Virginia Western Community College creates a significant positive impact on the business community and generates a return on investment to its major stakeholder groups—students, society, and taxpayers. Using a two-pronged approach that involves an economic impact analysis and an investment analysis, the study calculates the benefits to each of these groups. Results of the analysis reflect Fiscal Year (FY) 2012-13.

**IMPACT ON BUSINESS COMMUNITY**

During the analysis year, Virginia Western and its students added **$293.9 MILLION** in income to the Roanoke Valley economy, approximately equal to **2.2%** of the Gross Regional Product. The economic impacts of Virginia Western break down as follows:

**Operations spending impact**
- Virginia Western employed 683 full-time and part-time employees in FY 2012-13. Payroll amounted to **$26 MILLION**, much of which was spent in the Roanoke Valley to purchase groceries, clothing, and other household goods and services. The college spent another **$7.7 MILLION** to support its day-to-day operations.
- The net impact of college payroll and expenses in the Roanoke Valley during the analysis year was approximately **$31 MILLION** in added income.

**Alumni impact**
- Over the years, students have studied at Virginia Western and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in the Roanoke Valley. Note that dual enrollment students are excluded from the analysis.
- The accumulated contribution of former students currently employed in the state workforce amounted to **$262.9 MILLION** in added income during the analysis year.

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**INCOME CREATED BY VIRGINIA WESTERN IN FY 2012-13 (ADDED INCOME)**

<table>
<thead>
<tr>
<th><strong>$31 MILLION</strong></th>
<th>Operations spending impact</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$262.9 MILLION</strong></td>
<td>Alumni impact</td>
</tr>
<tr>
<td><strong>$293.9 MILLION</strong></td>
<td>Total impact</td>
</tr>
</tbody>
</table>

*This analysis excludes the additional economic impact of dual enrollment courses taught in local high schools.*
Student perspective

- Virginia Western’s 2012-13 students paid a total of $25.3 MILLION to cover the cost of tuition, fees, books, and supplies. They also forwent $65 MILLION in money that they would have earned had they been working instead of learning.

- In return for the monies invested in the college, students will receive a present value of $241.7 MILLION in increased earnings over their working lives. This translates to a return of $2.70 in higher future income for every $1 that students invest in their education. The average annual return for students is 12.6%.

Social perspective

- Society as a whole in Virginia will receive a present value of $737.4 MILLION in added state income over the course of the students’ working lives. Society will also benefit from $19.9 MILLION in present value social savings related to reduced crime, lower unemployment, and increased health and well-being across the state.

- For every dollar that society spent on Virginia Western educations during the analysis year, society will receive a cumulative value of $7.20 in benefits, for as long as the 2012-13 student population at Virginia Western remains active in the state workforce.

Taxpayer perspective

- In FY 2012-13, state and local taxpayers in Virginia paid $11.9 MILLION to support the operations of Virginia Western. The net present value of the added tax revenue stemming from the students’ higher lifetime incomes and the increased output of businesses amounts to $63.2 MILLION in benefits to taxpayers. Savings to the public sector add another $5 MILLION in benefits due to a reduced demand for government-funded services in Virginia.

- Dividing benefits to taxpayers by the associated costs yields a 5.7 benefit-cost ratio, i.e., every $1 in costs returns $5.70 in benefits. The average annual return on investment for taxpayers is 15.0%.

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**FOR EVERY $1 SPENT BY...**

| STUDENTS | $2.70  
Gained in lifetime income for STUDENTS |
| SOCIETY  | $7.20  
Gained in added state income and social savings for SOCIETY |
| TAXPAYERS| $5.70  
Gained in added taxes and public sector savings for TAXPAYERS |

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**JOBS BASED ON INCOME**

Job equivalents are a measure of the average-wage jobs that a given amount of income can potentially support. They are calculated by dividing income by the average income per worker in the state. Based on the added income created by Virginia Western, the job equivalents are as follows:

Operations spending impact = 722 job equivalents

Alumni impact = 6,123 job equivalents

Overall, the added income created by Virginia Western and its students supported 6,845 job equivalents.