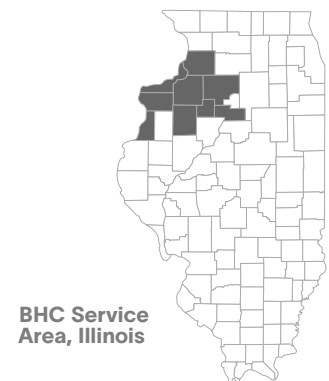


The Economic Value of Black Hawk College



Black Hawk College (BHC) 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) 2023-24.



Economic impact analysis

In FY 2023-24, BHC added **\$291.0 million** in income to the BHC Service Area economy, a value approximately equal to **1.4%** of the region's total gross regional product (GRP). Expressed in terms of jobs, BHC's impact supported **3,882 jobs**. For perspective, the activities of BHC and its students support **one out of every 50 jobs** in the BHC Service Area.

Operations spending impact

- BHC employed 595 full-time and part-time faculty and staff. Payroll amounted to \$28.1 million, much of which was spent in the region on groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$22.9 million on its expenses related to facilities, supplies, and professional services (excluding construction).
- The net impact of the college's operations spending added **\$25.9 million** in income to the regional economy in FY 2023-24.

Construction spending impact

- BHC 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 BHC's construction spending in FY 2023-24 was **\$7.6 million** in added income for the BHC Service Area.

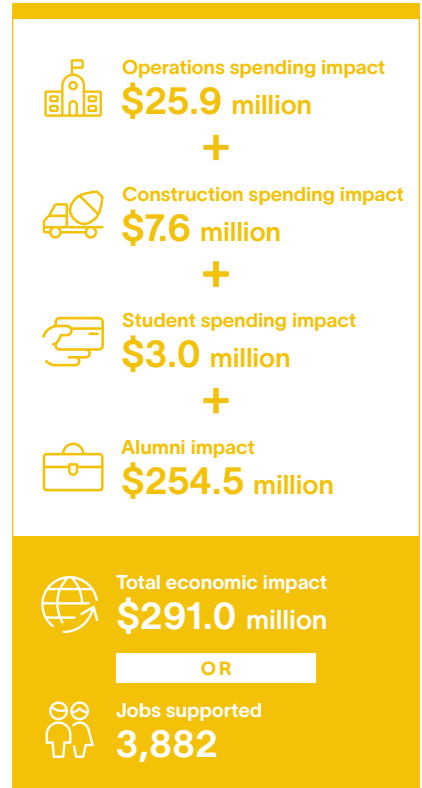
Student spending impact

- Around 6% of credit students attending BHC originated from outside the region. Some of these students relocated to the BHC Service Area. In addition, some in-region students, referred to as retained students, would have left the BHC Service Area for other educational opportunities if not for BHC. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at businesses in the region.
- The expenditures of relocated and retained students in FY 2023-24 added **\$3.0 million** in income to the BHC Service Area economy.

Alumni impact

- Over the years, students have studied at BHC and entered or re-entered the workforce with newly acquired knowledge and skills. Today, thousands of these former students are employed in the BHC Service Area.
- The net impact of BHC's former students currently employed in the regional workforce amounted to **\$254.5 million** in added income in FY 2023-24.

Impacts created by BHC in FY 2023-24



* For the purposes of this analysis, the BHC Service Area is comprised of Bureau, Henderson, Henry, Knox, Marshall, Mercer, Rock Island, Stark, and Whiteside Counties.

Investment analysis

Student perspective

- BHC's FY 2023-24 students paid a present value of **\$9.4 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent a value of **\$12.5 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 **\$77.7 million** in increased earnings over their working lives. This translates to a return of **\$3.50** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **12.7%**.

Taxpayer perspective

- Taxpayers provided BHC with **\$43.9 million** of funding in FY 2023-24. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$30.0 million**. A reduced demand for government-funded services in Illinois will add another **\$4.8 million** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$34.8 million**, the present value sum of the added tax revenue and public sector savings.

Social perspective

- In FY 2023-24, Illinois invested **\$101.2 million** to support BHC. In turn, the Illinois economy will grow by **\$307.6 million** over the course of students' working lives. Society will also benefit from **\$10.1 million** of public and private sector savings.
- For every dollar invested in BHC in FY 2023-24, people in Illinois will receive **\$3.10** in return, for as long as BHC's FY 2023-24 students remain active in the state workforce.

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



Average annual return for BHC students

12.7%



Stock market 30-year average annual return

10.9%



Interest earned on savings account (national deposit rate)

0.5%

Source: Forbes' S&P 500, 1994-2025.
FDIC.gov, January 2024.

