

The Economic Value of North Florida College



North Florida College (NFC) 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) 2023-24.





Economic impact analysis

In FY 2023-24, NFC added **\$64.3 million** in income to the NFC Service Area* economy, a value approximately equal to **1.6%** of the region's total gross regional product (GRP). Expressed in terms of jobs, NFC's impact supported **998 jobs**. For perspective, the activities of NFC and its students support **one out of every 51 jobs** in the NFC Service Area.

Operations spending impact

- NFC employed 237 full-time and part-time faculty and staff. Payroll amounted to \$10.2 million, much of which was spent in the region on groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$9.3 million on its expenses related to facilities, supplies, and professional services .
- The net impact of the college's operations spending added **\$12.5 million** in income to the regional economy in FY 2023-24.

Student spending impact

- Around 13% of students attending NFC originated from outside the region. Some of these students relocated to the NFC Service Area. In addition, some in-region students, referred to as retained students, would have left the NFC Service Area for other educational opportunities if not for NFC. These retained students spent money on groceries, mortgage and rent payments, and other living expenses at businesses in the region.
- The expenditures of retained students in FY 2023-24 added **\$280.3 thousand** in income to the NFC Service Area economy.

Alumni impact

- Over the years, students have studied at NFC and entered or re-entered the workforce with newly acquired knowledge and skills. Today, thousands of these former students are employed in the NFC Service Area.
- The net impact of NFC's former students currently employed in the regional workforce amounted to **\$51.5 million** in added income in FY 2023-24.

Impacts created by NFC in FY 2023-24



Operations spending impact

\$12.5 million

+



Student spending impact

\$280.3 thousand

+



Alumni impact

\$51.5 million



Total economic impact

\$64.3 million

OR



Jobs supported

998

* For the purposes of this analysis, the NFC Service Area is comprised of Hamilton, Jefferson, Lafayette, Madison, Suwannee, and Taylor Counties.





Investment analysis

Student perspective

- NFC's FY 2023-24 students paid a present value of **\$2.0 million** to cover the cost of tuition, fees, and supplies. They also forwent a value of **\$1.6 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 **\$34.5 million** in increased earnings over their working lives. This translates to a return of **\$9.50** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **24.0%**.

Taxpayer perspective

- Taxpayers provided NFC with **\$13.1 million** of funding in FY 2023-24. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$9.6 million**. A reduced demand for government-funded services in Florida will add another **\$1.5 million** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$11.2 million**, the present value sum of the added tax revenue and public sector savings.

Social perspective

- In FY 2023-24, the college and its students experienced **\$22.4 million** in costs. In turn, the Florida economy will grow by **\$159.0 million** over the course of students' working lives. Society will also benefit from **\$4.6 million** of public and private sector savings.
- For every dollar it cost NFC and its students in FY 2023-24, people in Florida will receive **\$7.30** in return, for as long as NFC's FY 2023-24 students remain active in the state workforce.

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



Average annual return for NFC students

24.0%



Stock market 30-year average annual return

10.1%



Interest earned on savings account (national deposit rate)

0.5%

Source: Forbes' S&P 500, 1994-2023; FDIC.gov, March 2023

For every \$1...



Students gain in lifetime earnings

\$9.50



Society gains in added income and social savings

\$7.30



Taxpayers gain in added tax revenue and public sector savings

\$11.2 million

