

# FACT SHEET

## Demonstrating the Value of Nova Scotia Community College

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*Nova Scotia Community College (NSCC) creates a positive impact on the provincial economy and generates value in return for the investments made by its major stakeholder groups—students, society, and taxpayers. Using a two-pronged approach that involves an economic impact analysis and an investment analysis, the study calculates the benefits to each of these groups. Results of the analysis reflect the 2012-13 analysis year.*

Income created by NSCC in  
2012-13

**\$162.7 million**

Effect of college  
operations

**\$3.8 million**

Effect of student  
spending

**\$1.2 billion**

Effect of student  
productivity

**\$1.4 billion**

Total effect

### IMPACT ON THE PROVINCIAL ECONOMY

During the analysis year, NSCC and its students added **\$1.4 billion** in income to Nova Scotia's economy, approximately equal to **3.7%** of the province's Gross Domestic Product. The economic impacts of NSCC break down as follows:

#### Impact of college operations

- NSCC employed 1,595 full-time equivalent (FTE) employees in 2012-13. Payroll amounted to **\$141.3 million**, a portion of which was spent in Nova Scotia to purchase groceries, clothing, and other household goods and services. The college spent another **\$62.2 million** to support its day-to-day operations.
- The net impact of college payroll and expenses in Nova Scotia during the analysis year was approximately **\$162.7 million** in added provincial income.

#### Impact of student spending

- Around **673** NSCC students (including international) relocated to Nova Scotia from outside of the province and spent money at local businesses to purchase groceries, rent accommodation, pay for transport, and so on.
- The expenditures of students who relocated to the province during the analysis year added approximately **\$3.8 million** in income to the economy.

#### Impact of student productivity

- Over the years, students have studied at NSCC and entered or re-entered the workforce with newly-acquired skills. Today thousands of these former students are employed in Nova Scotia.
- The accumulated contribution of former students currently employed

## Job equivalents based on income

Job equivalents are a measure of the median-wage jobs that a given amount of income can potentially support. They are calculated by dividing income by the median annual wages per worker in the province. Based on the added income created by NSCC, the job equivalents are as follows:

Effect of college operations =  
**3,967** job equivalents

Effect of student spending =  
**93** job equivalents

Effect of student productivity =  
**30,223** job equivalents

Overall, the added income created by NSCC and its students supported **34,283** median-wage job equivalents.

For every  
**\$1**  
spent...

**\$3.50**  
Returned in lifetime  
earnings for STUDENTS

**\$7.20**  
Returned in added provincial  
income and social savings  
for SOCIETY

**\$1.40**  
Returned in added taxes  
and public sector savings  
for TAXPAYERS

in the provincial workforce amounted to **\$1.2 billion** in added income during the analysis year.

## RETURN ON INVESTMENT TO STUDENTS, SOCIETY, AND TAXPAYERS

### Student perspective

- NSCC's 2012-13 students paid a total of **\$41.7 million** to cover the cost of tuition, fees, books, and supplies. They also forwent **\$156 million** in money that they would have earned had they been working instead of learning.
- In return for the monies invested in the college, students develop the skills required for an increasingly globalized workplace, receiving a present value of **\$698.8 million** in increased earnings over their working lives.
- Dividing benefits by costs yields a benefit-cost ratio of **\$3.50** in higher future income. In other words, students not only recover the cost of the original investment but also receive an additional **\$2.50** in benefits over and above every \$1 in costs.
- The average annual internal rate of return for students is **19.3%**.

### Social perspective

- Society as a whole in Nova Scotia will receive a present value of **\$1 billion** in added provincial income over the course of the students' working lives. Society will also benefit from **\$32.2 million** in present value social savings related to reduced crime, fewer demands for income assistance, and increased health and well-being across the province.
- For every dollar that provincial taxpayers spent on NSCC during the analysis year, society will receive a cumulative value of **\$7.20** in benefits, for as long as NSCC's 2012-13 students remain active in the provincial workforce.

### Taxpayer perspective

- In 2012-13, provincial taxpayers in Nova Scotia paid **\$148.7 million** to support the operations of NSCC. The net present value of the added tax revenue stemming from higher lifetime student earnings and increased output of businesses amounts to **\$196 million**. Savings to the public sector add another **\$12.7 million** in benefits due to a reduced demand for government-funded services in Nova Scotia.
- Dividing benefits to taxpayers by the associated costs yields a 1.4 benefit-cost ratio, i.e., every \$1 in costs returns **\$1.40** in benefits. The net return on investment thus comes to **\$0.40** in additional benefits over and above every \$1 in costs.
- The average annual internal rate of return for taxpayers is **6.2%**.