

# The Economic Value of J. F. Ingram State Technical College



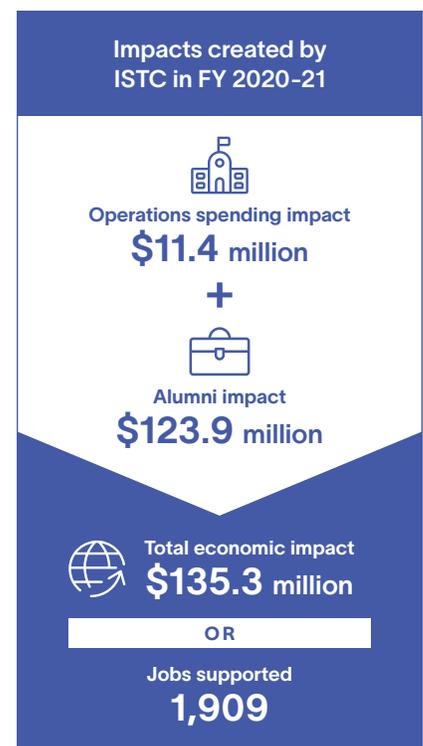
J. F. Ingram State Technical College (ISTC), a correctional education provider in the state of Alabama, creates a significant positive impact on the business community and generates a return on investment to its major stakeholder groups—students, taxpayers, and society. Using a two-pronged approach that 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) 2020-21.

## Economic impact analysis

In FY 2020-21, ISTC added **\$135.3 million** in income to the Alabama economy. Expressed in terms of jobs, ISTC's impact supported **1,909 jobs**.

### Operations spending impact

- ISTC employed 108 full-time and part-time faculty and staff. Payroll amounted to \$10 million, much of which was spent in the state for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$3.7 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$11.4 million** in income to the state economy in FY 2020-21.



## Alumni impact

- Over the years, students have studied at ISTC and entered or re-entered the workforce with newly-acquired knowledge and skills.\* Today, thousands of these former students are employed in Alabama.
- The net impact of ISTC's former students currently employed in the state workforce amounted to **\$123.9 million** in added income in FY 2020-21.

## Investment analysis

### Student perspective

- ISTC's FY 2020-21 students paid a present value of **\$449,200** to cover the cost of tuition, fees, and supplies.
- In return for their investment, students will receive a cumulative present value **\$59.4 million** in increased earnings over their working lives.

### Taxpayer perspective

- Taxpayers provided ISTC with **\$12.3 million** of funding in FY 2020-21. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$18.4 million**. A reduced demand for government-funded services in Alabama will add another **\$1.9 million** in benefits to taxpayers.
- For every dollar of public money invested in ISTC, taxpayers will receive **\$1.70** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **3.5%**.

### Social perspective

- In FY 2020-21, Alabama invested **\$14 million** to support ISTC. In turn, the Alabama economy will grow by **\$215 million**, over the course of students' working lives. Society will also benefit from **\$4.9 million** of public and private sector savings.
- For every dollar invested in ISTC in FY 2020-21, people in Alabama will receive **\$15.70** in return, for as long as ISTC's FY 2020-21 students remain active in the state workforce.



ALABAMA

#### In total...



Students gain in lifetime earnings

**\$59.4 million**

#### For every \$1...



Taxpayers gain in added tax revenue and public sector savings

**\$1.70**



Society gains in added income and social savings

**\$15.70**

\* Due to data limitations, the recidivism rate is not included in this analysis.

