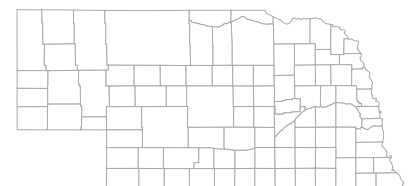


The Economic Value of Chadron State College



Chadron State College (CSC) creates a significant positive economic impact on the business community and generates a return on investment to its major stakeholder groups—students, taxpayers, and Nebraska as a whole. Using a two-pronged approach involving an economic impact analysis and an investment analysis, this study calculates the benefits received by each of these groups. Results of the analysis reflect the fiscal year (FY) 2022-23.



Nebraska



Economic impact analysis

In FY 2022-23, CSC added **\$456.3 million** in income to the Nebraska economy. Expressed in terms of jobs, CSC's impact supported **6,227 jobs**.

Operations spending impact

- Employing 680 full-time and part-time faculty and staff, CSC payroll amounted to \$26.6 million, much of which was spent in the state for groceries, mortgage and rent payments, dining out, and other household expenses. The College spent another \$16.3 million on its expenses related to facilities, supplies, and professional services (excluding construction).
- The net impact of the College's operations spending added **\$34.0 million** in income to the state economy in FY 2022-23.

Construction spending impact

- CSC invests in capital projects each year to maintain its facilities, create additional capacities, and meet its growing educational demands, generating a short-term infusion of spending and jobs in the state economy.
- The net impact of CSC's construction spending in FY 2022-23 was **\$977.9 thousand** in added income for Nebraska.

Student spending impact

- Around 43% of students attending CSC originated from outside the state, with some of these students relocating to Nebraska to attend CSC. In addition, some in-state students, referred to as retained students, would have left Nebraska for other educational opportunities if not for CSC. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at state businesses.
- The expenditures of relocated and retained students in FY 2022-23 added **\$3.1 million** in income to the Nebraska economy.

Alumni impact

- Over the years, students have studied at CSC and entered or re-entered the workforce with the knowledge and skills necessary to meet the evolving workforce needs of Nebraska. Today, thousands of these former students are employed in Nebraska.
- Nationally, migration patterns have shifted away from high-density and urban areas in favor of more rural living. This translates to higher retention of alumni in Nebraska, which in turn drives more economic benefits.
- The net impact of CSC's former students currently employed in the state workforce amounted to **\$418.3 million** in added income in FY 2022-23.

Impacts created by
CSC in FY 2022-23



Operations spending impact

\$34.0 million

+



Construction spending impact

\$0.98 million

+



Student spending impact

\$3.1 million

+



Alumni impact

\$418.3 million



Total economic impact

\$456.3 million

OR



Jobs supported

6,227



Investment analysis

Student perspective

- CSC's FY 2022-23 students paid a present value of **\$12.9 million** to cover the cost of tuition, fees, room, board, supplies, and interest on student loans. They also forwent a value of **\$17.8 million** in time and money had they been working instead of attending the College.
- In return for their investment, students will receive a cumulative present value of **\$159.6 million** in increased earnings over their working lives. This translates to a return of **\$5.20** in higher future earnings for every dollar a student invests in their education. Students' average annual rate of return is **20.0%**.

Taxpayer perspective

- Nebraskan taxpayers provided CSC with **\$23.0 million** of funding in FY 2022-23. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$38.8 million**. A reduced demand for government-funded services in Nebraska will add another **\$14.9 million** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$53.7 million**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in CSC, taxpayers will receive **\$2.30** in return over the course of students' working lives. The average annual rate of return for taxpayers is **6.1%**.

Social perspective

- In FY 2022-23, Nebraska invested **\$69.0 million** in various forms, including the College's expenditures, student expenses, and the student opportunity cost of attendance during the year. In turn, the Nebraska economy will grow by **\$484.7 million**, over the course of students' working lives. Society will also benefit from **\$67.1 million** of public and private sector savings.
- For every dollar invested in CSC in FY 2022-23, Nebraska residents will receive **\$8.00** in return, for as long as CSC's FY 2022-23 students remain employed in Nebraska.

Students see a high rate of return for their investment in CSC



Average annual return for CSC students

20.0%



Stock market 30-year average annual return

10.1%



Interest earned on savings account (national deposit rate)

0.5%

Source: Forbes' S&P 500, 1994-2023; FDIC.gov, March 2023

