



The Economic Value of Saskatchewan Polytechnic

FACT SHEET

SASKATCHEWAN Polytechnic (Sask Polytech) 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) 2018-19.



Economic impact analysis

In FY 2018-19, Sask Polytech added **\$2.2 billion** in income to the Saskatchewan economy, a value approximately equal to **3.1%** of the province's total gross provincial product (GPP). Expressed in terms of jobs, Sask Polytech's impact supported **24,337** provincial jobs. For perspective, the activities of Sask Polytech, its students, and its alumni support **one out of every 24 jobs** in Saskatchewan.

OPERATIONS SPENDING IMPACT

- Sask Polytech spent \$168.5 million for payroll (excluding research payroll), much of which was spent in the province for groceries, mortgage and rent payments, dining out, and other household expenses. The polytechnic spent another \$69 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the polytechnic's operations spending added **\$189.9 million** in income to the provincial economy.

APPLIED RESEARCH SPENDING IMPACT

- Applied research activities at Sask Polytech impact the provincial economy by employing people and making purchases for equipment, supplies, and services. In FY 2018-19, Sask Polytech spent \$2 million on payroll and \$714.6 thousand on other expenses to support applied research activities.
- Sask Polytech's applied research spending generated **\$2.8 million** in added income for the Saskatchewan economy in FY 2017-18.

STUDENT SPENDING IMPACT

- Around 9% of credential-seeking students attending Sask Polytech originated from either outside the province or outside Canada in FY 2018-19, and some of these students relocated to Saskatchewan to attend Sask Polytech. In addition, a number of credential-seeking students from Saskatchewan would have left the province if not for Sask Polytech.

IMPACTS CREATED BY
SASK POLYTECH IN FY 2018-19



\$189.9 million
Operations spending impact



\$2.8 million
Applied research spending impact



\$30.8 million
Student spending impact



\$2 billion
Alumni impact



\$2.2 billion
TOTAL IMPACT

- OR -

24,337
JOBS SUPPORTED



- These students spent money on groceries, mortgage and rent payments, and so on at provincial businesses. This spending in FY 2018-19 added **\$30.8 million** in income to the Saskatchewan economy. Of this impact, **\$10.5 million** is attributable to international students who relocated to Saskatchewan to attend Sask Polytech.

ALUMNI IMPACT

- Over the years, students have studied at Sask Polytech and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in Saskatchewan.
- The net impact of Sask Polytech's former students currently employed in the provincial workforce amounted to **\$2 billion** in added income in FY 2018-19. Of this impact, **\$12.9 million** is attributable to former international students who are active in the provincial workforce.



Investment analysis

STUDENT PERSPECTIVE

- Sask Polytech's FY 2018-19 students paid a present value of **\$61.5 million** to cover the cost of tuition, fees, and supplies. They also forwent **\$219.9 million** in money that they would have earned had they been working instead of attending polytechnic.
- In return for their investment, students will receive **\$729.2 million** in increased earnings over their working lives. This translates to a return of **\$2.60** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **18.2%**.

TAXPAYER PERSPECTIVE

- Provincial taxpayers provided Sask Polytech with **\$176.5 million** of funding in FY 2018-19. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$401.9 million**. A reduced demand for government-funded services in Saskatchewan will add another **\$15 million** in benefits to taxpayers.
- For every dollar of public money invested in Sask Polytech, taxpayers will receive **\$2.40** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **12.4%**.

SOCIAL PERSPECTIVE

- In FY 2018-19, society in Saskatchewan invested **\$474.6 million** to support Sask Polytech, including all student and all polytechnic costs. In turn, the Saskatchewan economy will grow by **\$2 billion**, over the course of students' working lives. Society will also benefit from **\$38.6 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 Sask Polytech in FY 2018-19, people in Saskatchewan will receive **\$4.40** in return, for as long as Sask Polytech's FY 2018-19 students remain active in the provincial workforce.

Impacts in added income

This study reports impacts in the form of added income, also known as value added or gross domestic product (GDP), rather than sales (also known as total gross output). Sales include all of the intermediary costs associated with producing goods and services. Income, on the other hand, is a net measure that excludes these intermediary costs. For this reason, it is a more meaningful measure of new economic activity than sales.



FOR EVERY \$1...



Students gain
\$2.60
in lifetime earnings



Taxpayers gain
\$2.40
in added tax revenue and
public sector savings



Society gains
\$4.40
in added income and
social savings

