



# FACT SHEET

## Durham College of Applied Arts and Technology

Durham College of Applied Arts and Technology (Durham College) 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) 2016-17.

### IMPACTS CREATED BY DURHAM COLLEGE IN FY 2016-17

ADDED INCOME	JOBS SUPPORTED
<b>\$153.8 million</b>	<b>2,320</b>
Operations spending impact	
<b>\$34.1 million</b>	<b>978</b>
Student spending impact	
<b>\$725.4 million</b>	<b>6,260</b>
Alumni impact	
<b>\$913.3 million</b>	<b>9,558</b>
Total impact	

### IMPACT ON BUSINESS COMMUNITY

During the analysis year, Durham College and its students added **\$913.3 million** in income to the Durham Region economy, approximately equal to **4.9%** of the region’s total gross regional product (GRP). By comparison, this impact from the college is nearly twice as large as the entire Transportation & Warehousing industry in the region. The economic impacts of Durham College break down as follows:

#### Operations spending impact

- Durham College employed 1,622 full-time equivalent (FTE) employees in FY 2016-17. Payroll amounted to \$105.2 million, a portion of which was spent in the Durham Region to purchase groceries, clothing, and other household goods and services. The college spent another \$62 million to support its day-to-day operations.
- The net impact of college payroll and expenses toward day-to-day operations in the Durham Region during the analysis year was approximately **\$153.8 million** in added regional income.

#### Student spending impact

- Around **7,620** students relocated to the Durham Region from outside of the region or outside of Canada to attend Durham College. In addition, a number of students would have left the region if not for Durham College. These relocated and retained students spent money at local businesses to purchase groceries, rent accommodation, and pay for transport.
- The expenditures of out-of-region and retained students during the analysis year added approximately **\$34.1 million** in income to the regional economy.

#### Alumni impact

- Over the years, students have studied at Durham College and entered or

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

**STUDENTS**

**\$5.30**

Gained in lifetime earnings for STUDENTS

**SOCIETY**

**\$17.90**

Gained in added provincial revenue and social savings for SOCIETY

**TAXPAYERS**

**\$16.00**

Gained in added taxes and public sector savings for TAXPAYERS



re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in the Durham Region.

- The accumulated contribution of former students currently employed in the regional workforce amounted to **\$725.4 million** in added income during the analysis year.

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

### Student perspective

- Durham College's FY 2016-17 students paid a total of **\$67.2 million** to cover the cost of tuition, fees, books, and supplies. They also forwent **\$214.2 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 will receive a present value of **\$1.5 billion** in increased earnings over their working lives. This translates to a return of **\$5.30** in higher future earnings for every \$1 that students invest in their education. The average annual return for students is **20.0%**.

### Social perspective

- Society as a whole in Ontario will receive a present value of **\$7.1 billion** in added provincial income over the course of the students' working lives. Society will also benefit from **\$43.2 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 \$1 that society spent on educations from Durham College during the analysis year, society as a whole will receive a cumulative value of **\$17.90** in benefits. This will occur for as long as Durham College's FY 2016-17 students remain active in the provincial workforce.

### Taxpayer perspective

- In FY 2016-17, provincial taxpayers in Ontario paid **\$73.4 million** to support the operations of Durham College. The net present value of the added tax revenue stemming from higher lifetime student earnings and increased output of businesses amounts to **\$1.2 billion**. Savings to the public sector add another **\$17.2 million** in benefits due to a reduced demand for government-funded social services in Ontario.
- Dividing benefits to taxpayers by the associated costs yields a 16.0 benefit-cost ratio, that is, every \$1 in costs returns **\$16.00** in benefits. Given returns well above what taxpayers pay in, Durham College not only pays its own way, but also generates a surplus that the provincial government can use to fund other programs.