LANE Community College (Lane) 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, Lane added $721.3 million in income to the Lane County economy, a value approximately equal to 4.2% of the county’s total gross regional product (GRP). Expressed in terms of jobs, Lane’s impact supported 10,777 jobs. For perspective, the activities of Lane and its students support one out of every 20 jobs in Lane County.

OPERATIONS SPENDING IMPACT

- Lane employed 1,331 full-time and part-time faculty and staff. Payroll amounted to $88.8 million, much of which was spent in the county for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another $37 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college’s operations spending added $109.1 million in income to the county economy in FY 2018-19.

STUDENT SPENDING IMPACT

- Around 10% of students attending Lane originated from outside the county. Some of these students relocated to Lane County. In addition, some in-county students, referred to as retained students, would have left Lane County for other educational opportunities if not for Lane. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at county businesses.
- The expenditures of relocated and retained students in FY 2018-19 added $29.1 million in income to the Lane County economy.
ALUMNI IMPACT

• Over the years, students have studied at Lane and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, hundreds of thousands of these former students are employed in Lane County.

• The net impact of Lane’s former students currently employed in the county workforce amounted to $583.1 million in added income in FY 2018-19.

Investment analysis

STUDENT PERSPECTIVE

• Lane’s FY 2018-19 students paid a present value of $43.9 million to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent $57.7 million in money that they would have earned had they been working instead of attending college.

• In return for their investment, students will receive $411.7 million in increased earnings over their working lives. This translates to a return of $4.10 in higher future earnings for every dollar students invest in their education. Students’ average annual rate of return is 19.7%.

TAXPAYER PERSPECTIVE

• Taxpayers provided Lane with $56.9 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 $153.6 million. A reduced demand for government-funded services in Oregon will add another $12.4 million in benefits to taxpayers.

• For every dollar of public money invested in Lane, taxpayers will receive $2.90 in return, over the course of students’ working lives. The average annual rate of return for taxpayers is 10.9%.

SOCIAL PERSPECTIVE

• In FY 2018-19, Oregon invested $191 million to support Lane. In turn, the Oregon economy will grow by $1.6 billion, over the course of students’ working lives. Society will also benefit from $34.5 million of public and private sector savings.

• For every dollar invested in Lane in FY 2018-19, people in Oregon will receive $8.40 in return, for as long as Lane’s FY 2018-19 students remain active in the state workforce.

FOR EVERY $1...

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

19.7%
Average annual return for Lane students

9.9%
Stock market 30-year average annual return

0.8%
Interest earned on savings account (National Rate Cap)