

What role does West Cheshire College play in the economy? The results of this study demonstrate that West Cheshire College is a sound investment from multiple perspectives. Learners benefit from improved lifestyles and increased earnings. Taxpayers benefit from an enlarged economy and lower social costs. And the community as a whole benefits from increased job and investment opportunities, higher business revenues, greater availability of public funds, and an eased tax burden.

West Cheshire College stimulates the local economy

- The economy in Cheshire received roughly **£14.4 million in net income** due to West Cheshire College payroll and operations spending (after adjusting for leakage and monies withdrawn from the economy in support of the college).
- About 18% of West Cheshire College's learners either commuted or relocated to Cheshire to attend college, bringing monies that would not have otherwise entered the local economy. These learners spent a total of £12.4 million while attending, whether for books and supplies, rent, or other personal expenses. These expenditures generated roughly **£6.4 million in added regional income**.
- Since 1993 (when the college became independent from the local authorities), the skills and qualifications obtained at West Cheshire College have accumulated in the local workforce where former learners live and work. These added skills translate into higher earnings for learners and increased productivity for the businesses that employ them.
- The accumulated contribution of West Cheshire College's past and present learners in the local economy came to roughly **£96.3 million in added income** in FY 2005-06, including labour (i.e., earnings) and non-labour income (i.e., dividends, interests, and rents).

West Cheshire College accounted for £117.1 million in added income in FY 2005-06.

- In all, about **£117.1 million of total income in the current economy of Cheshire** is due to the past and present efforts of West Cheshire College and its learners. Clearly the college can be described as an engine of economic growth.

West Cheshire College leverages taxpayer funds

- The UK will avoid social costs amounting to **£99 per year for every qualification gained** by West Cheshire College learners — savings associated with improved health, reduced crime, and fewer income assistance claims.
- This translates to **£699,300 in social savings** to the Exchequer each year that learners are in the workforce.
- Learners benefit from higher earnings, thereby expanding the tax base and reducing the burden on taxpayers. In the aggregate, learners generate **£6.6 million annually in higher earnings** due to their West Cheshire College education.

West Cheshire College generates a return on investment

- The UK government allocated approximately **£17.6 million in support of West Cheshire College** in fiscal year 2005-06.
- For every pound allocated to West Cheshire College by government, taxpayers will see a **cumulative return of £2.90** over the course of the learners' working careers (in the form of higher tax receipts and avoided social costs).

West Cheshire College returns £2.90 for every pound of taxpayer financial support.

- The public will see a **rate of return of 17%** on their support for West Cheshire College, which compares favourably with private sector rates on similar long-term investments.

West Cheshire College increases learners' earning potential

- A total of **22,615 full and part time learners** attended the college in FY 2005-06.
- **As many as 96% of these learners stay in the UK** and contribute to the growth of the national economy after they leave college.
- Studies demonstrate that education increases lifetime earnings. **The average annual earnings of a learner with a Level 2 qualification are £19,600**, 23% more than someone without a formal qualification. **The average earnings of a learner with Level 3 qualification are £22,100**, 38% more than someone without a formal qualification.

Learners see a 12% annual rate of return on their educational investment.

- Throughout his or her working career, the average West Cheshire College learner's discounted lifetime earnings (i.e., future values expressed in present value terms) will increase **£2.10 for every pound invested** (in tuition fees and foregone wages while attending).
- Learners enjoy an **annual rate of return of 12%** on their West Cheshire College educational investment.