

# DEMONSTRATING THE VALUE OF *Reaseheath College*

## FACT SHEET

## ANALYSIS OF THE SOCIAL & ECONOMIC IMPACT OF LEARNING

### OVERVIEW

Reaseheath College has a significant positive impact on its main stakeholder groups: learners, society, taxpayers, and the local business community. Using a two-pronged approach that involves an investment analysis and a regional economic impact analysis, the model applied in this study calculates the benefits to each of these groups. This fact sheet presents the key findings.

## INVESTMENT ANALYSIS

### BENEFITS TO LEARNERS

- Learners as a whole paid a total of **£2.5 million** to cover the cost of tuition fees and books and supplies at Reaseheath College in 2012-13. All learners also forwent **£21.9 million** in earnings that they would have generated had they been working instead of learning.
- In return for the monies that learners invest in Reaseheath College (i.e., in the form of tuition fees and forgone earnings), they will receive a present value of **£178.1 million** in increased earnings over their working lives.
- Every £1 that learners pay for their education at Reaseheath College yields **£7.30** in higher future wages. This translates to a **18.9%** annual return on their investment.

### BENEFITS TO SOCIETY

- Society as a whole invested **£66.8 million** in Reaseheath College through direct outlays and the loss of potential output from learners who spent time at the College rather than working.
- In return, society in the UK will receive a present value of **£401.3 million** over the course of the learners' working lives, in the form of an expanded tax base and a variety of social benefits related to reduced crime, lower unemployment, and increased health and well-being.
- Society will receive **£6.00** in return for every £1 invested in Reaseheath College. The average annual return on investment is **18.4%**.

### BENEFITS TO TAXPAYERS

- Taxpayers in the UK paid **£16.7 million** to support the operations of Reaseheath College in 2012-13.
- The present value of the added tax revenue stemming from the learners' higher lifetime incomes and the increased output of businesses amounts to **£62.3 million** in benefits to taxpayers. Avoided costs to the public sector adds another **£6.4 million** in benefits due to a reduced demand for government-funded social services in the UK.

### FOR EVERY £1 SPENT

**£7.30**

Gained in lifetime higher earnings for learners

**£6.00**

Gained in added income and savings to society

**£4.10**

Gained in added tax receipts and avoided costs to taxpayers

- Taxpayers see an average annual return of **14.3%** on their investment in Reaseheath College. The corresponding benefit-cost ratio is **£4.10** in benefits returned for every £1 in costs.

## REGIONAL IMPACT ANALYSIS

### IMPACT OF STAFF & MEMBER COLLEGE EXPENDITURE

- Reaseheath College employed **590** full-time equivalent (FTE) staff in 2012-13. Staff costs amounted to **£14.1 million**, much of which was spent in Cheshire & Warrington to purchase groceries, clothing, and other household goods and services.
- The College is itself a buyer of goods and services and spent **£12.7 million** to support its operations in 2012-13. College expenditure further benefited many local suppliers in Cheshire & Warrington.
- The net impact of staff and College expenditure in Cheshire & Warrington comes to approximately **£19.6 million** in added income in the regional economy each year.

### IMPACT OF LEARNER EXPENDITURE

- Learners at Reaseheath College who relocate to Cheshire & Warrington from outside of the area spend money at local shops to buy books and supplies, purchase groceries, pay for transport, attend sporting events, and so forth.
- The expenditure of Reaseheath College's out-of-region learners annually adds approximately **£407.6 thousand** in income to Cheshire & Warrington's economy.

### IMPACT OF ADDED WORKFORCE SKILLS

- Many of Reaseheath Colleges' learners stay in Cheshire & Warrington. Their enhanced skills and abilities **bolster the output** of local employers, leading to higher regional income and a more robust economy.
- The accumulated contribution of former Reaseheath College learners who are currently employed in the regional workforce amounts to **£65.7 million** in added income in Cheshire & Warrington's economy each year.

### TOTAL IMPACT ON LOCAL BUSINESS COMMUNITY

- Altogether, the economic contribution of Reaseheath College to the local business community in Cheshire & Warrington is **£85.7 million** each year.
- Total added income created by Reaseheath College and its learners is approximately equal to **0.3%** of the total economic output of Cheshire & Warrington in 2012-13 and represents roughly **3,426** average wage jobs.

#### INCOME CREATED BY REASEHEATH COLLEGE

Impact of College and staff expenditure

**£19.6 MILLION**

Impact of non-local learner expenditure

**£407.6 THOUSAND**

Impact of added workforce skills

**£65.7 MILLION**

Total income created per year

**£85.7 MILLION**

**ABOUT EMSI** Economic Modelling Specialists International (EMSI) provides employment data and economic analysis via web tools and custom reports. The company has also produced more than 1,300 comprehensive impact analyses for colleges and universities in the UK, US, Canada, and Australia. Founded in 2000, EMSI is located in Moscow, Idaho with branch offices in the UK, and it serves education, economic, and workforce development institutions and organisations. Visit our website at [www.economicmodelling.co.uk](http://www.economicmodelling.co.uk) for more information.