

The Economic Value of Cankdeska Cikana Community College FACT SHEET



CANKDESKA CIKANA
COMMUNITY COLLEGE
Spirit Lake Tribe

CANKDESKA Cikana Community College (CCCC) 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) 2018-19.

Economic impact analysis

In FY 2018-19, CCCC added **\$12.5 million** in income to the CCCC Service Area^{*} economy, a value approximately equal to **1.6%** of the region's total gross regional product (GRP). Expressed in terms of jobs, CCCC's impact supported **237 jobs**. For perspective, the activities of CCCC and its students support **one out of every 49 jobs** in the CCCC Service Area, which is a significant portion of the regional labor market.

OPERATIONS SPENDING IMPACT

- CCCC employed 135 full-time and part-time faculty and staff. Payroll amounted to \$6.6 million, much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$4.7 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$8.6 million** in income to the regional economy in FY 2018-19.

STUDENT SPENDING IMPACT

- Some in-region students, referred to as retained students, would have left the CCCC Service Area for other educational opportunities if not for CCCC. These retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.
- Additionally, in-region students who would have remained in the CCCC Service Area even if CCCC did not exist spend more money in the region while attending college because of the scholarships and grants they receive.

* For the purposes of this analysis, the CCCC Service Area is comprised of Ramsey and Benson Counties.

IMPACTS CREATED
BY CCCC IN FY 2018-19



\$8.6 million
Operations Spending Impact



\$195 thousand
Student Spending Impact



\$3.8 million
Alumni Impact



\$12.5 million
TOTAL IMPACT

- OR -

237
JOBS SUPPORTED



- The expenditures of these students in FY 2018-19 added **\$195 thousand** in income to the CCCC Service Area economy.

ALUMNI IMPACT

- Over the years, students have studied at CCCC and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, many of these former students are employed in the CCCC Service Area.
- The net impact of CCCC's former students currently employed in the regional workforce amounted to **\$3.8 million** in added income in FY 2018-19.



Investment analysis

STUDENT PERSPECTIVE

- CCCC's FY 2018-19 students paid a present value of **\$205.3 thousand** to cover the cost of tuition, fees, and supplies. They also forwent **\$183.6 thousand** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$2.5 million** in increased earnings over their working lives. This translates to a return of **\$6.50** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **24.4%**.

TAXPAYER PERSPECTIVE

- As a result of CCCC, taxpayers across the U.S. will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$4.4 million**. A reduced demand for government-funded services in the nation will add another **\$219.6 thousand** in benefits to taxpayers. Total benefits to U.S. taxpayers amount to **\$4.6 million**.
- At the state level, the added tax revenues and government savings created in North Dakota amount to **\$1.5 million** in benefits.

SOCIAL PERSPECTIVE

- In FY 2018-19, society invested **\$11.6 million** to support CCCC. In turn, the national economy will grow by **\$16.8 million**, over the course of students' working lives. Society will also benefit from **\$425.2 thousand** of public and private sector savings.
- For every dollar invested in CCCC in FY 2018-19, people across the U.S. will receive **\$1.50** in return, for as long as CCCC's FY 2018-19 students remain active in the workforce. This means that the benefits not only cover the cost of society's funding, but generate a surplus of benefits for people in the U.S.

STUDENTS SEE A HIGH RATE OF RETURN FOR THEIR INVESTMENT IN CCCC



24.4%

Average annual return for CCCC students



9.9%

Stock market 30-year average annual return



0.8%

Interest earned on savings account (National Rate Cap)

Source: Forbes' S&P 500, 1989-2018. FDIC.gov, 6-2019.



FOR EVERY \$1...



Students gain

\$6.50

in lifetime earnings



Society gains

\$1.50

in added income and social savings



National taxpayers gain

\$4.6 million

in added tax revenues and public sector savings

North Dakota taxpayers gain

\$1.5 million

in added tax revenues and public sector savings

