

# The Economic Value of John A. Logan College





**J**OHAN A. LOGAN COLLEGE (JALC) creates value in many ways. The college plays a key role in helping students increase their employability and achieve their individual potential. The college draws students to the region, generating new dollars and opportunities for the JALC District.<sup>1</sup> JALC provides students with the education, training, and skills they need to have fulfilling and prosperous careers. Furthermore, JALC is a place for students to meet new people, increase their self-confidence, and promote their overall health and well-being.

JALC influences both the lives of its students and the regional economy. The college supports a variety of industries in the JALC District, serves businesses in the region, and benefits society as a whole in Illinois from an expanded economy and improved quality of life. Additionally, the benefits created by JALC extend to the state and local government through increased tax revenues and public sector savings.

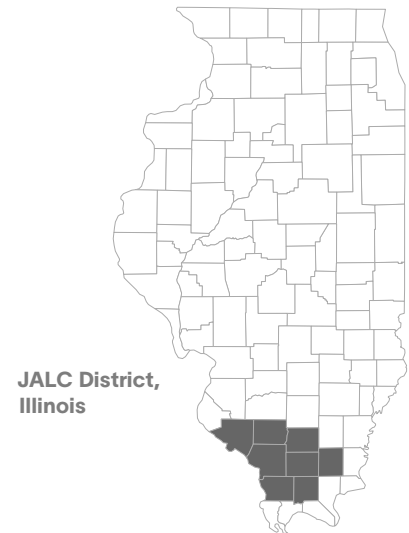
This study measures the economic impacts created by JALC on the business community and the benefits the college generates in return for the investments made by its key stakeholder groups—students, taxpayers, and society. The following two analyses are presented:

### Economic impact analysis

### Investment analysis

All results reflect employee, student, and financial data, provided by the Illinois Community College Board (ICCB) and the college, for fiscal year (FY) 2023-24. Impacts on the JALC District economy are reported under the economic impact analysis and are measured in terms of added income. The returns on investment to students, taxpayers, and society in Illinois are reported under the investment analysis.

<sup>1</sup> For the purposes of this analysis, the JALC District is comprised of 42 ZIP codes across Franklin, Jackson, Johnson, Perry, Randolph, Saline, Union, and Williamson Counties.



JALC influences both the **lives of its students** and the **regional economy**.



# Economic impact analysis

JALC promotes economic growth in the JALC District through its direct expenditures and the resulting expenditures of students and businesses in the region. The college serves as an employer and buyer of goods and services for its day-to-day and construction operations. The college's activities attract students from outside the JALC District, whose expenditures benefit regional vendors. In addition, JALC is one of the primary sources of higher education to the JALC District residents and a supplier of trained workers to regional industries, enhancing overall productivity in the regional workforce..

## Operations spending impact



JALC adds economic value to the JALC District as an employer of regional residents and a large-scale buyer of goods and services. In FY 2023-24, the college employed 381 full-time and part-time faculty and staff, 83% of whom lived in the JALC District. Total payroll at JALC was \$26.7 million, much of which was spent in the region on groceries, mortgage and rent payments, dining out, and other household expenses. In addition, the college spent \$17.4 million on expenses related to facilities, supplies, and professional services.

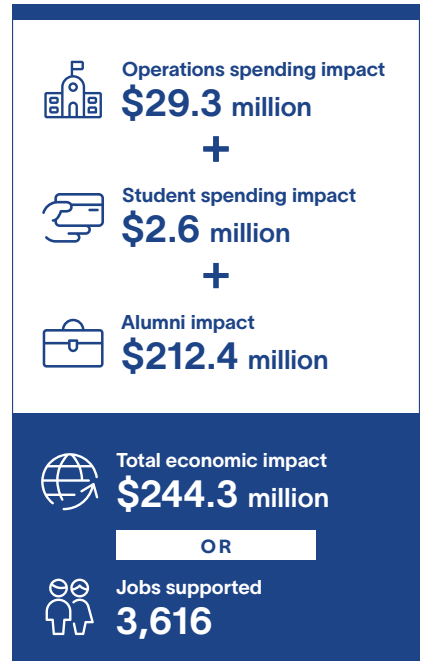
JALC's operations spending added \$29.3 million in income to the region during the analysis year. This figure represents the college's payroll, the multiplier effects generated by the in-region spending of the college and its employees, and a downward adjustment to account for funding that the college received from regional sources. The \$29.3 million in added income is equivalent to supporting 407 jobs in the region.

## Student spending impact



Around 13% of students attending JALC originated from outside the region in FY 2023-24, and some of these students relocated to the JALC District to attend JALC. These students may not have come to the region if the college did not exist. In addition, some in-region students, referred to as retained students, would have left the JALC District if not for the existence of JALC. While attending the college, these relocated and retained students spent money on groceries, accommodation, transportation, and other household expenses. This spending generated \$2.6 million in added income for the regional economy in FY 2023-24, which supported 46 jobs in the JALC District.

Impacts created by JALC in FY 2023-24



## Alumni impact



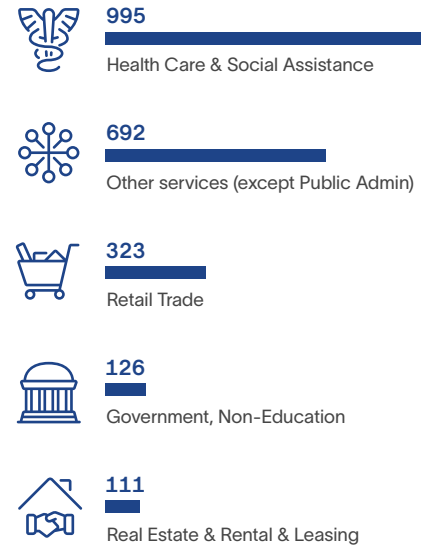
The education and training JALC provides for regional residents has the greatest impact. Since the establishment of the college, students have studied at JALC and entered the regional workforce with greater knowledge and new skills. Today, thousands of former JALC students are employed in the JALC District. As a result of their education from JALC, the students receive higher earnings and increase the productivity of the businesses that employ them. In FY 2023-24, JALC alumni generated \$212.4 million in added income for the regional economy, which is equivalent to supporting 3,163 jobs.

## Total impact

JALC added \$244.3 million in income to the JALC District economy during the analysis year, equal to the sum of the operations spending impact, the student spending impact, and the alumni impact. For context, the \$244.3 million impact was equal to approximately 2.9% of the total gross regional product (GRP) of the JALC District. This contribution that the college provided on its own is larger than the entire Transportation & Warehousing industry in the region.

JALC's total impact can also be expressed in terms of jobs supported. The \$244.3 million impact supported 3,616 regional jobs, using the jobs-to-sales ratios specific to each industry in the region. This means that one out of every 26 jobs in the JALC District is supported by the activities of JALC and its students. In addition, the \$244.3 million, or 3,616 supported jobs, stemmed from different industry sectors. For instance, among non-education industry sectors, the spending of JALC and its students and the activities of its alumni in the Health Care & Social Assistance industry sector supported 995 jobs in FY 2023-24. If the college did not exist, these impacts would not have been generated in the JALC District.

### JALC impacts by industry (jobs supported)



**One out of every 26 jobs** in the JALC District is supported by the activities of JALC and its students.





# Investment analysis

An investment analysis evaluates the costs associated with a proposed venture against its expected benefits. The analysis presented here evaluates JALC as an investment from the perspectives of students, taxpayers, and society in Illinois. As with the economic impact analysis, this analysis considers only FY 2023-24 activities..

## Student perspective



In FY 2023-24, JALC served 5,481 students. In order to attend the college, the students paid for tuition, fees, books, and supplies. They also gave up money they would have otherwise earned had they been working instead of attending college. The total investment made by JALC's students in FY 2023-24 amounted to a present value of \$10.4 million, equal to \$7.6 million in out-of-pocket expenses and \$2.8 million in forgone time and money.

In return for their investment, JALC's students will receive a stream of higher future earnings that will continue to grow throughout their working lives. For example, the average JALC associate degree graduate from FY 2023-24 will see annual earnings that are \$6,900 higher than a person with a high school diploma or equivalent working in Illinois. Over a working lifetime, the benefits of an associate degree over a high school diploma will amount to an undiscounted value of \$289,800 in higher earnings per graduate. The present value of the cumulative higher future earnings that JALC's FY 2023-24 students will receive over their working careers is \$72.3 million.

The students' benefit-cost ratio is 7.0. In other words, for every dollar students invest in JALC in the form of out-of-pocket expenses and forgone time and money, they will receive a cumulative value of \$7.00 in higher future earnings. Annually, the students' investment in JALC has an average annual internal rate of return of 19.5%, which is impressive compared to the U.S. stock market's 30-year average rate of return of 10.9%.

### Students see a high rate of return for their investment in JALC



Average annual return for JALC students  
**19.5%**



Stock market 30-year average annual return  
**10.9%**

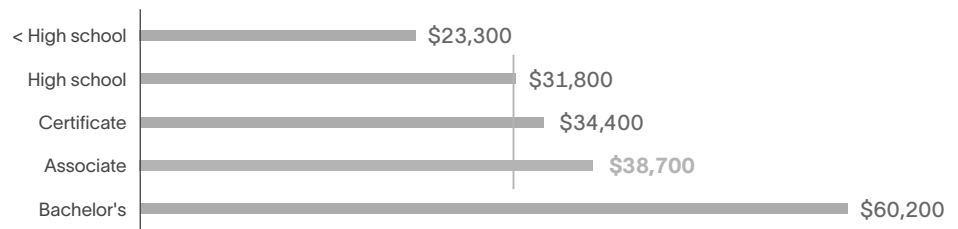


Interest earned on savings account (national deposit rate)  
**0.5%**

Source: Forbes' S&P 500, 1994-2025. FDIC.gov, January 2024.

### Average earnings by education level at career midpoint

The average associate degree graduate from JALC will see an increase in earnings of **\$6,900** each year compared to a person with a high school diploma or equivalent working in Illinois.



Source: Lightcast employment data

## Taxpayer perspective



Taxpayers invested \$36.5 million in the college in FY2023-24, equal to the amount of state and local government funding. In return, the college generates substantial benefits for taxpayers. These benefits to taxpayers consist primarily of taxes that the state and local government will collect from the added revenue created in the state. As JALC students will earn more, they will make higher tax payments throughout their working lives. Students' employers will also make higher tax payments as they increase their output and purchases of goods and services. By the end of the FY 2023-24 students' working lives, the state and local government will have collected a present value of \$25.1 million in added taxes.

Benefits to taxpayers will also consist of savings generated by the improved lifestyles of JALC students and the corresponding reduced government services. Education is statistically correlated with a variety of lifestyle changes. The education that JALC students receive will generate savings in three main categories: 1) health care, 2) justice system, and 3) income assistance. Improved health will lower students' demand for national health care services. In addition, costs related to the justice system will decrease. JALC students will be more employable, so their reduced demand for income assistance such as welfare and unemployment benefits will benefit taxpayers. For a list of study references, contact the college for a copy of the main report. Altogether, the present value of the benefits associated with an education from JALC will generate \$3.5 million in savings to state and local taxpayers.

Total taxpayer benefits amount to \$28.6 million, the present value sum of the added tax revenue and public sector savings.

Total taxpayer benefits amount to **\$28.6 million**, the present value sum of the added tax revenue and public sector savings.

## Social perspective

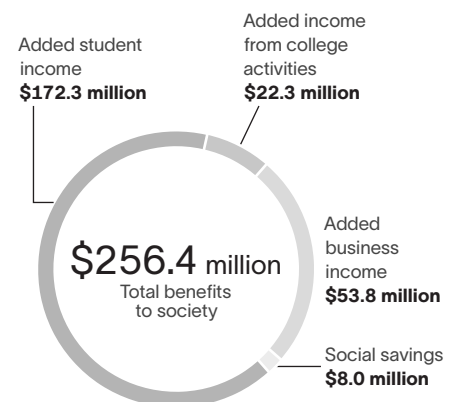


Society as a whole in Illinois benefits from the presence of JALC in two major ways. Primarily, society benefits from an increased economic base in the state. This is attributed to the added income from students' increased lifetime earnings (added student income) and increased business output (added business income), which raise economic prosperity in Illinois.

Benefits to society also consist of the savings generated by the improved lifestyles of JALC students. As discussed in the previous section, education is statistically correlated with a variety of lifestyle changes that generate social savings. Note that these costs are avoided by the consumers but are distinct from the costs avoided by the taxpayers outlined above. Health care savings include avoided medical costs associated with smoking, obesity, substance abuse, and depression. Justice system savings include avoided costs to the government and society due to less judicial activity. Income assistance savings include reduced welfare and unemployment claims. For a list of study references, contact the college for a copy of the main report.

Altogether, the social benefits of JALC equal a present value of \$256.4 million. These benefits include \$172.3 million in added student income, \$53.8 million in added busi-

### Social benefits in Illinois from JALC



Source: Lightcast impact model

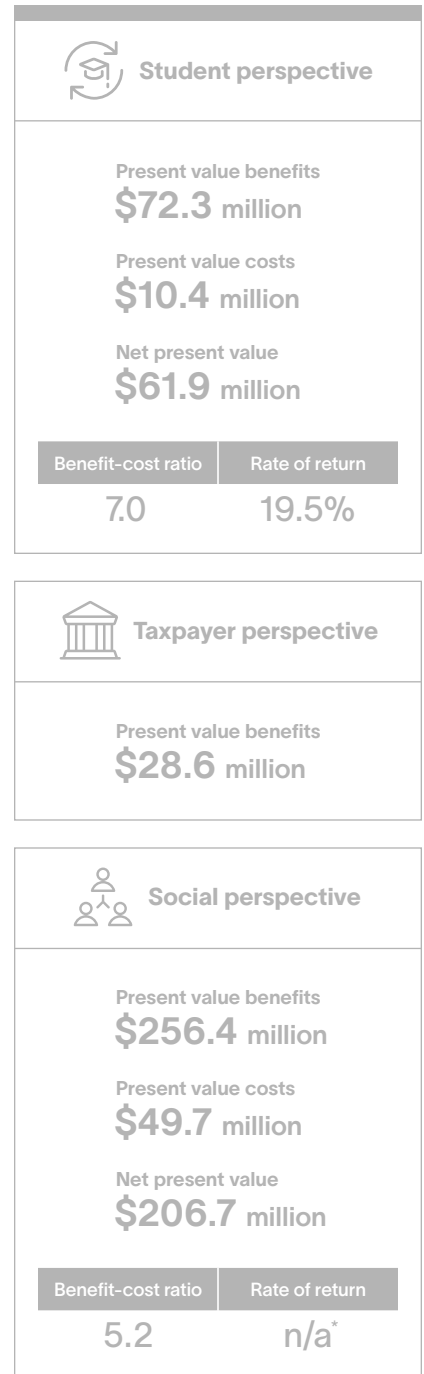
ness income, \$22.3 million in added income from college activities, as well as \$8.0 million in social savings related to health, the justice system, and income assistance in Illinois. People in Illinois invested a present value total of \$49.7 million in JALC in FY 2023-24. The cost includes all the college and student costs.

The benefit-cost ratio for society is 5.2, equal to the \$256.4 million in benefits divided by the \$49.7 million in costs. In other words, for every dollar invested in JALC, people in Illinois will receive a cumulative value of \$5.20 in benefits. The benefits of this investment will occur for as long as JALC's FY 2023-24 students remain employed in the state workforce.

## Summary of investment analysis results

The results of the analysis demonstrate that JALC is a strong investment for students and society. As shown, students receive a great return for their investments in an education from the college. From the taxpayer perspective, the benefits generated by the college and its students recover a significant portion of the costs borne by taxpayers and create a wide range of social benefits throughout Illinois.

### Summary of investment analysis results



\* The rate of return is not reported for the social perspective because the beneficiaries are not necessarily the same as the original investors.

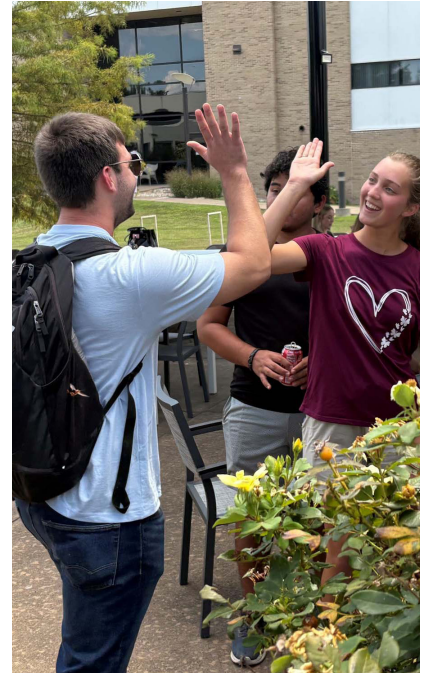
# Conclusion

*The results of this study demonstrate that JALC creates value from **multiple perspectives**.*

The results of this study demonstrate that JALC creates value from multiple perspectives. The college benefits businesses in the region by increasing consumer spending in the region and supplying a steady flow of qualified, trained workers to the workforce. JALC enriches the lives of students by raising their lifetime earnings and helping them achieve their individual potential. The college benefits state and local taxpayers through increased tax receipts and a reduced demand for government-supported social services. Finally, JALC benefits society as a whole in Illinois by creating a more prosperous economy and generating a variety of savings through the improved lifestyles of students.

## About the study

Data and assumptions used in the study are based on several sources, including the FY 2023-24 academic and financial reports from ICCB and JALC, industry and employment data from the U.S. Bureau of Labor Statistics and U.S. Census Bureau, outputs of Lightcast's Multi-Regional Social Accounting Matrix model, and a variety of studies and surveys relating education to social behavior. The study applies a conservative methodology and follows standard practice using only the most recognized indicators of economic impact and investment effectiveness. For a full description of the data and approach used in the study, please contact the college for a copy of the main report.



Lightcast provides colleges and universities with labor market data that help create better outcomes for students, businesses, and communities. Our data, which cover more than 99% of the U.S. workforce, are compiled from a wide variety of government sources, job postings, and online profiles and résumés. Hundreds of institutions use Lightcast to align programs with regional needs, drive enrollment, connect students with in-demand careers, track their alumni's employment outcomes, and demonstrate their institution's economic impact on their region. Visit [lightcast.io/solutions/education](https://lightcast.io/solutions/education) to learn more or connect with us.