

The Economic Value of Northern Lakes College Lesser Slave Lake



Northern Lakes College's activities in Lesser Slave Lake (NLC Lesser Slave Lake) creates a significant positive impact on the business community and generates a return on investment to its major stakeholder groups—students, taxpayers, and society. Using a two-pronged approach that involves an economic impact analysis and an investment analysis, this study calculates the benefits received by each of these groups. Results of the analysis reflect fiscal year (FY) 2021-22.*



LESSER SLAVE LAKE,
ALBERTA



Economic impact analysis

In FY 2021-22, NLC Lesser Slave Lake added **\$101.1 million** in income to the Lesser Slave Lake economy, a value approximately equal to **4.8%** of the region's total gross regional product (GRP). Expressed in terms of jobs, NLC Lesser Slave Lake's impact supported **974** regional jobs. For perspective, the activities of NLC Lesser Slave Lake and its students support **one out of every 14 jobs** in Lesser Slave Lake.

Operations spending impact

- NLC employed an estimated 112 full-time equivalent (FTE) employees in Lesser Slave Lake in FY 2021-22. Payroll amounted to \$11.7 million, much of which was spent in the region for groceries, mortgage and rent payments, dining out, and

* Data for this analysis was provided by NLC and estimated by Lightcast as necessary using NLC data provided during prior reporting years.



other household expenses. The college spent another \$2.8 million on day-to-day expenses related to facilities, supplies, and professional services.

- The net impact of the college's operations spending added **\$10.9 million** in income to the regional economy.

Student spending impact

- An estimated 48% of credit students attending NLC in Lesser Slave Lake originated from outside the region in FY 2021-22, and some of these students relocated to Lesser Slave Lake to attend NLC. In addition, a number of local students would have left the region if not for NLC in Lesser Slave Lake.
- These students spent money on groceries, mortgage and rent payments, and so on at regional businesses. This spending in FY 2021-22 added **\$169.4 thousand** in income to the Lesser Slave Lake economy.

Alumni impact

- Over the years, students have studied at NLC Lesser Slave Lake and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, many of these former students are employed in Lesser Slave Lake.
- The net impact of NLC Lesser Slave Lake's former students currently employed in the regional workforce amounted to **\$90 million** in added income in FY 2021-22.

Investment analysis

Student perspective

- NLC Lesser Slave Lake's FY 2021-22 students paid a present value of **\$2.1 million** to cover the cost of tuition, fees, and supplies. They also forwent **\$6.3 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$14.7 million** in increased earnings over their working lives. This translates to a return of **\$1.80** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **13.3%**.

Taxpayer perspective

- Provincial taxpayers provided NLC Lesser Slave Lake with **\$8.8 million** of funding in FY 2021-22. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$9.4 million**. A reduced demand for government-funded services in Alberta will add another **\$418.6 thousand** in benefits to taxpayers.
- For every dollar of public money invested in NLC Lesser Slave Lake, taxpayers will receive **\$1.10** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **3.0%**.

Impacts created by NLC Lesser Slave Lake in FY 2021-22



Operations spending impact

\$10.9 million

+



Student spending impact

\$169.4 thousand

+



Alumni impact

\$90.0 million



Total economic impact

\$101.1 million

OR

Jobs supported

974



Students gain in lifetime earnings

\$1.80



Taxpayers gain in added tax revenue and public sector savings

\$1.10



Society gains in added income and social savings

\$3.40



Social perspective

- In FY 2021-22, society in Alberta invested **\$21.2 million** to support NLC Lesser Slave Lake, including all student and all college costs. In turn, added income through students increased lifetime earnings and increased business output will grow the Alberta economy by **\$70.5 million**, over the course of students' working lives. Society will also benefit from **\$1 million** in present value social savings related to reduced crime, reduced demand for income assistance, and increased health and well-being across the province.
- For every dollar invested in NLC Lesser Slave Lake in FY 2021-22, people in Alberta will receive **\$3.40** in return, for as long as NLC Lesser Slave Lake's FY 2021-22 students remain active in the provincial workforce.

