

The Economic Value of Tyler Junior College

Tyler Junior College (TJC) 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) 2022-23.

Economic impact analysis

In FY 2022-23, TJC added **\$560.0 million** in income to the TJC Service Area* economy, a value approximately equal to **2.8%** of the region's total gross regional product (GRP). Expressed in terms of jobs, TJC's impact supported **8,769 jobs**. For perspective, the activities of TJC and its students support **one out of every 27 jobs** in the TJC Service Area.

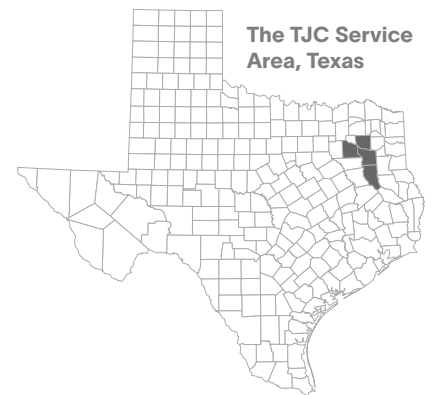
Operations spending impact

- TJC employed 1,208 full-time and part-time faculty and staff. Payroll amounted to \$63.7 million, much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$43.5 million on its day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$77.3 million** in income to the regional economy in FY 2022-23.

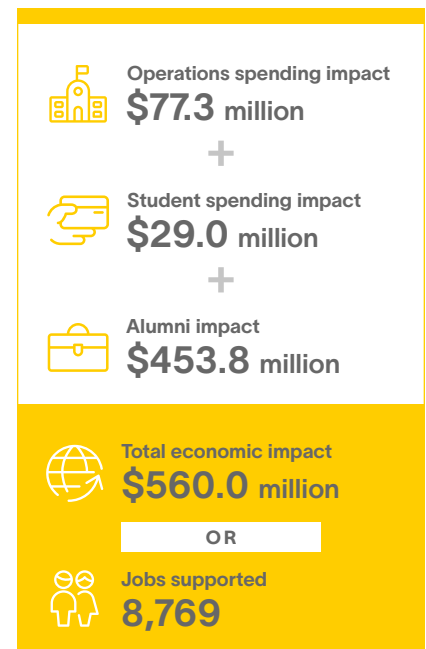
Student spending impact

- Around 28% of students attending TJC originated from outside the region. Some of these students relocated to the TJC Service Area. In addition, some in-region students, referred to as retained students, would have left the TJC Service Area for other educational opportunities if not for TJC. These relocated and retained

* For the purposes of this analysis, the TJC Service Area is comprised of Smith, Cherokee, Wood, and Van Zandt Counties.



Impacts created by TJC in FY 2022-23



students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.

- The expenditures of relocated and retained students in FY 2022-23 added **\$29.0 million** in income to the TJC Service Area economy.

Alumni impact

- Over the years, students have studied at TJC and entered or re-entered the workforce with newly acquired knowledge and skills. Today, thousands of these former students are employed in the TJC Service Area.
- The net impact of TJC's former students currently employed in the regional workforce amounted to **\$453.8 million** in added income in FY 2022-23.

Investment analysis

Student perspective

- TJC's FY 2022-23 students paid a present value of **\$28.3 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent a value of **\$9.2 million** in time and money had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of **\$318.2 million** in increased earnings over their working lives. This translates to a return of **\$8.50** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **26.0%**.

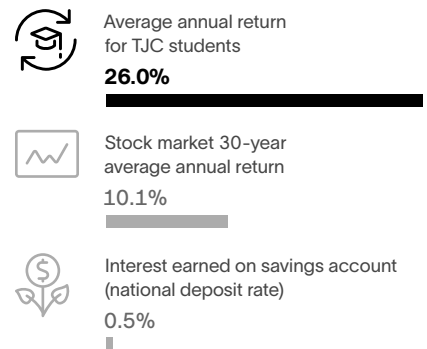
Taxpayer perspective

- Taxpayers provided TJC with **\$59.9 million** of funding in FY 2022-23. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$115.7 million**. A reduced demand for government-funded services in Texas will add another **\$11.2 million** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$126.9 million**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in TJC, taxpayers will receive **\$2.10** in return over the course of students' working lives. The average annual rate of return for taxpayers is **4.6%**.

Social perspective

- In FY 2022-23, Texas invested **\$127.3 million** to support TJC. In turn, the Texas economy will grow by **\$1.8 billion**, over the course of students' working lives. Society will also benefit from **\$32.8 million** of public and private sector savings.
- For every dollar invested in TJC in FY 2022-23, people in Texas will receive **\$14.40** in return, for as long as TJC's FY 2022-23 students remain active in the state workforce.

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



Source: Forbes' S&P 500, 1992-2021; FDIC.gov, 2-2022

