

Both of my girls are just starting or about to start their professional working lives (and get off the family payroll!). While they are both excited and nervous about the rather harsh transition from college and part-time jobs to a fulltime job, they also have a lot of questions for Jen and me. It's the first time they have access to workplace benefits.

I have been peppered with questions about which of the health plans offered are the right ones for them, how does personal time off work, and where can one buy "cute" steel-toed shoes for visiting the loading dock. Yes, they do sell attractive steel-toed shoes, thank you internet. Some were under the Christmas tree this year.

They also asked about investing - specifically, retirement investing. I sure wish I had had a detailed conversation with my parents in my early 20s about investing. My mom was a single mother for much of my childhood and we lived very much hand-to-mouth as she worked several jobs to support my brother and me. There was little left for investing.

Money will be tight for my girls too as they just start out, but I told them the importance of early investment, due to the Magic of Compound Interest – how \$250 a month invested over their work life would equal over \$1 million when they retire at 67 - but only if they start now. They put in \$138,000 in principle in total over that 40-plus year period, and (abracadabra!) they get to spend \$1,000,000.

Putting in some and getting out a lot. That's the hope of anyone who invests in the stock market, bonds, new businesses, you name it.

At Neosho County Community College, we too know the importance of giving investors a good return on their investments. Students come to us and invest their time and money in the form of tuition dollars in exchange for the chance to make more down the road in a better-paying job.

Much has been said in recent years about the value of higher education and whether or not it is a good investment for students. You hear dramatic stories of students coming out of college in extreme debt to student loans and only getting a medium-salary job as a result. And while those stories may be true for some students who chose expensive institutions and careers that perhaps don't pay as well as others, is this true for NCCC students?

Beyond the investment from students, what about the state and local taxpayers? They are investing millions in the college here. Just what kind of returns are they getting for that investment? Is it worth it to have a college in our county?

Every four years or so we ask these questions ourselves. Are we providing value to the students, the taxpayers and the community in general? We want to make sure NCCC is spending its resources well and giving back to the service area and beyond with the maximum return it can.

To that end, NCCC and the other community colleges in Kansas commissioned an economic impact study of the community colleges in Kansas. As part of the statewide study, each of the colleges received an individual report of their impact on their service area and the surrounding counties. Our impact at NCCC doesn't just stop at the Neosho, Franklin and northern Anderson County lines, but bleeds over into the surrounding areas. For instance, we offer career and technical education classes in La Harpe and Lawrence. School districts from outside our service area send students to our CTE centers, our Adult

Basic Education program serves much of Eastern Kansas, and our TRiO grants serve many communities outside our taxing district.

This study was conducted by Lightcast using data from the institution as well as data from the state and federal governments. It looked at many factors, including resources received, jobs gained, opportunity costs, and improved quality of life. You can read the report yourself on our website –

www.neosho.edu/EconomicImpact.

I'll save you the 98-page read. NCCC does a terrific job on its return on investment for both the students and the taxpayers! The study looked at the 2021-2022 academic year and found that students invested about \$9.6 million that year. This figure included direct investment, such as tuition dollars and housing costs, but it also included time they missed working because they were in college. What does data show they will get in return for that large investment? About \$93.7 million in present value benefits. That's a 9.7 benefit-to-cost ratio, meaning for every \$1 they invested in their education at NCCC they will get back \$9.70 in return!

We all know that having a degree or an industry-recognized certificate usually gets you a better-paying job. Over a working lifetime, that equals a huge amount of money, like the \$250 a month invested by my girls. NCCC education is low-cost, already about 1/3 the cost of university tuition, but when you couple that with programs like Excell in CTE, the Kansas Promise Act, scores of scholarships we offer for academics, activities and athletics, and the Pell Grant, often students are paying much less than that. Sometimes even free! That equates into a good job with great pay at little or no cost to them.

The taxpayers are also seeing a great return on their investment as well. Here is where higher education excels over other types of social services. We all know we need things like roads and bridges, penitentiaries, child social services, etc. The services are vital to society to maintain our quality of lives. But while very much needed and incredibly important, they often don't generate new tax dollars. They cost tax money but often don't make a lot in return.

The product that colleges put out do create tax money. We take someone who might be on assistance themselves and give them the skills they need to get a better paying job. That higher salary results in higher taxes given to the state and the local governments. So we can help turn tax consumers into taxpayers or turn existing taxpayers into higher taxpayers.

In 2021-2022 NCCC took in \$10.7 million in state and local taxes. Thank you for this investment. Lightcast estimates that the college returned \$29.7 million in new taxes to the taxpayers that year! That is a benefit-to-cost ratio of 2.8, meaning for every \$1 generously given to us by the state and local taxpayers, we returned \$2.80 in increased tax dollars back to those areas. That's not bad. In fact, the statewide ratio for community colleges as a whole was 2.2. NCCC beat that ratio at 2.8 so we are way above average in returning money to our service area and beyond, even among the community colleges!

Not convinced yet? Look at this simple figure. The college receives \$5.7 million in local property taxes each year. And please allow me to say thank you again for your investment. But, about \$23 million flows through the college each year. Where did that extra \$17.3 million come from? We bring in money to the area from tuition, fees, large grants, donations, and federal and state appropriations. That money gets spent in our area on things like jobs, products, and services. In turn, our employees, students and visitors go out into the community buying and renting houses, eating out, getting gas, etc.

Lastly, there is the social perspective to consider. College-educated people with good jobs as a result of that education typically add to, not subtract from, society. There are very few college degree-recipients in prison for instance. They have health insurance so they are not using the ER for their family doctor then sticking us all with the bill. They are more likely to keep their jobs or if they lose their job to get a new one very quickly. They are much less likely to be on assistance than those without a college degree and their kids are more likely to get an education themselves. They live longer on the average than those without any college. Lightcast estimates that our service area and surrounding communities saves about \$246 million in value as a result of the improved life that comes through having a good education that results in a good job. NCCC is a big part of that.

It's difficult starting out in a new job and the first time you have significant earned money to not spend it. You want to fix up your house, or go on a vacation, or buy new clothes, to choose instead to park a good percentage of your take-home pay in your retirement account. It's hard to see at 21 what your needs will be at 67 and how an investment now means a big pay-off later. However, I hope you see how your investment in NCCC has resulting in better return on investment for students, taxpayers and society as a whole.

Thank you again for your investment in NCCC. I promise we will make the most of it.

If you have any questions or would like me to send you a copy of the study, just email me at binbody@neosho.edu.