



# The Economic Value of Blackhawk Technical College

## FACT SHEET

**B** LACKHAWK Technical College (BTC) 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, BTC added **\$85.9 million** in income to the BTC District\* economy. Expressed in terms of jobs, BTC's impact supported **1,564 jobs**. For perspective, the activities of BTC and its students support **one out of every 71 jobs** in the BTC District.

#### OPERATIONS SPENDING IMPACT

- BTC employed 592 full-time and part-time faculty and staff. Payroll amounted to \$23.9 million, much of which was spent in the district for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$12.7 million on capital construction and day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$28.2 million** in income to the district's economy in FY 2018-19.

#### STUDENT SPENDING IMPACT

- Around 24% of credit students attending BTC originated from outside the district. Some of these students relocated to the BTC District. In addition, some in-district students, referred to as retained students, would have left the BTC District for other educational opportunities if not for BTC. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at district businesses.

\* For the purposes of this analysis, the BTC District is comprised of Green and Rock Counties.

IMPACTS CREATED  
BY BTC IN FY 2018-19



**\$28.2 million**  
Operations Spending Impact



**\$8.3 million**  
Student Spending Impact



**\$49.5 million**  
Alumni Impact



**\$85.9 million**  
TOTAL IMPACT

- OR -

**1,564**  
JOBS SUPPORTED



- The expenditures of relocated and retained students in FY 2018-19 added **\$8.3 million** in income to the BTC District economy.

## ALUMNI IMPACT

- Over the years, students have studied at BTC and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in the BTC District.
- The net impact of BTC's former students currently employed in the district's workforce amounted to **\$49.5 million** in added income in FY 2018-19.



## Investment analysis

### STUDENT PERSPECTIVE

- BTC's FY 2018-19 students paid a present value of **\$7.4 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$21.2 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$136.5 million** in increased earnings over their working lives. This translates to a return of **\$4.80** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **20.8%**.

### TAXPAYER PERSPECTIVE

- Taxpayers provided BTC with **\$29 million** of funding in FY 2018-19. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$46.1 million**. A reduced demand for government-funded services in Wisconsin will add another **\$3.2 million** in benefits to taxpayers.
- For every dollar of public money invested in BTC, taxpayers will receive **\$1.70** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **4.9%**.

### SOCIAL PERSPECTIVE

- In FY 2018-19, Wisconsin invested **\$61 million** to support BTC. In turn, the Wisconsin economy will grow by **\$472.6 million**, over the course of students' working lives. Society will also benefit from **\$7.9 million** of public and private sector savings.
- For every dollar invested in BTC in FY 2018-19, people in Wisconsin will receive **\$7.90** in return, for as long as BTC's FY 2018-19 students remain active in the state workforce.

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



**20.8%**

Average annual return for BTC students



**9.9%**

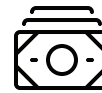
Stock market 30-year average annual return



**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

**\$4.80**

in lifetime earnings



Taxpayers gain

**\$1.70**

in added tax revenue and public sector savings



Society gains

**\$7.90**

in added income and social savings

