Richland Community College’s Economic Impact

The Center for Governmental Studies at Northern Illinois University measured Richland Community College’s broad impact based on the educational and workforce training opportunities available to its eight-county district. NIU measured Richland’s direct contribution through employment and to the tax base; and other efforts that enhance economic development. “Economic impact” refers to the added economic value made possible by virtue of Richland’s presence. The study takes into consideration the number of jobs created, the value of goods and services generated, the amount by which its employees were compensated, and the amount of state and local taxes employees and graduates paid.

Richland Community College serves three integral educational purposes: it strengthens individuals’ foundational academic skills, offers occupation-specific education and training, and prepares students for transfer to four-year post-secondary institutions. These activities represent significant economic contributions by increasing workers’ earnings potential and generating additional tax revenues. Moreover, Richland Community College is among the largest employers in the area and generates substantial additional economic benefits for local communities through local expenditures and employment impacts.

This economic impact analysis of Richland Community College considers changes in student characteristics over a 12-year period, student outcomes, tax revenues generated, and economic impacts. Following are a number of significant findings from the analysis.

A 25-year-old Richland Community College program graduate can expect a total lifetime earnings gain of almost $317,000. This is a 24% increase over the $1.3 million average total lifetime earnings of those not completing a community college program.

These earning gains are realized with an average investment of about $29,000, including foregone earnings while in college. The annual rate of return on this initial investment in a Richland Community College degree is about 12.6%.

A Richland Community College education increases earnings for workers.
On average, all students who completed their Richland Community College education in FY11 saw a $4,200 increase in earnings over their pre-enrollment wages.

When looking at just completers in Associate of Applied Science and long-term certificate programs, the first year earnings increase was $10,146.

**Richland Community College graduates generate millions of dollars in local, state, and federal tax revenues.**

Richland Community College students who attended school in 2002 paid an estimated $103 million in state taxes and $337 million in federal taxes between 2003 and 2012.

Richland Community College students who graduated in 2002 paid an estimated $11 million in state taxes and $37 million in federal taxes over the next 10 years.

**As a major employer and business entity, Richland Community College generates millions of dollars in local sales and wages annually and over 1,500 jobs.**

In FY12, almost 1,200 full-time part-time staff lived in the district with a total payroll of almost $37 million.

In addition to wages and salaries, Richland Community College reported $69 million in operating and capital expenditures.

Including the multiplier effect, the total economic impact of Richland Community College on the regional economy in FY12 was estimated at $66.3 million and 1,516 jobs.