

# The Economic Value of Georgian College's Midland Campus



Georgian College's Robbert Hartog Midland Campus 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) 2019-20.




## ECONOMIC IMPACT ANALYSIS

In FY 2019-20, the Midland Campus added **\$27.4 million** in income to the Simcoe County economy, a value approximately equal to **0.1%** of the county's total gross regional product (GRP). Expressed in terms of jobs, the Midland Campus' impact supported **358 county jobs**. By comparison, this impact from the campus is as large as the entire management of companies and enterprises industry in Simcoe County.

For the local economy, a service area consisting of the Town of Midland, the Midland Campus and its students added **\$5.4 million** in income, approximately equal to **0.6%** of the local region's total GRP and supporting **51 town jobs**. By comparison, this impact from the campus is larger than the entire utilities industry in the Town of Midland.

## OPERATIONS SPENDING IMPACT

- The Midland Campus employed 16 full-time equivalent employees in FY 2019-20. Payroll amounted to \$3 million, much of which was spent in the county for groceries, mortgage and rent payments, dining out, and other household expenses. The campus spent another \$789,200 on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the campus' operations spending added **\$4 million** in income to the county economy. The net impact of the campus' operations spending added **\$3.1 million** to the Town of Midland.

## STUDENT SPENDING IMPACT

- Around 9% of credit students attending the Midland Campus originated from outside the county in FY 2019-20, and some of these students relocated to Simcoe County to attend the Midland Campus. In addition, a number of local students would have left the county if not for the Midland Campus.
- These students spent money on groceries, mortgage and rent payments, and so on at county businesses. This spending in FY 2019-20 added **\$312,300** in income to the Simcoe County economy. For the Town of Midland, relocated and retained students added **\$144,100** in income to the local economy.

## ALUMNI IMPACT

- Over the years, students have studied at the Midland Campus and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, many of these former students are employed in Simcoe County.
- In FY 2019-20, the net impact of the Midland Campus' former students currently employed in the county workforce amounted to **\$23.1 million** in added income. For the Town of Midland, the net impact of the Midland Campus' former students currently employed in the workforce amounted to **\$2.1 million** in added income for the local economy.



## COUNTY IMPACTS CREATED BY THE MIDLAND CAMPUS IN FY 2019-20



Operations spending impact

**\$4 million**



Student spending impact

**\$0.3 million**



Alumni impact

**\$23.1 million**



TOTAL ECONOMIC IMPACT

**\$27.4 million**

OR

Jobs supported

**358**

## TOWN IMPACTS CREATED BY THE MIDLAND CAMPUS IN FY 2019-20



Operations spending impact

**\$3.1 million**



Student spending impact

**\$0.1 million**



Alumni impact

**\$2.1 million**



TOTAL ECONOMIC IMPACT

**\$5.4 million**

OR

Jobs supported

**51**



## INVESTMENT ANALYSIS

### STUDENT PERSPECTIVE

- The Midland Campus' FY 2019-20 students paid a present value of **\$1.2 million** to cover the cost of tuition, fees, and supplies. They also gave up **\$4.5 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$11.5 million** in increased earnings over their working lives. This translates to a return of **\$2** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **12.6%**.

### TAXPAYER PERSPECTIVE

- Provincial taxpayers provided the Midland Campus with **\$3.1 million** of funding in FY 2019-20. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$10.8 million**. A reduced demand for government-funded services in Ontario will add another **\$216,400** in benefits to taxpayers.
- For every dollar of public money invested in the Midland Campus, taxpayers will receive **\$3.60** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **14.1%**.

### SOCIAL PERSPECTIVE

- In FY 2019-20, society in Ontario invested **\$8.5 million** to support the Midland Campus, including all student and all college costs. In turn, the Ontario economy will grow by **\$68.3 million**, over the course of students' working lives. Society will also benefit from **\$528,500** in present value social savings related to reduced crime, reduced demand for income assistance, and increased health and well-being across the province.
- For every dollar invested in the Midland Campus in FY 2019-20, people in Ontario will receive **\$8.10** in return, for as long as the Midland Campus' FY 2019-20 students remain active in the provincial workforce.

#### For every \$1...



**Students** gain in lifetime earnings  
**\$2**



**Taxpayers** gain in added tax revenue and public sector savings  
**\$3.60**



**Society** gains in added income and social savings  
**\$8.10**

