

# The Economic Impact of Early College Opportunity Programs at Iowa's Community Colleges

A Research Study prepared for the  
Iowa Association of Community College Presidents  
by Harvey Siegelman and Daniel Otto, Strategic Economics Group

## Executive Summary

Iowa code permits high school students to enroll in courses at community colleges, Board of Regents universities or private colleges. The student may receive high school credit towards graduation, as well as academic or vocational college credit upon completion of the course.

Because state policymakers are interested in ensuring that state funds are invested wisely, successfully decreasing the time-to-degree for college students is one way of achieving this goal in a cost effective manner. Decreasing the time-to-degree can and does result in a substantial savings of public dollars. Decreasing the time-to-degree can also provide a real cost savings to Iowa families.

The analysis of data for the 2005 school year indicates that:

- 27,331 students participated in early college opportunity programs at Iowa community colleges
- they earned 142,140 credits in college-level courses
- that is the equivalent of 4,738 full-time students for a year
- the cost to the State of Iowa was about \$9.8 million

As a result of this program, we estimate that those students:

- saved the State the equivalent of \$21.7 million in future state general aid assistance at other educational institutions
- saved their families the equivalent of \$30.7 million in future college-related expenses
- generated a 535% return on the program's investment ( $\$21.7 \text{ million} + \$30.7 \text{ million} = \$52.4 \text{ million} \div \$9.8 \text{ million} = 5.3469$ )

As a result of this program, we estimate that the savings impacted the economy of Iowa by:

- increasing our consumer spending by \$57.8 million
- increasing our personal income by \$12.7 million
- increasing the State gross domestic product (the value of our production) by \$24.2 million
- increasing employment by 470 jobs
- increasing state tax receipts by \$2.2 million as a result of the additional economic activity that the savings generated