

May 19, 2021

Mayor Sandy Brown
Town of Orangeville
87 Broadway
Orangeville, ON L9W 1K1

Dear Mayor Brown:

I certainly hope this finds you and your family well. I write today to share the executive summary of our recent Economic Impact Analysis report. After reading the report, I'm certain that now, more than ever, we need Georgian graduates. They're the innovators and professionals who will play a vital role in the evolution and stabilization of our economy, as well as contributing citizens who will work to improve and strengthen our communities. I truly believe Georgian graduates will be the resilient leaders who define and influence a better future for us all.

This report was prepared by Economic Modeling Specialists (EMSI), a labour market analytics firm, that analyzes Georgian's economic impact for the 2019-20 year. It will come as no surprise to you as a valued stakeholder that Georgian significantly influences both the lives of our students and the local economy, and that many of our alumni choose to live and work near the college after they graduate – making an incredible difference in our region.

Overall, Georgian College contributes \$1.7 billion in income to the Central Ontario economy, approximately 5.3 per cent of the total gross regional product. This equates to 22,752 regional jobs, or one out of every 15 jobs in the Georgian catchment area. Our alumni alone generate \$1.4 billion in added income!

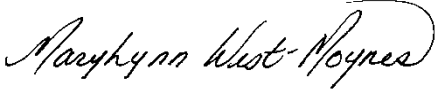
Along with the report, I've attached a fact sheet that outlines how our Orangeville Campus in particular creates a positive impact on the business community and generates a return on investment to students, taxpayers and society. We pride ourselves on being an access college and these results are proof that having multiple campus locations in our region is a benefit to our students and each of the communities we serve.

I'm deeply appreciative of your continued support and investment in Georgian. You play an important role in our students' success and I hope you are as proud of the results as I am.

Enjoy the read!

Be safe, stay well and choose kindness.

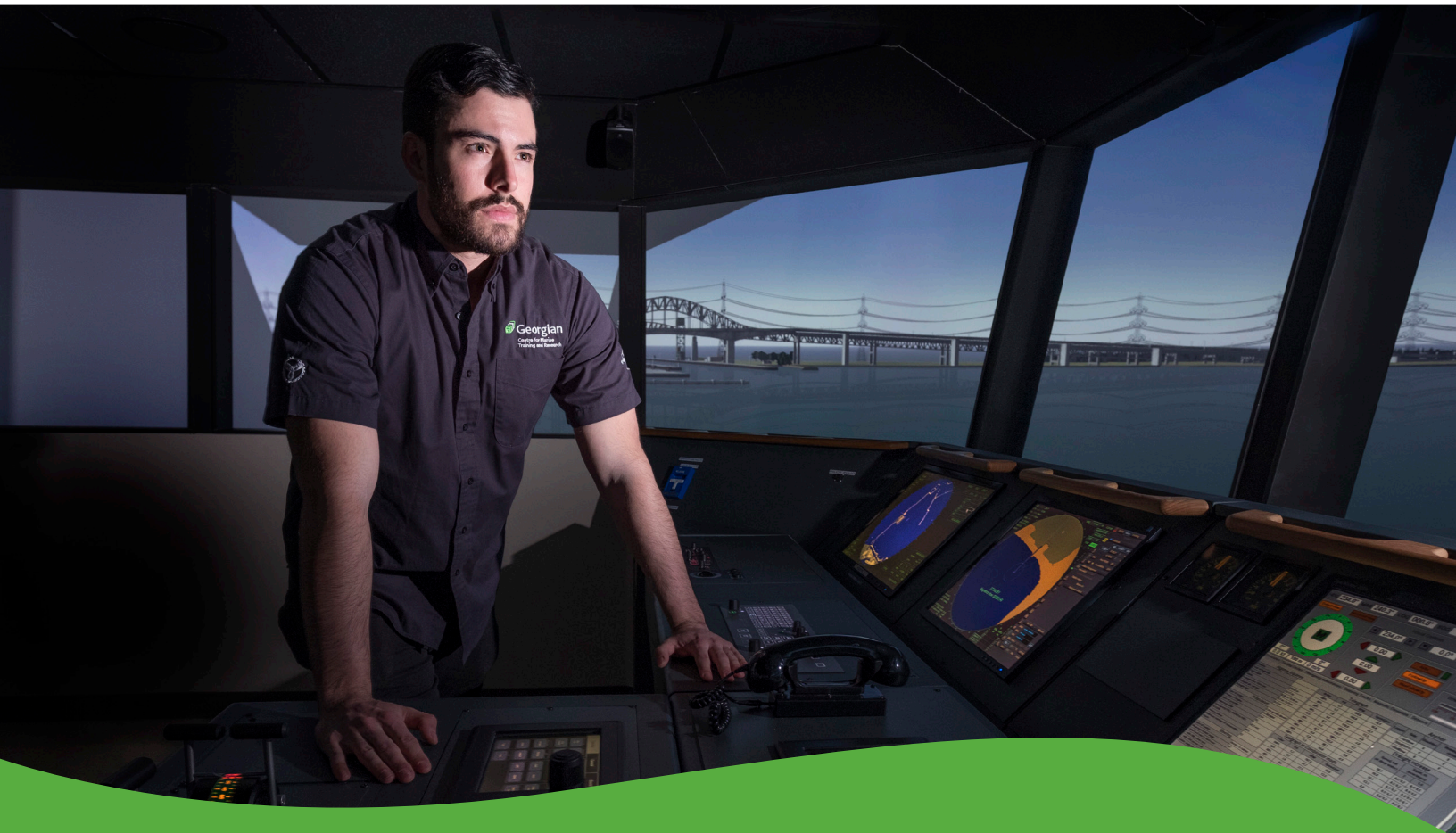
In gratitude,

A handwritten signature in black ink, reading "MaryLynn West-Moynes". The signature is written in a cursive, flowing style with a large loop at the end of the last name.

Dr. MaryLynn West-Moynes
President and CEO

Encl.

c: Brenda Burman, Campus Manager, Orangeville Campus and Centre for Career & Employment
Community Services



The Economic Value of Georgian College



GEORGIAN COLLEGE CREATES VALUE IN MANY WAYS.

The college plays a key role in helping students increase their employability and achieve their individual potential. It draws students to the region, generating new dollars and opportunities for the Georgian catchment area.* Georgian provides students with the education, training, and skills they need to have fulfilling and prosperous careers. Furthermore, Georgian is a place for students to meet new people, increase their self-confidence, and strengthen their overall health and well-being.

Georgian influences both the lives of its students and the regional economy. The college supports a variety of industries in the Georgian catchment area, serves regional businesses, and benefits the provincial government through increased tax revenues and public sector savings. The benefits created by Georgian even extend to society as a whole in Ontario, which benefits from an expanded economy and improved quality of life.

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



Georgian influences both the lives of its students and the regional economy.



Economic impact analysis



Investment analysis

All results reflect employee, student, and financial data, provided by the college, for fiscal year (FY) 2019-20. Impacts on the Georgian catchment area 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 Ontario are reported under the investment analysis.

* For the purposes of this report, the Georgian catchment area consists of Bruce County, Dufferin County, Grey County, Simcoe County, and the District Municipality of Muskoka in Ontario.

ECONOMIC IMPACT ANALYSIS



Georgian promotes economic growth in the Georgian catchment area through its direct expenditures and the resulting expenditures of students and regional businesses. The college serves as an employer and buyer of goods and services for its day-to-day operations. The college's activities attract students from outside the Georgian catchment area, whose expenditures benefit regional vendors. In addition, Georgian is a primary source of postsecondary education to Georgian catchment area residents and a supplier of trained workers to regional industries, enhancing overall productivity in the regional workforce.

Operations spending impact



Georgian adds economic value to the Georgian catchment area as an employer of regional residents and a large-scale buyer of goods and services. In FY 2019-20, the college employed faculty and staff equivalent to 1,247 full-time employees, 93% of whom lived in the Georgian catchment area. Total payroll at Georgian was \$141.4 million, much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. In addition, the college spent \$75.6 million on day-to-day expenses related to facilities, supplies, and professional services.

Georgian's day-to-day operations spending added \$202.9 million in income to the region during the analysis year. This figure represents the college's payroll, the multiplier effects generated by the in-region spending of the college and its employees, and a downward adjustment to account for funding that the college received from regional sources. The \$202.9 million in added income is equivalent to supporting 2,043 jobs in the region.

Student spending impact



Around 36% of credit students attending Georgian originated from outside the region in FY 2019-20, and some of these students relocated to the Georgian catchment area to attend Georgian. These students may not have come to the region if the college did not exist. In addition, some in-region students, referred to as retained students, would have left the Georgian catchment area if not for the existence of Georgian. While attending the college, these relocated and retained students spent money on groceries, accommodation, transportation, and other household expenses. This spending generated \$64.4 million in added income for the regional economy in FY 2019-20, which supported 1,447 jobs in the Georgian catchment area.

IMPACTS CREATED BY GEORGIAN IN FY 2019-20



Operations spending impact

\$202.9 million



Student spending impact

\$64.4 million



Alumni impact

\$1.4 billion



TOTAL ECONOMIC IMPACT

\$1.7 billion

OR

Jobs supported

22,752

Alumni impact



The education and training Georgian provides for regional residents has the greatest impact. Since its establishment, students have studied at Georgian and entered the regional workforce with greater knowledge and new skills. Today, thousands of former Georgian students are employed in the Georgian catchment area. As a result of their education, the students receive higher earnings and increase the productivity of the businesses that employ them. In FY 2019-20, Georgian alumni generated \$1.4 billion in added income for the regional economy, which is equivalent to supporting 19,262 jobs.

Total impact

Georgian added \$1.7 billion in income to the Georgian catchment area economy during the analysis year, equal to the sum of the operations spending impact, the student spending impact, and the alumni impact. For context, the \$1.7 billion impact was equal to approximately 5.3% of the total gross regional product (GRP) of the Georgian catchment area. This contribution that the college provided on its own is as large as the entire educational services industry in the region.

Georgian's total impact can also be expressed in terms of jobs supported. The \$1.7 billion impact supported 22,752 regional jobs, using the jobs-to-sales ratios specific to each industry in the region. This means that one out of every 15 jobs in the Georgian catchment area is supported by the activities of Georgian and its students. In addition, the \$1.7 billion, or 22,752 supported jobs, stemmed from different industry sectors. Among non-education industry sectors, Georgian's activity and alumni in the health care and social assistance industry sector supported 7,853 jobs in FY 2019-20. These are impacts that would not have been generated without the college's presence in the Georgian catchment area.

One out of every 15 jobs in the Georgian catchment area is supported by the activities of Georgian and its students.

TOP INDUSTRY IMPACTS (JOBS SUPPORTED)



7,853

Health Care & Social Assistance



2,574

Retail Trade



2,091

Accommodation & Food Services



1,477

Public Administration



1,183

Other Services (except
Public Administration)

INVESTMENT ANALYSIS



An investment analysis evaluates the costs associated with a proposed venture against its expected benefits. If the benefits outweigh the costs, then the investment is financially worthwhile. The analysis presented here considers Georgian as an investment from the perspectives of students, taxpayers, and society in Ontario.

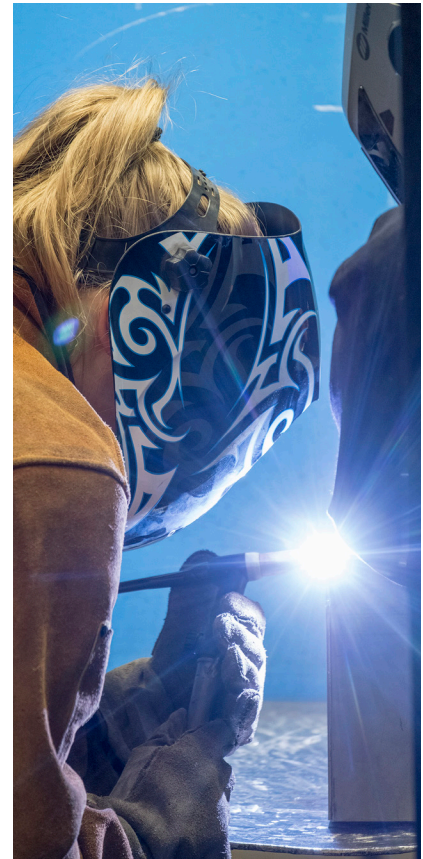
Student perspective



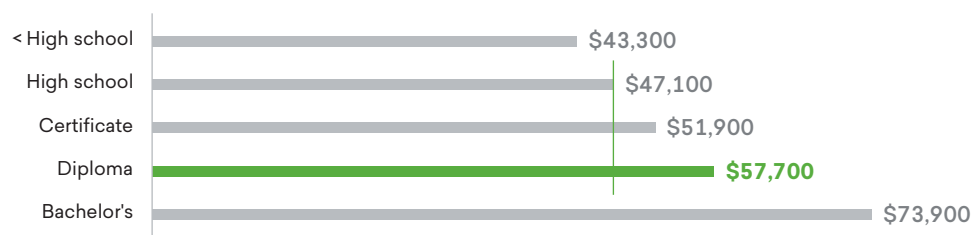
In FY 2019-20, Georgian served 25,695 credit and 4,361 non-credit students. In order to attend the college, students paid for tuition, fees, books, and supplies. Additionally, students gave up money they would have otherwise earned had they been working instead of attending college. The total investment made by Georgian's students in FY 2019-20 amounted to a present value of \$534.5 million, equal to \$142 million in out-of-pocket expenses and \$392.5 million in foregone time and money.

In return for their investment, Georgian's students will receive a stream of higher future earnings that will continue to grow throughout their working lives. For example, the average Georgian diploma graduate from FY 2019-20 will see an increase in earnings of \$10,600 each year compared to a person with a high school diploma or equivalent working in Ontario. Over a working lifetime, the benefits of the diploma over a high school diploma will amount to an undiscounted value of \$392,200 in higher earnings per graduate. Altogether, Georgian's FY 2019-20 students will receive \$954.3 million in higher future earnings over their working lives, as a result of their education and training at Georgian.

The students' benefit-cost ratio is 1.8. In other words, for every dollar students invest in Georgian, in the form of out-of-pocket expenses and foregone time and money, they will receive a cumulative value of \$1.80 in higher future earnings. Annually, the students' investment in Georgian has an average annual internal rate of return of 12%.



The average diploma graduate from Georgian will see an increase in earnings of **\$10,600** each year compared to a person with a high school diploma or equivalent working in Ontario.



Source: Derived from data supplied by Statistics Canada and the Emsi CRIIO model.

Taxpayer perspective



Georgian generates more in tax revenue than it takes. These benefits to taxpayers consist primarily of taxes that the provincial government will collect from the added revenue created in the province. As Georgian students earn more, they will make higher tax payments throughout their working lives. Students' employers will also make higher tax payments as they increase their output and purchases of goods and services.

By the end of the FY 2019-20 students' working lives, the provincial government will have collected a present value of \$391.7 million in added tax revenue.

Benefits to taxpayers also consist of savings generated by the improved lifestyles of Georgian students and the corresponding reduced government services. Education is statistically correlated with a variety of lifestyle changes.

Students' Georgian education will generate savings in three main categories: 1) health care, 2) crime, and 3) income assistance. Improved health will lower students' demand for health care services. In addition, students will be less likely to interact with the criminal justice system, resulting in a reduced demand for law enforcement and reduced victim costs. Georgian 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 college for a copy of the main report. Altogether, the present value of the benefits associated with a Georgian education will generate \$5.4 million in savings to provincial taxpayers.

Total taxpayer benefits amount to \$397.1 million, the present value sum of the added taxes and public sector savings. Taxpayer costs are \$73.6 million, equal to the amount of provincial government funding Georgian received in FY 2019-20. These benefits and costs yield a benefit-cost ratio of 5.4. This means that for every dollar of public money invested in Georgian in FY 2019-20, taxpayers will receive a cumulative value of \$5.40 over the course of the students' working lives. The average annual internal rate of return for taxpayers is 26.6%, which compares favourably to other long-term investments in the public and private sectors.

For every dollar of public money invested in Georgian, taxpayers will receive a cumulative value of **\$5.40** over the course of the students' working lives.

Social perspective



Society as a whole in Ontario benefits from the presence of Georgian in two major ways. Primarily, society benefits from an increased economic base in the province. This is attributed to higher student earnings and increased business output, which raise economic prosperity in Ontario.

Benefits to society also consist of the savings generated by the improved lifestyles of Georgian 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

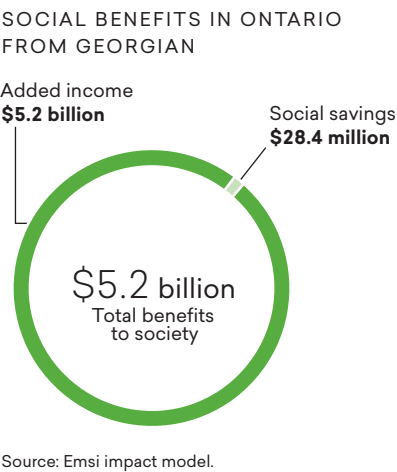
from the costs avoided by the taxpayers outlined above. Healthcare savings include avoided medical costs associated with smoking, alcohol dependence, obesity, and mental illness. Crime savings include reduced criminal justice system expenditures, lower victim costs, and increased productivity of individuals who are working rather than spending time in custody. Income assistance savings include the reduced demand for employment insurance benefits and employment-related social assistance. For a list of study references, contact the college for a copy of the main report.

Altogether, the social benefits of Georgian equal a present value of \$5.2 billion. These benefits include \$5.2 billion in added income through students’ increased lifetime earnings and increased business output, as well as \$28.4 million in social savings related to health, crime, and income assistance in Ontario. People in Ontario invested a present value total of \$625.2 million in Georgian in FY 2019-20. These costs include all college and student costs.

The benefit-cost ratio for society is 8.3, equal to the \$5.2 billion in benefits divided by the \$625.2 million in costs. In other words, for every dollar invested in Georgian, people in Ontario will receive a cumulative value of \$8.30 in benefits. The benefits of this investment will occur for as long as Georgian’s FY 2019-20 students remain employed in the provincial workforce.

Summary of investment analysis results

The results of the analysis demonstrate that Georgian 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 a Georgian education. At the same time, taxpayers’ investment in Georgian returns more to government budgets than it costs and creates a wide range of social benefits throughout Ontario.



STUDENT PERSPECTIVE		TAXPAYER PERSPECTIVE		SOCIAL PERSPECTIVE	
Present value benefits		Present value benefits		Present value benefits	
\$954.3 million		\$397.1 million		\$5.2 billion	
Present value costs		Present value costs		Present value costs	
\$534.5 million		\$73.6 million		\$625.2 million	
Net present value		Net present value		Net present value	
\$419.8 million		\$323.5 million		\$4.6 billion	
Benefit-cost ratio	Rate of return	Benefit-cost ratio	Rate of return	Benefit-cost ratio	Rate of return
1.8	12%	5.4	26.6%	8.3	n/a*

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

CONCLUSION

The results of this study demonstrate that Georgian creates value from multiple perspectives. The college benefits regional businesses by increasing consumer spending in the region and supplying a steady flow of qualified, trained workers to the workforce. Georgian enriches the lives of students by raising their lifetime earnings and helping them achieve their individual potential. The college benefits provincial taxpayers through increased tax receipts and a reduced demand for government-supported social services. Finally, Georgian benefits society as a whole in Ontario 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 2019-20 academic and financial reports from Georgian, industry and employment data from Statistics Canada, outputs of Emsi's Canadian Regional Input-Output model, and a variety of studies and surveys relating education to social behaviour. The study applies a conservative methodology and follows standard practice using only the most recognized indicators of investment effectiveness and economic impact. For a full description of the data and approach used in the study, please contact Georgian for a copy of the main report.

The results of this study demonstrate that Georgian creates value from **multiple perspectives**.



Emsi is a labour market analytics firm that integrates data from a wide variety of sources to serve professionals in postsecondary education, economic development, workforce development, talent acquisition, and site selection. Emsi is a leading provider of economic impact studies and labour market data to educational institutions in Canada, the U.S. and internationally. Since 2000, Emsi has completed over 2,200 economic impact studies for institutions across three countries. For more information about Emsi's products and services, visit www.economicmodeling.com.

The Economic Value of Georgian College's Orangeville Campus



Georgian College's Orangeville Campus 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) 2019-20.



ECONOMIC IMPACT ANALYSIS

In FY 2019-20, the Orangeville Campus added **\$10.1 million** in income to the Dufferin County economy, a value approximately equal to **0.5%** of the county's total gross regional product (GRP). Expressed in terms of jobs, the Orangeville Campus' impact supported **140 county jobs**.

For the local economy, a service area consisting of the Town of Orangeville, the Orangeville Campus and its students added **\$7.2 million** in income, approximately equal to **0.7%** of the local region's GRP and supporting **97 town jobs**. By comparison, this impact from the campus is larger than the entire arts, entertainment and recreation industry in the Town of Orangeville.



OPERATIONS SPENDING IMPACT

- The Orangeville Campus employed 20 full-time equivalent employees in FY 2019-20. Payroll amounted to \$2 million, much of which was spent in the county for groceries, mortgage and rent payments, dining out, and other household expenses. The campus spent another \$957,600 on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the campus' operations spending added **\$2.8 million** in income to the county economy. The net impact of the campus' operations spending added **\$2.6 million** to the Town of Orangeville.

STUDENT SPENDING IMPACT

- Around 26% of credit students attending the Orangeville Campus originated from outside the county in FY 2019-20, and some of these students relocated to Dufferin County to attend the Orangeville Campus. In addition, a number of local students would have left the county if not for the Orangeville Campus.
- These students spent money on groceries, mortgage and rent payments, and so on at county businesses. This spending in FY 2019-20 added **\$261,000** in income to the Dufferin County economy. For the Town of Orangeville, relocated and retained students added **\$207,700** in income to the local economy.

ALUMNI IMPACT

- Over the years, students have studied at the Orangeville Campus and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, many of these former students are employed in Dufferin County.
- In FY 2019-20, the net impact of the Orangeville Campus' former students currently employed in the county workforce amounted to **\$7.1 million** in added income. For the Town of Orangeville, the net impact of the Orangeville Campus' former students currently employed in the workforce amounted to **\$4.4 million** in added income for the local economy.



COUNTY IMPACTS CREATED BY THE ORANGEVILLE CAMPUS IN FY 2019-20



Operations spending impact
\$2.8 million



Student spending impact
\$0.3 million



Alumni impact
\$7.1 million



TOTAL ECONOMIC IMPACT
\$10.1 million

OR

Jobs supported
140

TOWN IMPACTS CREATED BY THE ORANGEVILLE CAMPUS



Operations spending impact
\$2.6 million



Student spending impact
\$0.2 million



Alumni impact
\$4.4 million



TOTAL ECONOMIC IMPACT
\$7.2 million

OR

Jobs supported
97



INVESTMENT ANALYSIS

STUDENT PERSPECTIVE

- The Orangeville Campus' FY 2019-20 students paid a present value of **\$1 million** to cover the cost of tuition, fees, and supplies. They also gave up **\$4.1 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$7.8 million** in increased earnings over their working lives. This translates to a return of **\$1.50** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **10.3%**.

TAXPAYER PERSPECTIVE

- Provincial taxpayers provided the Orangeville Campus with **\$2.8 million** of funding in FY 2019-20. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$6.3 million**. A reduced demand for government-funded services in Ontario will add another **\$160,900** in benefits to taxpayers.
- For every dollar of public money invested in the Orangeville Campus, taxpayers will receive **\$2.30** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **10.2%**.

SOCIAL PERSPECTIVE

- In FY 2019-20, society in Ontario invested **\$7.3 million** to support the Orangeville Campus, including all student and all college costs. In turn, the Ontario economy will grow by **\$39.8 million**, over the course of students' working lives. Society will also benefit from **\$367,900** in present value social savings related to reduced crime, reduced demand for income assistance, and increased health and well-being across the province.
- For every dollar invested in the Orangeville Campus in FY 2019-20, people in Ontario will receive **\$5.50** in return, for as long as the Orangeville Campus' FY 2019-20 students remain active in the provincial workforce.

For every \$1...



Students gain in lifetime earnings
\$1.50



Taxpayers gain in added tax revenue and public sector savings
\$2.30



Society gains in added income and social savings
\$5.50

