

The Economic Value of Ivy Tech Community College Terre Haute





IVY TECH COMMUNITY COLLEGE TERRE HAUTE (Ivy Tech Terre Haute or Campus) adds value by serving Hoosiers as students, businesses, taxpayers, and neighbours. The Campus plays a key role in helping students increase their employability and achieve their individual potential. The Campus retains students in the region, generating new dollars and opportunities for the Terre Haute Campus Service Region.¹ Ivy Tech Terre Haute provides students with the education, training, and skills they need to have fulfilling and prosperous careers. Furthermore, Ivy Tech Terre Haute is a place for students to meet new people, increase their self-confidence, and promote their overall health and well-being.

Ivy Tech Terre Haute influences both the lives of its students and the regional economy. The Campus supports a variety of industries in the Terre Haute Campus Service Region, serves businesses in the region, and benefits society as a whole in Indiana from an expanded economy and improved quality of life. Additionally, the benefits created by Ivy Tech Terre Haute extend to the state and local government through increased tax revenues and public sector savings.

This study measures the economic impacts created by Ivy Tech Terre Haute on the business community and the benefits the Campus generates in return for the investments made by its key stakeholder groups—students, taxpayers, and society. The following two analyses are presented:

 **Economic impact analysis**

 **Investment analysis**

All results reflect employee, student, and financial data, provided by Ivy Tech Community College, for fiscal year (FY) 2024-25. Impacts on the Terre Haute Campus Service Region economy are reported under the economic impact analysis and are measured in terms of added income. The returns on investment to students, taxpayers, and society in Indiana are reported under the investment analysis. When exploring the economic value of Ivy Tech Terre Haute, we consider the following hypothetical question: *How would economic activity change in the Terre Haute Campus Service Region if Ivy Tech Terre Haute did not exist in FY 2024-25?* Each of the economic impacts and returns on investment should be interpreted according to this hypothetical question.



The Terre Haute Campus Service Region, Indiana

Ivy Tech Terre Haute influences both the **lives of its students** and the **regional economy**.

¹ For the purposes of this analysis, the Terre Haute Campus Service Region is comprised of Clay, Parke, Putnam, Sullivan, Vermillion, and Vigo Counties.



Economic impact analysis

Ivy Tech Terre Haute promotes economic growth in the Terre Haute Campus Service Region through its direct expenditures and the resulting expenditures of students and businesses in the region. The Campus serves as an employer and buyer of goods and services for its day-to-day and construction operations. Activities at the Campus retain students in the Terre Haute Campus Service Region, whose expenditures benefit regional vendors. In addition, Ivy Tech Terre Haute is one of the primary sources of higher education to the Terre Haute Campus Service Region residents and a supplier of trained workers to regional industries, enhancing overall productivity in the regional workforce.

Operations spending impact



Ivy Tech Terre Haute adds economic value to the Terre Haute Campus Service Region as an employer of regional residents and a large-scale buyer of goods and services. In FY 2024-25, the Campus employed 370 full-time and part-time faculty and staff, 89% of whom lived in the Terre Haute Campus Service Region. Total payroll at Ivy Tech Terre Haute was \$21.2 million, much of which was spent in the region on groceries, mortgage and rent payments, dining out, and other household expenses. In addition, the Campus spent \$13.4 million on expenses related to facilities, supplies, and professional services (excluding construction).

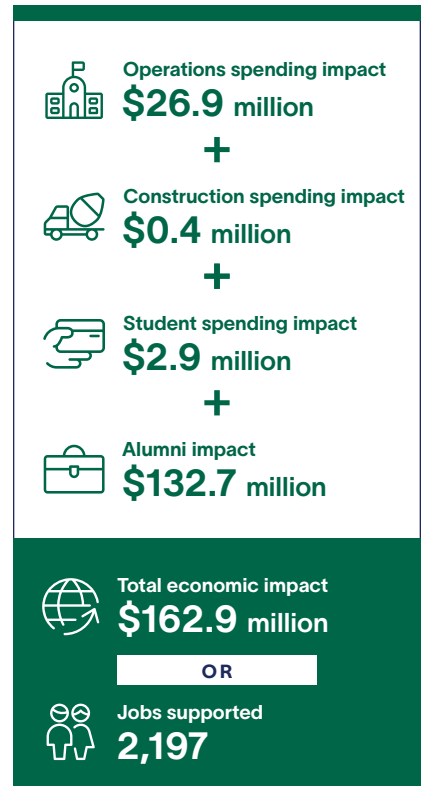
Ivy Tech Terre Haute's operations spending added **\$26.9 million** in income to the region during the analysis year. This figure represents payroll, the multiplier effects generated by the in-region spending of the Campus and its employees, and a downward adjustment to account for funding that the Campus received from regional sources. The \$26.9 million in added income is equivalent to supporting **423 jobs** in the region.²

Construction spending impact



Ivy Tech Terre Haute invests in capital projects each year to maintain its facilities, create additional capacities, and meet its growing educational demands. While the amount varies from year to year, these quick infusions of income and jobs have a substantial impact on the regional economy. In FY 2024-25, Ivy Tech Terre Haute's construction spending generated **\$420.3 thousand** in added income for the region, which is equivalent to supporting **five jobs**.

Impacts created by
Ivy Tech Terre Haute in FY 2024-25



² Using the jobs-to-sales ratios specific to each industry impacted in the state.



Student spending impact



If not for Ivy Tech Terre Haute, some in-region students, referred to as retained students, would have left the Terre Haute Campus Service Region for educational opportunities. While attending the Campus, these retained students contributed to the regional economy through groceries, accommodation, transportation, and other household expenses. This spending generated **\$2.9 million** in added income for the regional economy in FY 2024-25, which supported **52 jobs** in the Terre Haute Campus Service Region.

Alumni impact



The education and training Ivy Tech Terre Haute provides for regional residents has the greatest impact found in the added human capital of its alumni. Since the establishment of the Campus, students have studied at Ivy Tech Terre Haute and entered the regional workforce with greater knowledge and new skills. Today, thousands of former Ivy Tech Terre Haute students are employed in the Terre Haute Campus Service Region. As a result of their education from Ivy Tech Terre Haute, the students receive higher earnings and increase the productivity of the businesses that employ them. In FY 2024-25, Ivy Tech Terre Haute alumni contributed **\$132.7 million** in added income to the regional economy, which is equivalent to supporting **1,717 jobs**.

Total impact

Ivy Tech Terre Haute added **\$162.9 million** in income to the Terre Haute Campus Service Region economy during the analysis year, equal to the sum of the operations and construction spending impacts, the student spending impact, and the alumni impact. For context, the \$162.9 million impact was equal to approximately **1.6%** of the total gross regional product (GRP) of the Terre Haute Campus Service Region.

Ivy Tech Terre Haute's total impact can also be expressed in terms of jobs supported. The \$162.9 million impact supported **2,197 regional**. This means that one out of every 50 jobs in the Terre Haute Campus Service Region is supported by the activities of Ivy Tech Terre Haute and its students.

In addition, the \$162.9 million, or 2,197 supported jobs, stemmed from different industry sectors. For instance, the spending of Ivy Tech Terre Haute and its students and the employment of its alumni in the Health Care & Social Assistance industry sector supported 451 jobs in FY 2024-25. If the Campus did not exist, these impacts would not have been generated in the Terre Haute Campus Service Region.

Ivy Tech Terre Haute impacts by industry (jobs supported)



451

Health Care & Social Assistance



263

Retail Trade



141

Other Services (except Public Admin)



118

Government, Non-Education



105

Construction

One out of every 50 jobs in the Terre Haute Campus Service Region is supported by the activities of Ivy Tech Terre Haute and its students.



Investment analysis



An investment analysis evaluates the costs associated with a proposed venture against its expected benefits. The analysis presented here evaluates Ivy Tech Terre Haute as an investment from the perspectives of students, taxpayers, and society in Indiana. As with the economic impact analysis, this analysis considers only FY 2024-25 activities.

Student perspective



In FY 2024-25, Ivy Tech Terre Haute served 5,139 students.³ In order to attend college, the students paid for tuition, fees, books, and supplies. They also took out loans and will incur interest on those loans. Additionally, students gave up money they would have otherwise earned had they been working instead of attending college. The total investment made by Ivy Tech Terre Haute's students in FY 2024-25 amounted to a present value of \$24.7 million, equal to \$11.1 million in out-of-pocket expenses (including future principal and interest on student loans) and \$13.6 million in forgone time and money.

In return for their investment, Ivy Tech Terre Haute's students will receive a stream of higher future earnings that will continue to grow throughout their working lives. For example, the average Ivy Tech Terre Haute associate degree graduate from FY 2024-25 will see annual earnings that are \$10,400 higher than a person with a high school diploma or equivalent working in Indiana. Over a working lifetime, the benefits of an associate degree over a high school diploma will amount to an undiscounted value of \$426,400 in higher earnings per graduate. The present value⁴ of the cumulative higher future earnings that Ivy Tech Terre Haute's students enrolled in FY 2024-25 will receive over their working careers is \$120.5 million.

The students' benefit-cost ratio is 4.9. In other words, for every dollar students invest in Ivy Tech Terre Haute in the form of out-of-pocket expenses and forgone time and money, they will receive a cumulative

Students see a high rate of return for their investment in Ivy Tech Terre Haute



Average annual return for Ivy Tech Terre Haute students
17.6%



Stock market 30-year average annual return
10.9%



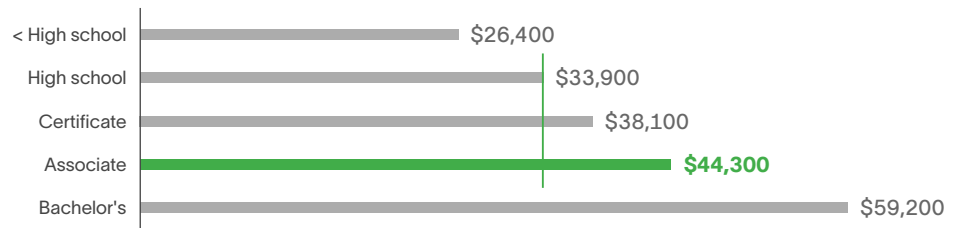
Interest earned on savings account (national deposit rate)
0.5%

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

For every dollar students invest in Ivy Tech Terre Haute in the form of out-of-pocket expenses and forgone time and money, they will receive a cumulative value of **\$4.90** in higher future earnings.

Average earnings by education level at career midpoint

The average associate degree graduate from Ivy Tech Terre Haute will see an increase in earnings of **\$10,400** each year compared to a person with a high school diploma or equivalent working in Indiana.



Source: Lightcast employment data

³ Dual-credit-courses taught by high school teachers are excluded from the analysis.

⁴ Present value accounts for the time value of money, or the preference for a dollar today over a dollar in the future, by applying a discount rate.



value of \$4.90 in higher future earnings. Annually, the students' investment in Ivy Tech Terre Haute has an average annual internal rate of return of 17.6%, which is impressive compared to the U.S. stock market's 30-year average rate of return of 10.9%.

Taxpayer perspective



Ivy Tech Terre Haute generates more in tax revenue than it receives. These benefits to taxpayers consist primarily of taxes that the state and local government will collect from the added revenue created in the state. As a result of their time at Ivy Tech Terre Haute, students earn more because of the skills they learned while attending, and businesses earn more because student skills make capital more productive (buildings, machinery, and everything else). This in turn raises profits and other business property income. By the end of the FY 2024-25 students' working lives, the state and local government will have collected a present value of \$29.0 million in added taxes.

Benefits to taxpayers will also consist of savings generated by the improved lifestyles of Ivy Tech Terre Haute students and the corresponding reduced government services. Education is statistically associated with a variety of lifestyle changes that generate social savings, also known as external or incidental benefits of education. These represent the avoided costs to the government that otherwise would have been drawn from public resources absent the education provided by Ivy Tech Terre Haute. The education that Ivy Tech Terre Haute students receive will generate savings in three main categories: 1) health care, 2) justice system, and 3) income assistance. Improved health will lower students' demand for national health care services. In addition, costs related to the justice system will decrease. Ivy Tech Terre Haute students will be more employable, so their reduced demand for income assistance such as welfare and unemployment benefits will benefit taxpayers. For a list of study references, contact the Ivy Tech Community College for a copy of the college-wide main report. Altogether, the present value of the benefits associated with an education from Ivy Tech Terre Haute will generate \$2.4 million in savings to state and local taxpayers.

Total taxpayer benefits amount to \$31.4 million, the present value sum of the added tax revenue and public sector savings. Taxpayer costs are \$20.9 million, equal to the amount of state and local government funding Ivy Tech Terre Haute received in FY 2024-25. These benefits and costs yield a benefit-cost ratio of 1.5, which means Ivy Tech Terre Haute is a good public investment since the taxes from student higher earnings and reduced government expenditures not only recover taxpayer costs but also grow the Indiana tax base. The average annual internal rate of return for taxpayers is 3.2%, means that Ivy Tech Terre Haute not only pays its own way but also generates a surplus that the state and local government can use to fund other programs.

For every dollar of public money invested in Ivy Tech Terre Haute, taxpayers will receive a cumulative value of **\$1.50** over the course of the students' working lives.

Social perspective



Society as a whole in Indiana benefits from the presence of Ivy Tech Terre Haute in two major ways. Primarily, society benefits from an increased economic base in the state. This is attributed to the added income from students' increased lifetime earnings (added student income) and increased business output (added business income), which raise economic prosperity in Indiana.



Benefits to society also consist of the savings generated by the improved lifestyles of Ivy Tech Terre Haute students. As discussed in the previous section, education is statistically correlated with a variety of lifestyle changes that generate social savings. Note that these costs are avoided by the consumers but are distinct from the costs avoided by the taxpayers outlined above. Health care savings include avoided medical costs associated with smoking, obesity, substance abuse, and depression. Justice system savings include avoided costs to the government and society due to less judicial activity. Income assistance savings include reduced welfare and unemployment claims. For a list of study references, contact Ivy Tech Community College for a copy of the college-wide main report.

Altogether, the social benefits of Ivy Tech Terre Haute equal a present value of \$431.5 million. These benefits include \$277.2 million in added student income, \$121.2 million in added business income, \$24.6 million in added income from Campus activities, as well as \$8.5 million in social savings related to health, the justice system, and income assistance in Indiana. People in Indiana invested a present value total of \$53.8 million in Ivy Tech Terre Haute in FY 2024-25. The cost includes all the Campus and student costs.

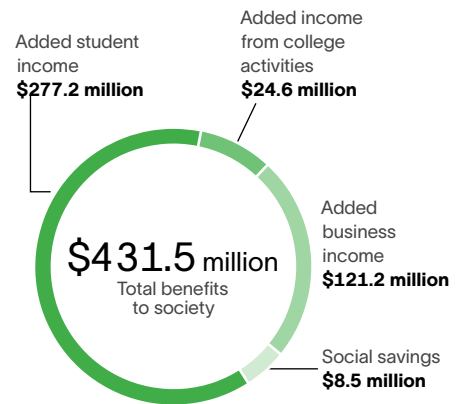
The benefit-cost ratio for society is 8.0, equal to the \$431.5 million in benefits divided by the \$53.8 million in costs. In other words, for every dollar invested in Ivy Tech Terre Haute, people in Indiana will receive a cumulative value of \$8.00 in benefits. The benefits of this investment will occur for as long as Ivy Tech Terre Haute's FY 2024-25 students remain employed in the state workforce.

Summary of investment analysis results

The results of the analysis demonstrate that Ivy Tech Terre Haute is a strong investment for all three major stakeholder groups—students, taxpayers, and society. As shown, students receive a great return for their investments in an education from Ivy Tech Terre Haute. At the same time, taxpayers' investment in Ivy Tech Terre Haute returns more to government budgets than it costs and creates a wide range of social benefits throughout Indiana.




For every dollar invested in Ivy Tech Terre Haute, people in Indiana will receive a cumulative value of **\$8.00** in benefits.

Social benefits in Indiana from Ivy Tech Terre Haute



Source: Lightcast impact model

Summary of investment analysis results

 Student perspective		 Taxpayer perspective		 Social perspective	
Present value benefits	\$120.5 million	Present value benefits	\$31.4 million	Present value benefits	\$431.5 million
Present value costs	\$24.7 million	Present value costs	\$20.9 million	Present value costs	\$53.8 million
Net present value	\$95.8 million	Net present value	\$10.6 million	Net present value	\$377.8 million
Benefit-cost ratio	4.9	Benefit-cost ratio	1.5	Benefit-cost ratio	8.0
Rate of return	17.6%	Rate of return	3.2%	Rate of return	n/a*

* The rate of return is not reported for the social perspective because the beneficiaries are not necessarily the same as the original investors.

Conclusion

*The results of this study demonstrate that Ivy Tech Terre Haute creates value from **multiple perspectives**.*

The results of this study demonstrate that Ivy Tech Terre Haute creates value from multiple perspectives. The Campus benefits businesses in the region by increasing consumer spending in the region and supplying a steady flow of qualified, trained workers to the workforce. Ivy Tech Terre Haute enriches the lives of students by raising their lifetime earnings and helping them achieve their individual potential. The Campus benefits state and local taxpayers through increased tax receipts and a reduced demand for government-supported social services. Finally, Ivy Tech Terre Haute benefits society as a whole in Indiana by creating a more prosperous economy and generating a variety of savings through the improved lifestyles of students.

About the study

Data and assumptions used in the study are based on several sources, including the FY 2024–25 academic and financial reports from Ivy Tech Community College, industry and employment data from the U.S. Bureau of Labor Statistics and U.S. Census Bureau, outputs of Lightcast’s Multi-Regional Social Accounting Matrix model, and a variety of studies and surveys relating education to social behavior. The study applies a conservative methodology and follows standard practice using only the most recognized indicators of economic impact and investment effectiveness. For a full description of the data and approach used in the study, please contact Ivy Tech Community College for a copy of the college-wide main report.



Lightcast provides colleges and universities with labor market data that help create better outcomes for students, businesses, and communities. Our data, which cover more than 99% of the U.S. workforce, are compiled from a wide variety of government sources, job postings, and online profiles and résumés. Hundreds of institutions use Lightcast to align programs with regional needs, drive enrollment, connect students with in-demand careers, track their alumni’s employment outcomes, and demonstrate their institution’s economic impact on their region. Visit lightcast.io/solutions/education to learn more or connect with us.