

The Economic Value of Northern Lakes College Peace River Electoral District



PEACE RIVER ELECTORAL DISTRICT

Northern Lakes College's activities in Peace River** (NLC Peace River) 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.*

Economic impact analysis

In FY 2021-22, NLC Peace River added **\$40.3 million** in income to the Peace River economy, a value approximately equal to **2.7%** of the region's total gross regional product (GRP). Expressed in terms of jobs, NLC Peace River's impact supported **422** regional jobs. For perspective, the activities of NLC Peace River and its students support **one out of every 26 jobs** in Peace River.

Operations spending impact

- NLC employed an estimated 32 full-time equivalent (FTE) employees in Peace River in FY 2021-22. Payroll amounted to \$3.3 million, much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other

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

** Refers to the Peace River Electoral District.

household expenses. The college spent another \$2.5 million on day-to-day expenses related to facilities, supplies, and professional services.

- The net impact of the college's operations spending added **\$3.4 million** in income to the regional economy.

Student spending impact

- An estimated 48% of credit students attending NLC in Peace River originated from outside the region in FY 2021-22, and some of these students relocated to Peace River to attend NLC. In addition, a number of local students would have left the region if not for NLC in Peace River.
- These students spent money on groceries, mortgage and rent payments, and so on at regional businesses. This spending in FY 2021-22 added **\$153.4 thousand** in income to the Peace River economy.

Alumni impact

- Over the years, students have studied at NLC Peace River and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, many of these former students are employed in Peace River.
- The net impact of NLC Peace River's former students currently employed in the regional workforce amounted to **\$36.7 million** in added income in FY 2021-22.

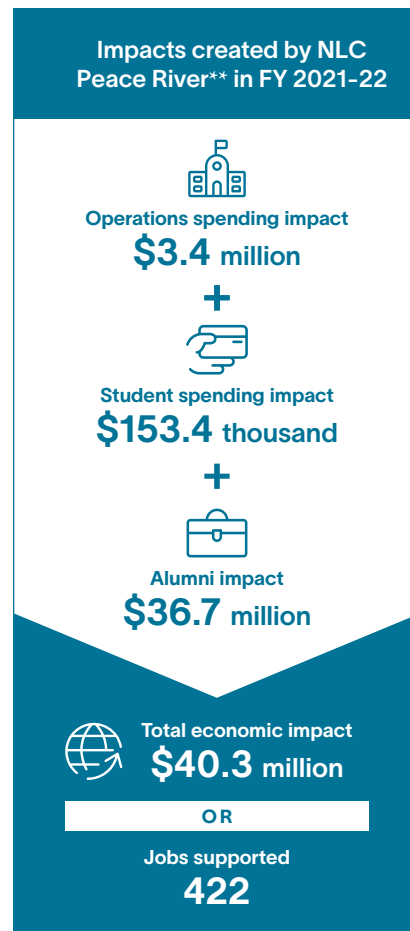
Investment analysis

Student perspective

- NLC Peace River's FY 2021-22 students paid a present value of **\$2 million** to cover the cost of tuition, fees, and supplies. They also forwent **\$7.8 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$22 million** in increased earnings over their working lives. This translates to a return of **\$2.20** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **16.8%**.

Taxpayer perspective

- Provincial taxpayers provided NLC Peace River with **\$7.6 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 **\$12 million**. A reduced demand for government-funded services in Alberta will add another **\$527.2 thousand** in benefits to taxpayers.
- For every dollar of public money invested in NLC Peace River, taxpayers will receive **\$1.60** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **6.4%**.



Social perspective

- In FY 2021-22, society in Alberta invested **\$14.1 million** to support NLC Peace River, 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 **\$86.7 million**, over the course of students' working lives. Society will also benefit from **\$1.3 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 Peace River in FY 2021-22, people in Alberta will receive **\$6.20** in return, for as long as NLC Peace River's FY 2021-22 students remain active in the provincial workforce.

