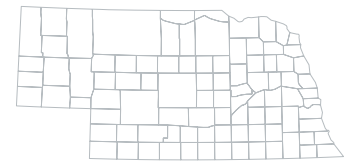


The Economic Value of Peru State College

Peru State College (PSC) creates a significant positive economic impact on the business community and generates a return on investment to 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 fiscal year (FY) 2019-20.



NEBRASKA



ECONOMIC IMPACT ANALYSIS

In FY 2019-20, PSC added **\$127.3 million** in income to the Nebraska economy. Expressed in terms of jobs, PSC's impact supported **2,080 jobs**.

OPERATIONS SPENDING IMPACT

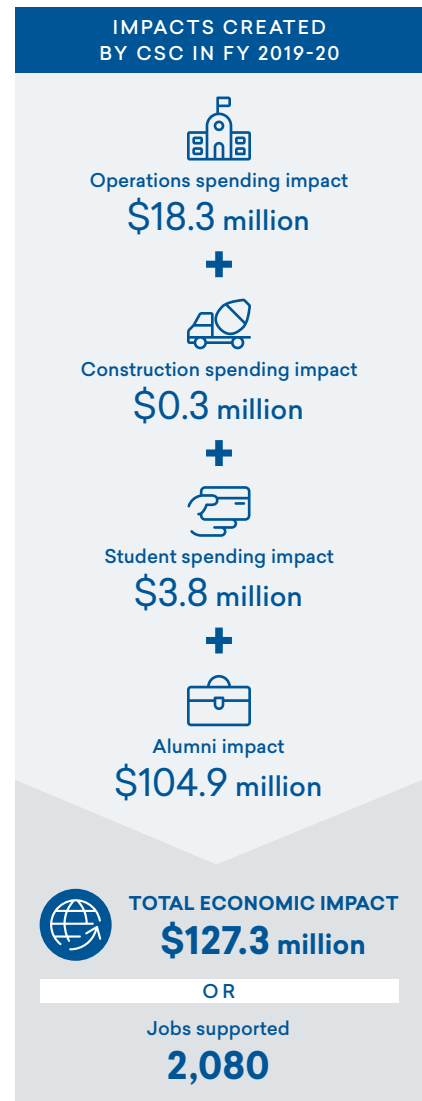
- Employing 368 full-time and part-time faculty and staff, PSC payroll amounted to \$14.7 million, much of which was spent in the state for groceries, mortgage and rent payments, dining out, and other household expenses. The College spent another \$11.6 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the College's operations spending added **\$18.3 million** in income to the state economy in FY 2019-20.

CONSTRUCTION SPENDING IMPACT

- PSC invests in construction 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 PSC's construction spending in FY 2019-20 was **\$303,567** in added income for Nebraska.

STUDENT SPENDING IMPACT

- Approximately 14% of students attending PSC originated from outside the state with some of these students relocating to Nebraska to attend PSC. In addition, some in-state students, referred to as retained students, would have left Nebraska for other educational opportunities if not for PSC. 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 2019-20 added **\$3.8 million** in income to the Nebraska economy.

ALUMNI IMPACT

- Over the years, students have studied at PSC and entered or re-entered the workforce with knowledge and skills necessary to meet the evolving workforce needs for Nebraska. Today, thousands of these former students are employed in the state.
- The net impact of PSC's former students currently employed in the state workforce amounted to **\$104.9 million** in added income in FY 2019-20.

INVESTMENT ANALYSIS

STUDENT PERSPECTIVE

- PSC's FY 2019-20 students paid a present value of **\$8.0 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$15.5 million** in money they would have earned had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value **\$108.9 million** in increased earnings over their working lives. This translates to a return of **\$4.60** in higher future earnings for every dollar a student invests in their education. Students' average annual rate of return is **16.5%**.

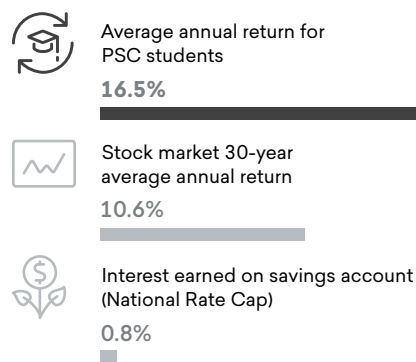
TAXPAYER PERSPECTIVE

- Nebraska taxpayers provided PSC with **\$10.8 million** of funding in FY 2019-20. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$14.5 million**. A reduced demand for government-funded services in Nebraska will add another **\$3.6 million** in benefits to taxpayers.
- For every dollar of public money invested in PSC, taxpayers will receive **\$1.70** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **3.3%**.

SOCIAL PERSPECTIVE

- In FY 2019-20, Nebraska invested **\$46.6 million** in various forms including the College's expenditures and the student opportunity cost of attendance during FY 2019-20. In turn, the Nebraska economy will grow by **\$319.2 million** over the course of students' working lives. Society will also benefit from **\$24.2 million** of public and private sector savings.
- For every dollar invested in PSC in FY 2019-20, people in Nebraska will receive **\$7.40** in return, for as long as PSC's FY 2019-20 students remain employed in Nebraska.

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



Source: Forbes' S&P 500, 1991-2020. FDIC.gov, 6-2021.

For every \$1...

