

Casper College

Executive Summary

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The Economic Value of Casper College





CASPER COLLEGE (CC) creates value in many ways. The college plays a key role in helping students increase their employability and achieve their individual potential. The college draws students to the county, generating new dollars and opportunities for Natrona County. CC provides students with the education, training, and skills they need to have fulfilling and prosperous careers. Furthermore, CC is a place for students to meet new people, increase their self-confidence, and promote their overall health and well-being.

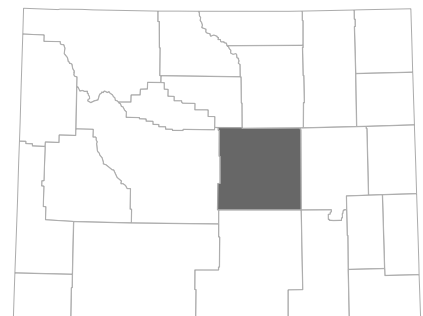
CC influences both the lives of its students and the county economy. The college supports a variety of industries in Natrona County, serves county businesses, and benefits society as a whole in Wyoming from an expanded economy and improved quality of life. Additionally, the benefits created by CC extend to the state and local government through increased tax revenues and public sector savings.

This study measures the economic impacts created by CC on the business community and the benefits the college generates in return for the investments made by its key stakeholder groups—students and society. The following two analyses are presented:

 **Economic impact analysis**

 **Investment analysis**

All results reflect employee, student, and financial data, provided by the college, for fiscal year (FY) 2022-23. Impacts on the Natrona County economy are reported under the economic impact analysis and are measured in terms of added income. The returns on investment to students and society in Wyoming are reported under the investment analysis.



Natrona County, Wyoming

CC influences both the
lives of its students and
the **county economy**.

Economic impact analysis



CC promotes economic growth in Natrona County through its direct expenditures and the resulting expenditures of students and county businesses. The college serves as an employer and buyer of goods and services for its day-to-day and construction operations. The college's activities attract students from outside Natrona County, whose expenditures benefit county vendors. In addition, CC is one of the primary sources of higher education to Natrona County residents and a supplier of trained workers to county industries, enhancing overall productivity in the county workforce.

Operations spending impact



CC adds economic value to Natrona County as an employer of county residents and a large-scale buyer of goods and services. In FY 2022-23, the college employed 470 full-time and part-time faculty and staff, 93% of whom lived in Natrona County. Total payroll at CC was \$32.3 million, much of which was spent in the county for groceries, mortgage and rent payments, dining out, and other household expenses. In addition, the college spent \$20.1 million on expenses related to facilities, supplies, and professional services.

CC's operations spending added \$36.3 million in income to the county during the analysis year. This figure represents the college's payroll, the multiplier effects generated by the in-county spending of the college and its employees, and a downward adjustment to account for funding that the college received from county sources. The \$36.3 million in added income is equivalent to supporting 504 jobs in the county.

Student spending impact



Around 22% of credit students attending CC originated from outside the county in FY 2022-23, and some of these students relocated to Natrona County to attend CC. These students may not have come to the county if the college did not exist. In addition, some in-county students, referred to as retained students, would have left Natrona County if not for the existence of CC. While attending the college, these relocated and retained students spent money on groceries, accommodation, transportation, and other household expenses. This spending generated \$4.9 million in added income for the county economy in FY 2022-23, which supported 95 jobs in Natrona County.

Impacts created by
CC in FY 2022-23



Operations spending impact

\$36.3 million

+



Student spending impact

\$4.9 million

+



Alumni impact

\$132.6 million



Total economic impact

\$173.8 million

OR



Jobs supported

2,496

Alumni impact



The education and training CC provides for county residents has the greatest impact. Since the establishment of the college, students have studied at CC and entered the county workforce with greater knowledge and new skills. Today, thousands of former CC students are employed in Natrona County. As a result of their education from CC, the students receive higher earnings and increase the productivity of the businesses that employ them. In FY 2022-23, CC alumni generated \$132.6 million in added income for the county economy, which is equivalent to supporting 1,897 jobs.

Total impact

CC added \$173.8 million in income to the Natrona County economy during the analysis year, equal to the sum of the operations spending impact, the student spending impact, and the alumni impact. For context, the \$173.8 million impact was equal to approximately 2.7% of the total gross regional product (GRP) of Natrona County.

CC's total impact can also be expressed in terms of jobs supported. The \$173.8 million impact supported 2,496 county jobs, using the jobs-to-sales ratios specific to each industry in the county. This means that one out of every 24 jobs in Natrona County is supported by the activities of CC and its students. In addition, the \$173.8 million, or 2,496 supported jobs, stemmed from different industry sectors. For instance, among non-education industry sectors, the spending of CC and its students and the activities of its alumni in the Health Care & Social Assistance industry sector supported 442 jobs in FY 2022-23. If the college did not exist, these impacts would not have been generated in Natrona County.

CC impacts by industry (jobs supported)



442

Health Care & Social Assistance



204

Government, Non-Education



165

Agriculture, Forestry, Fishing, & Hunting



160

Arts, Entertainment, & Recreation



152

Retail Trade

One out of every 24 jobs in Natrona County is supported by the activities of CC and its students.



Investment analysis



An investment analysis evaluates the costs associated with a proposed venture against its expected benefits. The analysis presented here evaluates CC as an investment from the perspectives of students and society in Wyoming. As with the economic impact analysis, this analysis considers only FY 2022-23 activities.

Student perspective



In FY 2022-23, CC served 4,619 credit and 2,260 non-credit students. In order to attend the college, the students paid for tuition, fees, books, and supplies. They also took out loans and will incur interest on those loans. Additionally, students gave up money they would have otherwise earned had they been working instead of attending college. The total investment made by CC's students in FY 2022-23 amounted to a present value of \$22.8 million, equal to \$10.3 million in out-of-pocket expenses (including future principal and interest on student loans) and \$12.5 million in forgone time and money.

In return for their investment, CC's students will receive a stream of higher future earnings that will continue to grow throughout their working lives. For example, the average CC associate degree graduate from FY 2022-23 will see annual earnings that are \$10,400 higher than a person with a high school diploma or equivalent working in Wyoming. Over a working lifetime, the benefits of an associate degree over a high school diploma will amount to an undiscounted value of \$416,000 in higher earnings per graduate. The present value of the cumulative higher future earnings that CC's FY 2022-23 students will receive over their working careers is \$127.2 million.

The students' benefit-cost ratio is 5.6. In other words, for every dollar students invest in CC in the form of out-of-pocket expenses and forgone time and money, they will receive a cumulative value of \$5.60 in higher future earnings. Annually, the students'

Students see a high rate of return for their investment in CC



Average annual return for CC students

20.6%



Stock market 30-year average annual return

10.1%



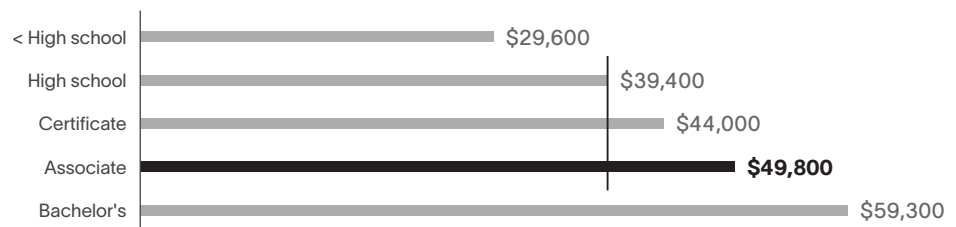
Interest earned on savings account (national deposit rate)

0.5%

Source: Forbes' S&P 500, 1994-2023; FDIC.gov, March 2023

Average earnings by education level at career midpoint

The average associate degree graduate from CC will see an increase in earnings of **\$10,400** each year compared to a person with a high school diploma or equivalent working in Wyoming.



Source: Lightcast employment data



investment in CC has an average annual internal rate of return of 20.6%, which is impressive compared to the U.S. stock market’s 30-year average rate of return of 10.1%.

Social perspective

 Society as a whole in Wyoming benefits from the presence of CC in two major ways. Primarily, society benefits from an increased economic base in the state. This is attributed to the added income from students’ increased lifetime earnings (added student income) and increased business output (added business income), which raise economic prosperity in Wyoming.

Benefits to society also consist of the savings generated by the improved lifestyles of CC students. As discussed in the previous section, education is statistically correlated with a variety of lifestyle changes that generate social savings. Note that these costs are avoided by the consumers but are distinct from the costs avoided by the taxpayers outlined above. Health care savings include avoided medical costs associated with smoking, obesity, substance abuse, and depression. Justice system savings include avoided costs to the government and society due to less judicial activity. Income assistance savings include reduced welfare and unemployment claims. For a list of study references, contact the college for a copy of the main report.

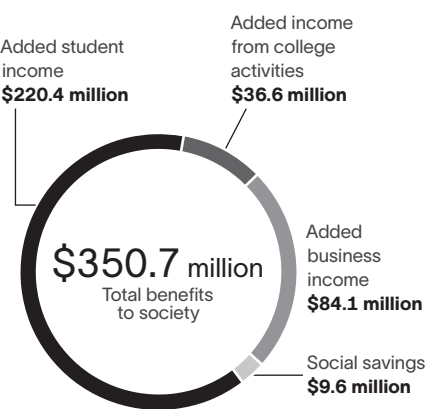
Altogether, the social benefits of CC equal a present value of \$350.7 million. These benefits include \$220.4 million in added student income, \$84.1 million in added business income, \$36.6 million in added income from college activities, as well as \$9.6 million in social savings related to health, the justice system, and income assistance in Wyoming. Furthermore, direct benefits to Wyoming’s tax base represent a present value of \$31.6 million of tax revenue growth, stemming from increased business output, and government savings, from a reduced demand for government-funded services in the state. People in Wyoming invested a present value total of \$68.4 million in CC in FY 2022-23. The cost includes all the college and student costs.

The benefit-cost ratio for society is 5.1, equal to the \$350.7 million in benefits divided by the \$68.4 million in costs. In other words, for every dollar invested in CC, people in Wyoming will receive a cumulative value of \$5.10 in benefits. The benefits of this investment will occur as long as CC FY 2022-23 students remain employed in the state workforce.

Summary of investment analysis results

The results of the analysis demonstrate that CC is a strong investment for students and society. As shown, students receive a great return for their investments in a CC education from the college. The benefits generated by the college and its students also directly benefit Wyoming’s tax base and create a wide range of social benefits throughout the state.

Social benefits in Wyoming from CC



Source: Lightcast impact model

Summary of investment analysis results

Student perspective	
Present value benefits	
\$127.2 million	
Present value costs	
\$22.8 million	
Net present value	
\$104.4 million	
Benefit-cost ratio	Rate of return
5.6	20.6%

Social perspective	
Present value benefits	
\$350.7 million	
Present value costs	
\$68.4 million	
Net present value	
\$282.3 million	
Benefit-cost ratio	Rate of return
5.1	n/a*

* The rate of return is not reported for the social perspective because the beneficiaries are not necessarily the same as the original investors.

Conclusion

*The results of this study demonstrate that CC creates value from **multiple perspectives**.*

The college benefits county businesses by increasing consumer spending in the county and supplying a steady flow of qualified, trained workers to the workforce. CC enriches the lives of students by raising their lifetime earnings and helping them achieve their individual potential. The college benefits state and local taxpayers through increased tax receipts and a reduced demand for government-supported social services. Finally, CC benefits society as a whole in Wyoming by creating a more prosperous economy and generating a variety of savings through the improved lifestyles of students.

About the study

Data and assumptions used in the study are based on several sources, including the FY 2022-23 academic and financial reports from CC, industry and employment data from the U.S. Bureau of Labor Statistics and U.S. Census Bureau, outputs of Lightcast's Multi-Regional Social Accounting Matrix model, and a variety of studies and surveys relating education to social behavior. The study applies a conservative methodology and follows standard practice using only the most recognized indicators of economic impact and investment effectiveness. For a full description of the data and approach used in the study, please contact the college for a copy of the main report.



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