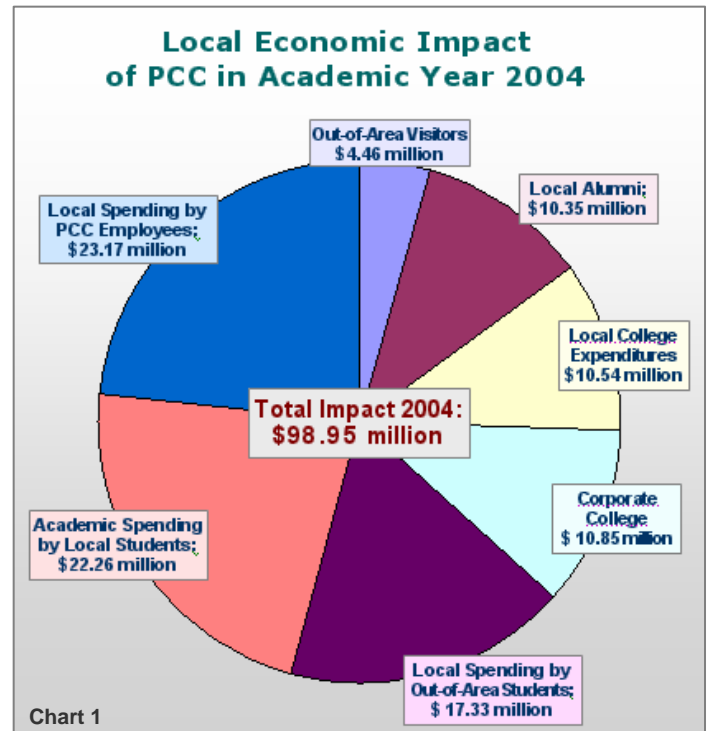
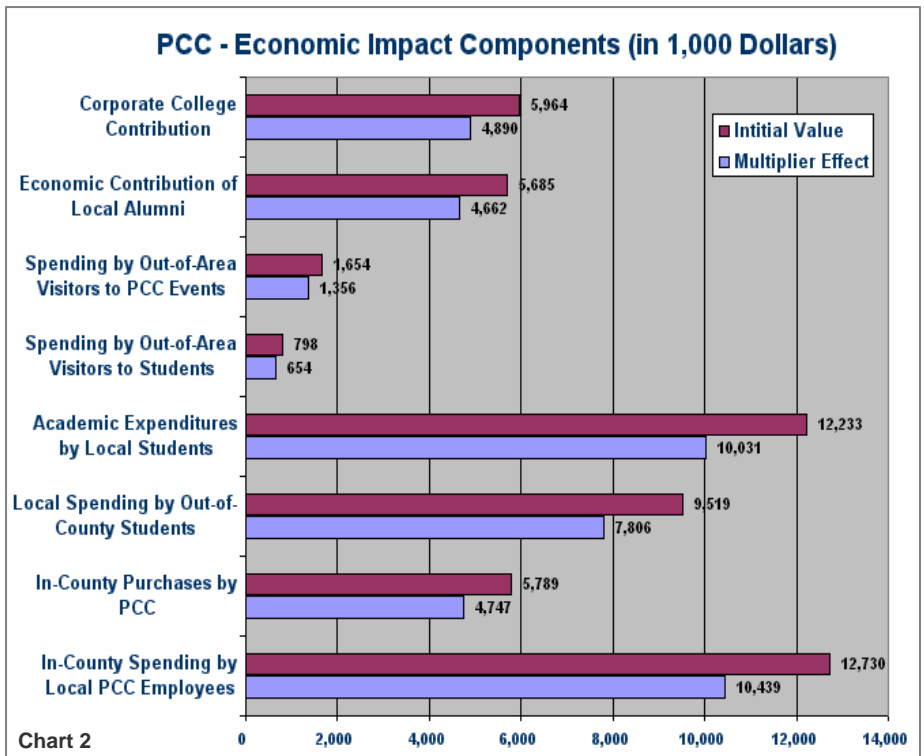


Chart 1

Local Multiplier Effects

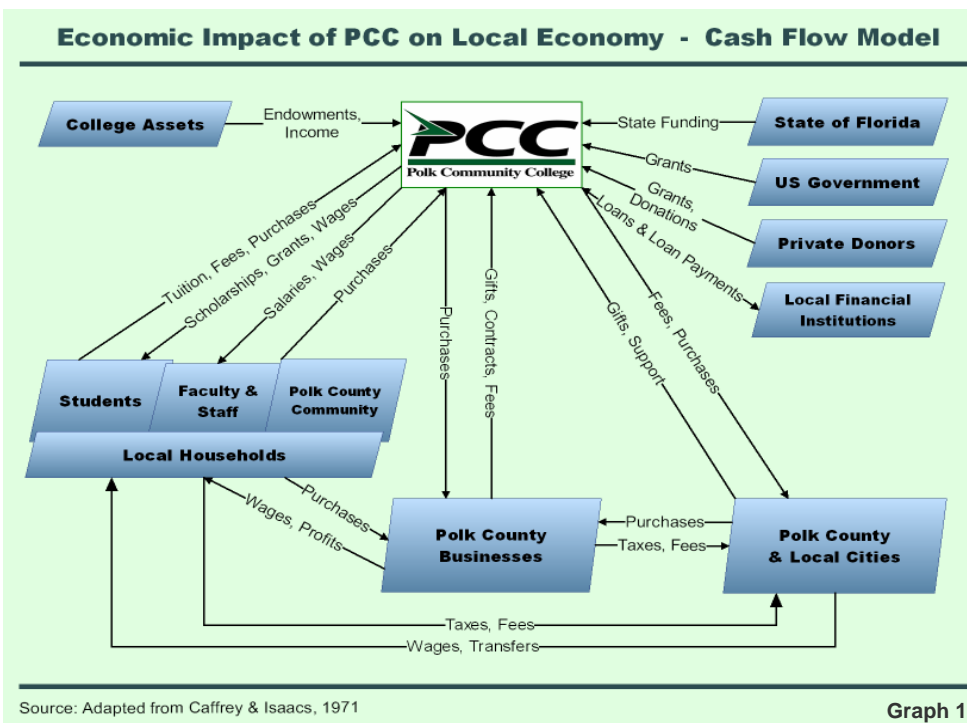
Economic multipliers are measures of the larger effect any economic activity has on the regional economy. This effect entails usually more than just the direct income or employment of the organization, since businesses create demand for other businesses, and the money people earn as a result, drives additional demand.

Chart 2 (right) shows the multiplier effect of PCC's activity on local business volume and the initial value of each impact component. The applied regional multiplier was 1.82, defining 82% of the initial value as the multiplier effect. All aggregate values (initial value plus multiplier effect) combine to the college's economic impact. To avoid overstating this impact, like similar studies with multipliers of 2.4 or higher often do, we used a much more conservative figure.



Additional Impact of PCC ⇒ Creating Long-Term Community Value

This summary describes PCC's immediate economic impact; its longitudinal value is almost impossible to define. How can we estimate the increase in life-time productivity of the local work-force or quantify the many additional contributions by PCC's alumni? How can we approximate the impact of PCC's top-rated nursing program, for example, on the wellbeing in the community, not just in economic terms? How can we put a dollar value to these intangible benefits and the enrichment PCC brings to life in Polk County? How can we measure the increased attractiveness of the region to new businesses as a result of the college's presence? Given PCC's location, these points take on a much higher significance than in large metropolitan areas where many alternative choices exist. All this considered it seems quite certain that the actual and long-term value of Polk Community College is much larger than captured here.



Return on Investment

Lawmakers and local constituencies often wonder about the return on the state's investment in higher education. And while many assume a high ROI by universities, the value returned by community colleges is often misjudged.

In fiscal year 2003/04, the portion of taxpayer's monies PCC spent totaled \$16.2 million. This number includes state appropriations minus lottery funds, plus capital expenditures for building projects. Comparing this investment with a local economic impact of about \$99 million, Florida's taxpayers are rewarded with more than 6 times their investment in PCC, not counting the economic impact of the college outside the county.