



FACT SHEET

JULY 2018 | THE ECONOMIC VALUE OF THE COAST COMMUNITY COLLEGE DISTRICT

The Coast Community College District (referred to in this report as Coast Colleges) 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) 2016-17.

IMPACTS CREATED BY COAST COLLEGES IN FY 2016-17

ADDED INCOME	JOBS
\$309.3 million	3,584
Operations spending impact	
\$31.5 million	284
Construction spending impact	
\$141.8 million	2,392
Student spending impact	
\$1.4 billion	18,375
Alumni impact	
\$1.9 billion	24,635
Total impact	

IMPACT ON THE BUSINESS COMMUNITY

During the analysis year, Coast Colleges and their students added **\$1.9 billion** in income to the Orange County economy, approximately equal to **0.8%** of the county's total gross regional product (GRP). Coast Colleges' impact supported **24,635** jobs in FY 2016-17. For perspective, this means that one out of every **92** jobs in Orange County is supported by the activities of Coast Colleges and their students. The economic impacts of Coast Colleges break down as follows:

Operations spending impact

- Coast Colleges employed 2,463 full-time and part-time employees, including district staff, in FY 2016-17. Payroll amounted to \$205.9 million, much of which was spent in Orange County to purchase groceries, clothing, and other household goods and services. The colleges spent another \$118.8 million to support their day-to-day operations.
- The net impact of the colleges' payroll and expenses in Orange County during the analysis year was approximately **\$309.3 million** in income.

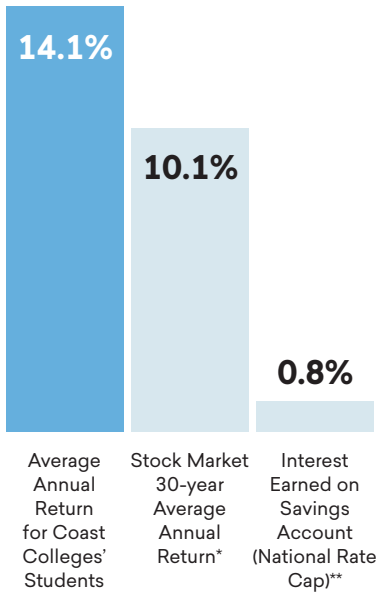
Construction spending impact

- Coast Colleges commissioned contractors to build or renovate their facilities during the analysis year, generating a short-term infusion of spending and jobs in the county economy.
- The net impact of the Coast Colleges' construction spending in FY 2016-17 was **\$31.5 million** in added income for Orange County.

Student spending impact

- Around 30% of students attending Coast Colleges originated from outside the county. Some of these students relocated to Orange County. In addition, a number of students would have left the county if not for Coast Colleges. These

STUDENT RATE OF RETURN



* Forbes' S&P 500, 1987-2016.

** FDIC.gov, 7-2017.

relocated and retained students spent money on groceries, transportation, rent, and so on at county businesses.

- The expenditures of relocated and retained students during the analysis year added approximately **\$141.8 million** in income to the Orange County economy.

Alumni impact

- Over the years, students have studied at Coast Colleges and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in Orange County.
- The impact of former students currently employed in the county workforce amounted to **\$1.4 billion** in added income during the analysis year.

RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS, AND SOCIETY

Student perspective

- Coast Colleges' FY 2016-17 students paid a total present value of **\$77.5 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forewent **\$286.1 million** in money that they would have earned had they been working instead of learning.
- In return for the monies invested in the colleges, students will receive a present value of **\$1.6 billion** in increased earnings over their working lives. This translates to a return of **\$4.40** in higher future earnings for every dollar that students invest in their education. The average annual return for students is **14.1%**.

Taxpayer perspective

- In FY 2016-17, state and local taxpayers in California paid **\$227.3 million** to support the operations of Coast Colleges. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$948 million** in benefits to taxpayers. Savings to the public sector add another **\$71.7 million** in benefits due to a reduced demand for government-funded services in California.
- Dividing benefits to taxpayers by the associated costs yields a **4.5** benefit-cost ratio, i.e., every dollar in costs returns **\$4.50** in benefits. The average annual return on investment for taxpayers is **11.6%**.

Social perspective

- The economic base in California will grow by **\$12.8 billion** over the course of the students' working lives. Society will also benefit from **\$172.6 million** in present value social savings related to reduced crime, lower unemployment, and increased health and well-being across the state.
- For every dollar that society spent on Coast Colleges' FY 2016-17 educations, society will receive a cumulative value of **\$18.50** in benefits, for as long as the FY 2016-17 student population at Coast Colleges remains active in the state workforce.

