

The Economic Value of Georgian College's Muskoka Campus



Georgian College's Muskoka 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 Muskoka Campus added **\$6 million** in income to the District Municipality of Muskoka economy, a value approximately equal to **0.2%** of the district's total gross regional product (GRP). Expressed in terms of jobs, the Muskoka Campus' impact supported **81 district jobs**.

For the local economy, a service area consisting of the Town of Bracebridge, the Muskoka Campus and its students added **\$2 million** in income, approximately equal to **0.3%** of the local region's GRP and supporting **23 town jobs**. By comparison, this impact from the campus is as large as the entire agriculture, forestry, fishing, and hunting industry in the Town of Bracebridge.



OPERATIONS SPENDING IMPACT

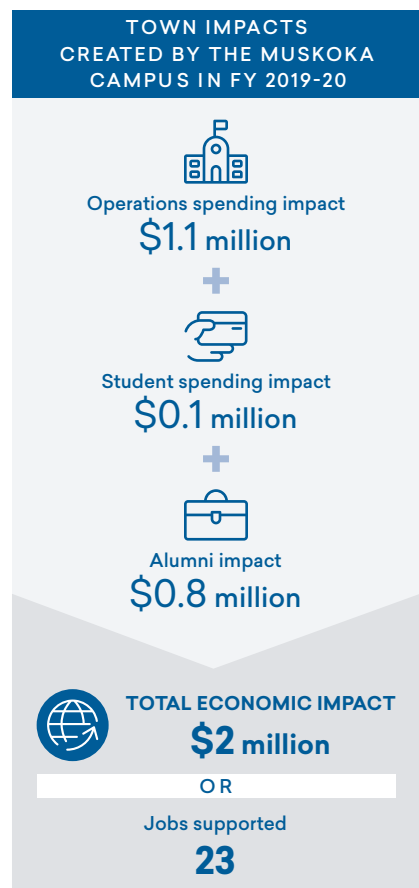
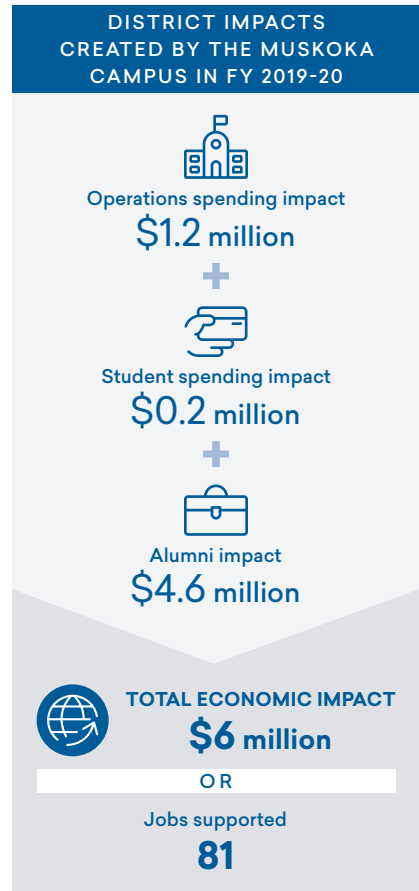
- The Muskoka Campus employed five full-time equivalent employees in FY 2019-20. Payroll amounted to \$840,000, much of which was spent in the district for groceries, mortgage and rent payments, dining out, and other household expenses. The campus spent another \$326,400 on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the campus' operations spending added **\$1.2 million** in income to the district economy. The net impact of the campus' operations spending added **\$1.1 million** to the Town of Bracebridge.

STUDENT SPENDING IMPACT

- Around 7% of credit students attending the Muskoka Campus originated from outside the district in FY 2019-20, and some of these students relocated to the District Municipality of Muskoka to attend the Muskoka Campus. In addition, a number of local students would have left the district if not for the Muskoka Campus.
- These students spent money on groceries, mortgage and rent payments, and so on at district businesses. This spending in FY 2019-20 added **\$151,000** in income to the District Municipality of Muskoka economy. For the Town of Bracebridge, relocated and retained students added **\$95,200** in income to the local economy.

ALUMNI IMPACT

- Over the years, students have studied at the Muskoka Campus and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, many of these former students are employed in the District Municipality of Muskoka.
- In FY 2019-20, the net impact of the Muskoka Campus' former students currently employed in the district workforce amounted to **\$4.6 million** in added income. For the Town of Bracebridge, the net impact of the Muskoka Campus' former students currently employed in the workforce amounted to **\$822,100** in added income for the local economy.





INVESTMENT ANALYSIS

STUDENT PERSPECTIVE

- The Muskoka Campus' FY 2019-20 students paid a present value of **\$298,600** to cover the cost of tuition, fees, and supplies. They also gave up **\$1.8 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$3.9 million** in increased earnings over their working lives. This translates to a return of **\$1.90** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **12.5%**.

TAXPAYER PERSPECTIVE

- Provincial taxpayers provided the Muskoka Campus with **\$937,400** 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 **\$2.7 million**. A reduced demand for government-funded services in Ontario will add another **\$82,200** in benefits to taxpayers.
- For every dollar of public money invested in the Muskoka Campus, taxpayers will receive **\$2.90** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **13.5%**.

SOCIAL PERSPECTIVE

- In FY 2019-20, society in Ontario invested **\$3.1 million** to support the Muskoka Campus, including all student and all college costs. In turn, the Ontario economy will grow by **\$18.8 million**, over the course of students' working lives. Society will also benefit from **\$204,600** 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 Muskoka Campus in FY 2019-20, people in Ontario will receive **\$6.10** in return, for as long as the Muskoka Campus' FY 2019-20 students remain active in the provincial workforce.

For every \$1...



Students gain in lifetime earnings
\$1.90



Taxpayers gain in added tax revenue and public sector savings
\$2.90



Society gains in added income and social savings
\$6.10

