



The Economic Value of Lee College FACT SHEET

LEE College (Lee) 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, Lee added **\$492.7 million** in income to the Lee College Service Area* economy. Expressed in terms of jobs, Lee's impact supported **4,404 jobs**.

OPERATIONS SPENDING IMPACT

- Lee employed 748 full-time and part-time faculty and staff. Payroll amounted to \$41.5 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 \$14.3 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$41.3 million** in income to the regional economy in FY 2018-19.

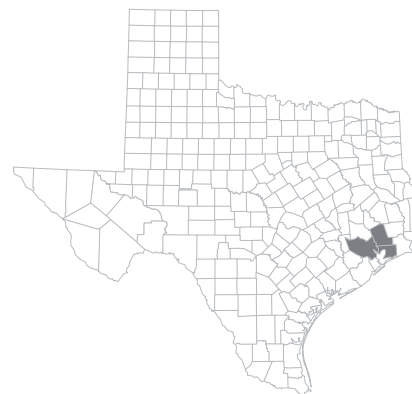
CONSTRUCTION SPENDING IMPACT

- Lee invests in construction each year to maintain its facilities, create additional capacities, and meet its growing educational demands, generating a short-term infusion of spending and jobs in the regional economy.
- The net impact of Lee's construction spending in FY 2018-19 was **\$2.6 million** in added income for the Lee College Service Area.

STUDENT SPENDING IMPACT

- Around 11% of students attending Lee originated from outside the region. Some of these students relocated to the Lee College Service Area. In addition, some in-region students, referred to as retained students, would

THE LEE COLLEGE SERVICE AREA



IMPACTS CREATED
BY LEE IN FY 2018-19



\$41.3 million
Operations Spending Impact



\$2.6 million
Construction Spending Impact



\$13.6 million
Student Spending Impact



\$435.2 million
Alumni Impact



\$492.7 million
TOTAL IMPACT

- OR -

4,404
JOBS SUPPORTED

* For the purposes of this analysis, the Lee College Service Area is comprised of Chambers, Harris, and Liberty Counties.



have left the Lee College Service Area for other educational opportunities if not for Lee. These relocated and retained 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 2018-19 added **\$13.6 million** in income to the Lee College Service Area economy.

ALUMNI IMPACT

- Over the years, students have studied at Lee and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in the Lee College Service Area.
- The net impact of Lee's former students currently employed in the regional workforce amounted to **\$435.2 million** in added income in FY 2018-19.

Investment analysis

STUDENT PERSPECTIVE

- Lee's FY 2018-19 students paid a present value of **\$17.7 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$80.8 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$332.4 million** in increased earnings over their working lives. This translates to a return of **\$3.40** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **14.7%**.

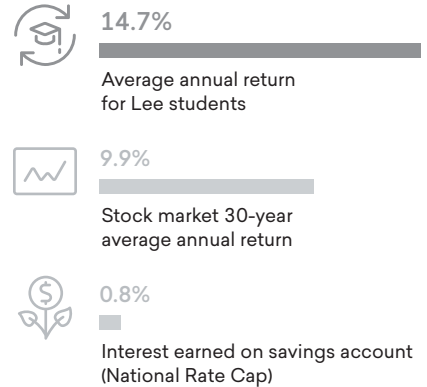
TAXPAYER PERSPECTIVE

- Taxpayers provided Lee with **\$45.8 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 **\$118.5 million**. A reduced demand for government-funded services in Texas will add another **\$7 million** in benefits to taxpayers.
- For every dollar of public money invested in Lee, taxpayers will receive **\$2.70** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **7.9%**.

SOCIAL PERSPECTIVE

- In FY 2018-19, Texas invested **\$148.8 million** to support Lee. In turn, the Texas economy will grow by **\$1.9 billion**, over the course of students' working lives. Society will also benefit from **\$21.1 million** of public and private sector savings.
- For every dollar invested in Lee in FY 2018-19, people in Texas will receive **\$12.80** in return, for as long as Lee's FY 2018-19 students remain active in the state workforce.

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



Source: Forbes' S&P 500, 1989-2018. FDIC.gov, 6-2019.



FOR EVERY \$1...



Students gain
\$3.40
in lifetime earnings



Taxpayers gain
\$2.70
in added tax revenue and public sector savings



Society gains
\$12.80
in added income and social savings

