

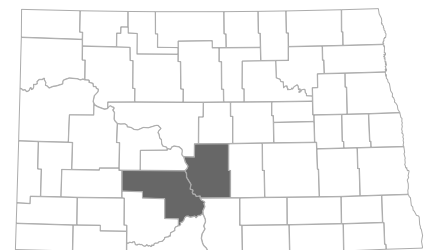
The Economic Value of United Tribes Technical College



The United Tribes Technical College (UTTC) creates a significant positive impact on the business community and generates a return on investment to its major stakeholder groups—students, taxpayers, and society. Using a two-pronged approach that involves an economic impact analysis and an investment analysis, this study calculates the benefits received by each of these groups. Results of the analysis reflect fiscal year (FY) 2022-23.

Economic impact analysis

In FY 2022-23, UTTC added **\$39.9 million** in income to the Bismarck/Mandan Area^{*} economy, a value approximately equal to **0.4%** of the region's total gross regional product (GRP). Expressed in terms of jobs, UTTC's impact supported **537 jobs**.



The Bismarck/Mandan Area, North Dakota

* For the purposes of this analysis, the Bismarck/Mandan Area is comprised of Burleigh and Morton Counties.

Operations spending impact

- UTTC employed 221 full-time and part-time faculty and staff. Payroll amounted to \$13.4 million, much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$21.8 million on its expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$21.8 million** in income to the regional economy in FY 2022-23.

Construction spending impact

- UTTC invests in capital projects each year to maintain its facilities, create additional capacities, and meet its growing educational demands, generating a short-term infusion of spending and jobs in the regional economy.
- The net impact of UTTC's construction spending in FY 2022-23 was **\$1.7 million** in added income for the Bismarck/Mandan Area.

Visitor spending impact

- Out-of-region visitors attracted to the Bismarck/Mandan Area for activities at UTTC brought new dollars to the economy through their spending at hotels, restaurants, gas stations, and other regional businesses.
- Visitor spending added approximately **\$1.8 million** in income to the Bismarck/Mandan Area economy.

Student spending impact

- Around 62% of credit students attending UTTC originated from outside the region. The majority of these students relocated to the Bismarck/Mandan Area. In addition, some in-region students, referred to as retained students, would have left the Bismarck/Mandan Area for other educational opportunities if not for UTTC. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.
- In-region students who would have remained in the Bismarck/Mandan Area even if the college had not existed spend more money in the region while attending college because of the federal scholarships and grants they received.
- The expenditures of these students in FY 2022-23 added **\$1.9 million** in income to the Bismarck/Mandan Area economy.

Volunteerism impact

- The work of UTTC's employee volunteers allows businesses and organizations to grow, increasing their output and impacting the economy at large. Using the value per volunteer hour for North Dakota, the work of UTTC employee volunteers is equivalent to \$115.0 thousand in earnings.
- In terms of actual impact to the regional economy, UTTC employee volunteers generated an impact of **\$91.2 thousand** in added income in FY 2022-23.

Impacts created by UTTC in FY 2022-23



Operations spending impact

\$21.8 million

+



Construction spending impact

\$1.7 million

+



Visitor spending impact

\$1.8 million

+



Student spending impact

\$1.9 million

+



Volunteerism impact

\$91.2 thousand

+



Alumni impact

\$12.6 million



Total economic impact

\$39.9 million

OR



Jobs supported

537



Alumni impact

- Over the years, students have studied at UTTC and entered or re-entered the workforce with newly acquired knowledge and skills. Today, thousands of these former students are employed in the Bismarck/Mandan Area.
- The net impact of UTTC former students currently employed in the regional workforce amounted to **\$12.6 million** in added income in FY 2022-23.

Investment analysis

Student perspective

- The UTTC FY 2022-23 students paid a present value of **\$4.2 million** to cover the cost of tuition, fees, and supplies. They also forwent a value of **\$3.5 million** in time and money had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of **\$34.1 million** in increased earnings over their working lives. This translates to a return of **\$4.40** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **18.0%**.

Taxpayer perspective

- Taxpayers provided UTTC with **\$40.6 million** of federal, state, and local funding in FY 2022-23. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$38.3 million**. A reduced demand for government-funded services will add another **\$3.8 million** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$42.1 million**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in UTTC, taxpayers will receive **\$1.04** in return over the course of students' working lives, fully recovering the cost of investment. The average annual rate of return for taxpayers is **0.9%**.
- At the state level, the added tax revenues and government savings created in North Dakota amount to **\$9.1 million** in benefits.

Social perspective

- In FY 2022-23, society invested **\$48.8 million** to support UTTC. In turn, the national economy will grow by **\$146.6 million**, over the course of students' working lives. Society will also benefit from **\$6.7 million** of public and private sector savings.
- For every dollar invested in UTTC in FY 2022-23, people across the U.S. will receive **\$3.10** in return, for as long as the UTTC FY 2022-23 students remain active in the workforce. This means that the benefits not only cover the cost of society's funding but generate a surplus of benefits for people in the U.S.

Students see a high rate of return for their investment in UTTC



Average annual return for UTTC students
18.0%



Stock market 30-year average annual return
10.1%



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

Source: Forbes' S&P 500, 1994-2023; FDIC.gov, March 2023

