

The Economic Value of College of the North Atlantic



College of the North Atlantic (CNA) 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, CNA added **\$1.1 billion** in income to the Newfoundland & Labrador economy, a value approximately equal to **4.3%** of the total gross provincial product (GPP). Expressed in terms of jobs, CNA's impact supported **9,359** provincial jobs. For perspective, the activities of CNA and its students support one out of every **24** jobs in Newfoundland & Labrador.

Operations spending impact

- CNA employed 1,249 full-time equivalent (FTE) employees in FY 2020-21. Payroll amounted to \$104.8 million, much of which was spent in the province for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$20.5 million on day-to-day expenses related to facilities, supplies, and professional services.

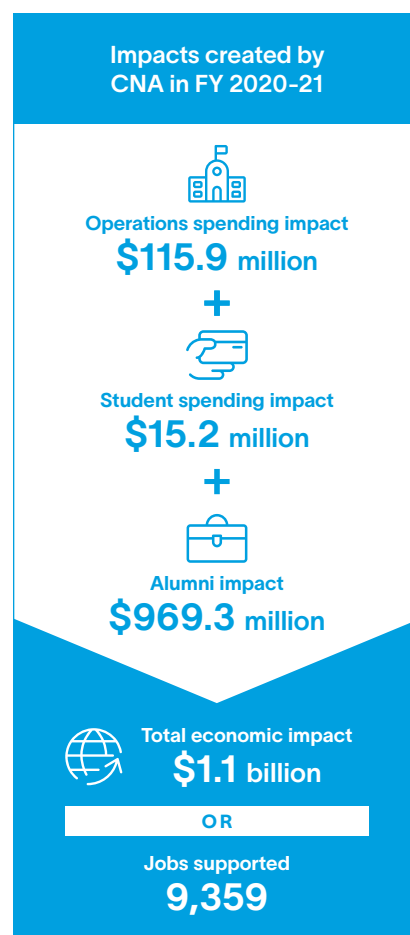
- The net impact of the college's operations spending added **\$115.9 million** in income to the provincial economy.

Student spending impact

- Around 9% of credit students attending CNA originated from either outside the province or outside Canada in FY 2020-21, and all of these students relocated to Newfoundland & Labrador to attend CNA. In addition, a number of local students would have left the province if not for CNA.
- These students spent money on groceries, mortgage and rent payments, and so on at provincial businesses. This spending in FY 2020-21 added **\$15.2 million** in income to the Newfoundland & Labrador economy. Of this impact, **\$4.5 million** is attributable to international students who relocated to Newfoundland & Labrador to attend CNA.

Alumni impact

- Over the years, students have studied at CNA and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in Newfoundland & Labrador.
- The net impact of CNA's former students currently employed in the provincial workforce amounted to **\$969.3 million** in added income in FY 2020-21. Of this impact, **\$5.6 million** is attributable to former international students working in Newfoundland & Labrador.



Investment analysis

Student perspective

- CNA's FY 2020-21 students paid a present value of **\$18.2 million** to cover the cost of tuition, fees, and supplies. They also forwent **\$75.1 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$394.4 million** in increased earnings over their working lives. This translates to a return of **\$4.20** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **27.4%**.

Taxpayer perspective

- Provincial taxpayers provided CNA with **\$103.3 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 **\$422.2 million**. A reduced demand for government-funded services in Newfoundland & Labrador will add another **\$10.2 million** in benefits to taxpayers.



- For every dollar of public money invested in CNA, taxpayers will receive **\$4.20** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **18.2%**.

Social perspective

- In FY 2020-21, society in Newfoundland & Labrador invested **\$207.9 million** to support CNA, including all student and all college costs. In turn, the Newfoundland & Labrador economy will grow by **\$2.3 billion**, over the course of students' working lives. Society will also benefit from **\$24 million** 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 CNA in FY 2020-21, people in Newfoundland & Labrador will receive **\$11.20** in return, for as long as CNA's FY 2020-21 students remain active in the provincial workforce.

