



The Economic Value of Assiniboine  
Community College to Manitoba

# EXECUTIVE SUMMARY



**A**SSINIBOINE Community College (Assiniboine) creates value in many ways. The college plays a key role in helping students increase their employability and achieve their individual potential. It draws students to the province, generating new dollars and opportunities for Manitoba. Assiniboine provides students with the education, training, and skills they need to have fulfilling and prosperous careers. Furthermore, Assiniboine is a place for students to meet new people, increase their self-confidence, and promote their overall health and well-being.

Assiniboine influences both the lives of its students and the provincial economy. The college supports a variety of industries in Manitoba, serves provincial businesses, and benefits the provincial government through increased tax revenues and public sector savings. The benefits created by Assiniboine even extend to society as a whole in Manitoba, which benefits from an expanded economy and improved quality of life.

This study measures the economic impacts created by Assiniboine on the business community and the benefits the college generates in return for the investments made by its key stakeholder groups—students, taxpayers, 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) 2018-19. Impacts on the Manitoba economy are reported under the economic impact analysis and are measured in terms of added income. The returns on investment to students, taxpayers, and society in Manitoba are reported under the investment analysis.

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# Economic impact analysis

Assiniboine promotes economic growth in Manitoba through its direct expenditures and the resulting expenditures from students and provincial businesses. The college serves as an employer and buyer of goods and services for its day-to-day operations. The college's activities attract students from outside Manitoba, whose expenditures benefit provincial vendors. In addition, Assiniboine is a primary source of post-secondary education to Manitoba residents and a supplier of trained workers to provincial industries, enhancing overall productivity in the provincial workforce.

## Operations spending impact



Assiniboine adds economic value to Manitoba as an employer of provincial residents and a large-scale buyer of goods and services. In FY 2018-19, the college employed faculty and staff equivalent to 345 full-time employees, all of whom lived in Manitoba. Total payroll at Assiniboine was \$34.1 million, much of which was spent in the province for groceries, mortgage and rent payments, dining out, and other household expenses. In addition, the college spent \$13.6 million on day-to-day expenses related to facilities, supplies, and professional services.

Assiniboine's day-to-day operations spending added \$36.1 million in income to the province during the analysis year. This figure represents the college's payroll, the multiplier effects generated by the in-province spending of the college and its employees, and a downward adjustment to account for funding that the college received from provincial sources. The \$36.1 million in added income is equivalent to supporting 356 jobs in the province.

## Student spending impact



Around 11% of students attending Assiniboine originated from outside the province in FY 2018-19, and many of these students relocated to Manitoba to attend Assiniboine. These students may not have come to the province if the college did not exist. In addition, some in-province students, referred to as retained students, would have left Manitoba if not for the existence of Assiniboine. While attending the college, these relocated and retained students spent money on groceries, accommodation, transportation, and other household expenses. This spending generated \$22.7 million in added income for the provincial economy in FY 2018-19, which supported 345 jobs in Manitoba.

IMPACTS CREATED BY  
ASSINIBOINE IN FY 2018-19



**\$36.1 million**  
Operations Spending Impact



**\$22.7 million**  
Student Spending Impact



**\$552.6 million**  
Alumni Impact



**\$611.5 million**  
**TOTAL IMPACT**

- OR -

**7,410**  
**JOBS SUPPORTED**

## Impact of international students

International students are an important part of the Assiniboine community. In FY 2018-19, Assiniboine served 582 international students, many of whom relocated to Manitoba. These students brought new money to the provincial economy through their spending on housing, food, and other living expenses. International student spending in FY 2018-19 generated \$6.1 million in added income for the provincial economy.

It is estimated that 40% of international students remain in the province after finishing their time at Assiniboine. Today, thousands of these students are employed in Manitoba, receiving higher earnings and increasing the productivity of the businesses that employ them. In FY 2018-19, these active alumni generated \$16.8 million in added income for the provincial economy.

## Alumni impact



The education and training Assiniboine provides for provincial residents has the greatest impact. Since its establishment, students have studied at Assiniboine and entered the provincial workforce with greater knowledge and new skills. Today, thousands of former Assiniboine students are employed in Manitoba. As a result of their Assiniboine educations, the students receive higher earnings and increase the productivity of the businesses that employ them. In FY 2018-19, Assiniboine alumni generated \$552.6 million in added income for the provincial economy, which is equivalent to supporting 6,709 jobs.

## Total impact

Assiniboine added \$611.5 million in income to the Manitoba 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 \$611.5 million impact was equal to approximately 0.9% of the total gross provincial product (GPP) of Manitoba. This contribution that the college provided on its own is nearly as large as the entire Arts, Entertainment, and Recreation industry in the province.

Assiniboine's total impact can also be expressed in terms of jobs supported. The \$611.5 million impact supported 7,410 provincial jobs, using the jobs-to-sales ratios specific to each industry in the province. This means that one out of every 96 jobs in Manitoba is supported by the activities of Assiniboine, its students, and alumni. In addition, the \$611.5 million, or 7,410 supported jobs, stemmed from different industry sectors. Among non-education industry sectors, Assiniboine's activity and alumni in the Health Care & Social Assistance industry sector supported 2,509 jobs in FY 2018-19. These are impacts that would not have been generated without the college's presence in Manitoba.

## TOP INDUSTRY IMPACTS (JOBS SUPPORTED)



2,509

Health Care & Social Assistance



1,080

Accommodation & Food Services



861

Public Administration



518

Retail Trade



312

Construction

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# Investment analysis

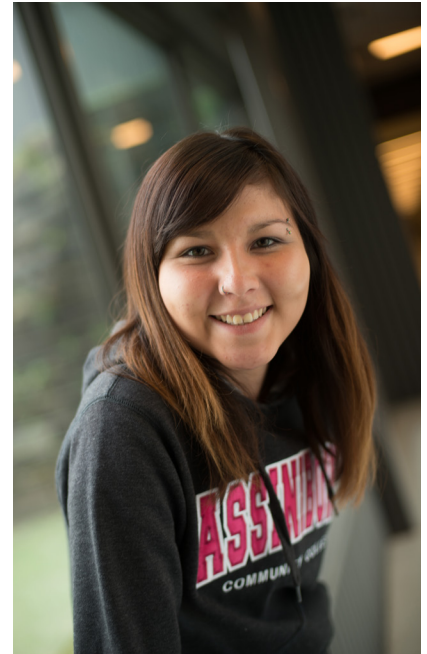
An investment analysis evaluates the costs associated with a proposed venture against its expected benefits. If the benefits outweigh the costs, then the investment is financially worthwhile. The analysis presented here considers Assiniboine as an investment from the perspectives of students, taxpayers, and society in Manitoba.

## Student perspective

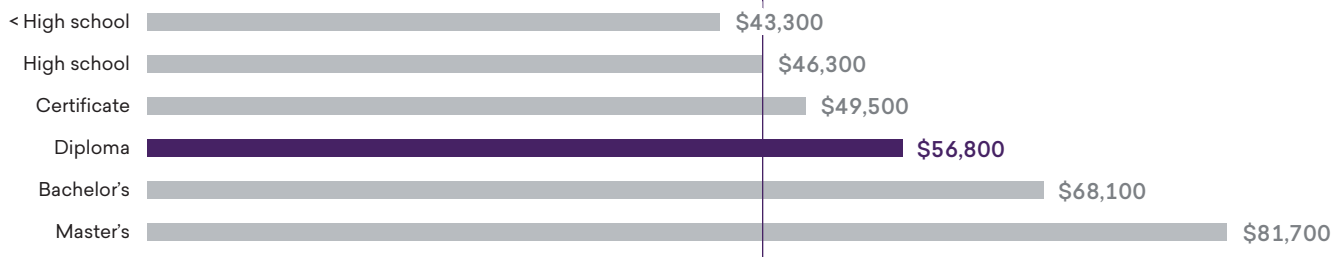


In FY 2018-19, Assiniboine served 4,011 credit and 5,123 non-credit students. In order to attend the college, the students paid for tuition, fees, books, and supplies. Additionally, students gave up money they would have otherwise earned had they been working instead of attending college. The total investment made by Assiniboine's students in FY 2018-19 amounted to a present value of \$83.6 million, equal to \$21.1 million in out-of-pocket expenses and \$62.5 million in forgone time and money.

In return for their investment, Assiniboine's students will receive a stream of higher future earnings that will continue to grow throughout their working lives. For example, the average Assiniboine diploma graduate from FY 2018-19 will see an increase in earnings of \$10,500 each year compared to a person with a high school diploma or equivalent working in Manitoba. Over a working lifetime, the benefits of the diploma over a high school diploma will amount to an undiscounted value of \$357 thousand in higher earnings per graduate. Altogether, Assiniboine's FY 2018-19 students will receive \$153 million in higher future earnings over their working lives, as a result of their education and training at Assiniboine.



The average diploma graduate from Assiniboine will see an increase in earnings of **\$10,500** each year compared to a person with a high school diploma or equivalent working in Manitoba.



Source: Derived from data supplied by Statistics Canada and the Emsi CRIO model.

The students' benefit-cost ratio is 1.8. In other words, for every dollar students invest in Assiniboine, in the form of out-of-pocket expenses and forgone time and money, they will receive a cumulative value of \$1.80 in higher future earnings. Annually, the students' investment in Assiniboine has an average annual internal rate of return of 13.4%.

## Taxpayer perspective



Assiniboine generates more in tax revenue than it takes. These benefits to taxpayers consist primarily of taxes that the provincial government will collect from the added revenue created in the province. As Assiniboine students earn more, they will make higher tax payments throughout their working lives. Students' employers will also make higher tax payments as they increase their output and purchases of goods and services. By the end of the FY 2018-19 students' working lives, the provincial government will have collected a present value of \$128.6 million in added tax revenue.

Benefits to taxpayers also consist of savings generated by the improved lifestyles of Assiniboine students and the corresponding reduced government services. Education is statistically correlated with a variety of lifestyle changes. Assiniboine generates taxpayer savings in three main categories: 1) healthcare, 2) crime, and 3) income assistance. Improved health will lower students' demand for health care services. In addition, students will be less likely to interact with the criminal justice system, resulting in a reduced demand for law enforcement and reduced victim costs. Assiniboine students will be more employable, so their reduced demand for income assistance such as welfare and unemployment benefits will benefit taxpayers. For a list of study references, contact the college for a copy of the main report. Altogether, the present value of the benefits associated with an Assiniboine education will generate \$4.8 million in savings to provincial taxpayers.

Total taxpayer benefits amount to \$133.4 million, the present value sum of the added taxes and public sector savings. Taxpayer costs are \$32.4 million, equal to the amount of provincial government funding Assiniboine received in FY 2018-19. These benefits and costs yield a benefit-cost ratio of 4.1. This means that for every dollar of public money invested in Assiniboine in FY 2018-19, taxpayers will receive a cumulative value of \$4.10 over the course of the students'

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### STUDENT PERSPECTIVE

\$153 million  
Present value benefits

\$83.6 million  
Present value costs

\$69.4 million  
Net present value

Benefit-cost ratio	Rate of return
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1.8

13.4%



### TAXPAYER PERSPECTIVE

\$133.4 million  
Present value benefits

\$32.4 million  
Present value costs

\$100.9 million  
Net present value

Benefit-cost ratio	Rate of return
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4.1

28.2%



### SOCIAL PERSPECTIVE

\$713 million  
Present value benefits

\$114.9 million  
Present value costs

\$598 million  
Net present value

Benefit-cost ratio	Rate of return
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6.2

n/a\*

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

working lives. The average annual internal rate of return for taxpayers is 28.2%, which compares favorably to other long-term investments in the public and private sectors.

### Social perspective



Society as a whole in Manitoba benefits from the presence of Assiniboine in two major ways. Primarily, society benefits from an increased economic base in the province. This is attributed to higher student earnings and increased business output, which raise economic prosperity in Manitoba.

Benefits to society also consist of the savings generated by the improved lifestyles of Assiniboine 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. Healthcare savings include avoided medical costs associated with smoking, alcohol dependence, obesity, and mental illness. Crime savings include reduced criminal justice system expenditures, lower victim costs, and increased productivity of individuals who are working rather than spending time in custody. Income assistance savings include the reduced demand for employment insurance benefits and employment-related social assistance. For a list of study references, contact the college for a copy of the main report.

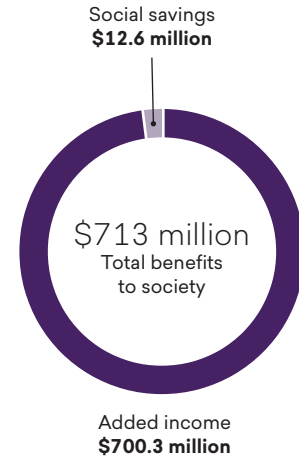
Altogether, the social benefits of Assiniboine equal a present value of \$713 million. These benefits include \$700.3 million in added income through students' increased lifetime earnings and increased business output, as well as \$12.6 million in social savings related to health, crime, and income assistance in Manitoba. People in Manitoba invested a present value total of \$114.9 million in Assiniboine in FY 2018-19. These costs include all college and student costs.

The benefit-cost ratio for society is 6.2, equal to the \$713 million in benefits divided by the \$114.9 million in costs. In other words, for every dollar invested in Assiniboine, people in Manitoba will receive a cumulative value of \$6.20 in benefits. The benefits of this investment will occur for as long as Assiniboine's FY 2018-19 students remain employed in the provincial workforce.

### Summary of investment analysis results

The results of the analysis demonstrate that Assiniboine is a strong investment for all three major stakeholder groups—students, taxpayers, and society. As shown, students receive a great return for their investments in an Assiniboine education. At the same time, taxpayers' investment in Assiniboine returns more to government budgets than it costs and creates a wide range of social benefits throughout Manitoba.

SOCIAL BENEFITS IN MANITOBA FROM ASSINIBOINE



# Conclusion

The results of this study demonstrate that Assiniboine creates value from multiple perspectives. The college benefits provincial businesses by increasing consumer spending in the province and supplying a steady flow of qualified, trained workers to the workforce. Assiniboine enriches the lives of students by raising their lifetime earnings and helping them achieve their individual potential. The college benefits provincial taxpayers through increased tax receipts and a reduced demand for government-supported social services. Finally, Assiniboine benefits society as a whole in Manitoba 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 2018-19 academic and financial reports from Assiniboine, industry and employment data from Statistics Canada, outputs of Emsi's Canadian Regional Input-Output model, and a variety of studies and surveys relating education to social behaviour. The study applies a conservative methodology and follows standard practice using only the most recognized indicators of investment effectiveness and economic impact. For a full description of the data and approach used in the study, please contact Assiniboine for a copy of the main report.

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