



CONTRA COSTA COLLEGE

# FACT SHEET

## The Economic Value of Contra Costa College on West Contra Costa County

Contra Costa College (CCC) 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.

**TABLE 1. IMPACTS CREATED BY CCC IN FY 2016-17**

ADDED INCOME	JOBS
<b>Operations spending impact</b>	
\$38.7 million	982
West Contra Costa County	
\$54.1 million	1,133
Contra Costa County	
<b>Student spending impact</b>	
\$1.3 million	22
West Contra Costa County	
\$6.6 million	59
Contra Costa County	
<b>Alumni impact</b>	
\$223.3 million	2,116
West Contra Costa County	
\$308.8 million	3,154
Contra Costa County	
<b>Total impact</b>	
\$263.3 million	3,119
West Contra Costa County	
\$369.5 million	4,346
Contra Costa County	

### IMPACT ON THE BUSINESS COMMUNITY

During the analysis year, CCC and its students added **\$263.3 million** in income to the West Contra Costa County economy, approximately equal to **1.5%** of the region’s total gross regional product (GRP). CCC’s impact supported **3,119** jobs in FY 2016-17. For perspective, this means that one out of every **29** jobs in West Contra Costa County is supported by the activities of CCC and its students. The economic impacts of CCC break down as follows:

#### Operations spending impact

- CCC employed 948 full-time and part-time employees in FY 2016-17. Payroll amounted to \$37.1 million, much of which was spent in West Contra Costa County to purchase groceries, clothing, and other household goods and services. The college spent another \$27 million to support its day-to-day operations.
- The net impact of college payroll and expenses in West Contra Costa County during the analysis year was approximately **\$38.7 million** in income.

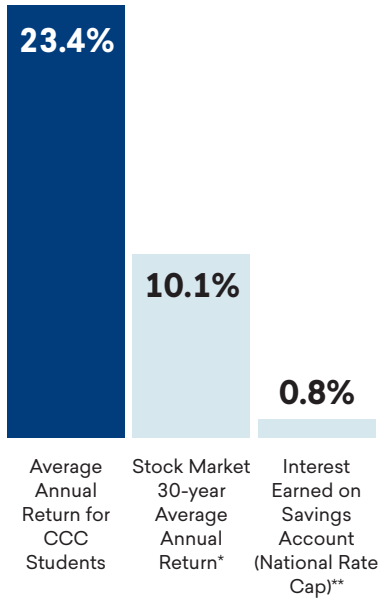
#### Student spending impact

- A number of students would have left the region if not for CCC. These retained students spent money on groceries, transportation, rent, and so on at regional businesses.
- The expenditures of retained students during the analysis year added approximately **\$1.3 million** in income to the West Contra Costa County economy.

#### Alumni impact

- Over the years, students have studied at CCC and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in West Contra Costa County.

## STUDENT RATE OF RETURN



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

\*\* FDIC.gov, 7-2017.

- The impact of former students currently employed in the regional workforce amounted to **\$223.3 million** in added income during the analysis year.

## RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS, AND SOCIETY

### Student perspective

- CCC's FY 2016-17 students paid a total present value of **\$7.7 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forewent **\$21.5 million** in money that they would have earned had they been working instead of learning.
- In return for the monies invested in the college, students will receive a present value of **\$252.8 million** in increased earnings over their working lives. This translates to a return of **\$8.70** in higher future earnings for every dollar that students invest in their education. The average annual return for students is **23.4%**.

### Taxpayer perspective

- In FY 2016-17, state and local taxpayers in California paid **\$38.6 million** to support the operations of CCC. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$126.8 million** in benefits to taxpayers. Savings to the public sector add another **\$7.2 million** in benefits due to a reduced demand for government-funded services in California.
- Dividing benefits to taxpayers by the associated costs yields a 3.5 benefit-cost ratio, i.e., every dollar in costs returns **\$3.50** in benefits. The average annual return on investment for taxpayers is **9.2%**.

### Social perspective

- The economic base in California will grow by **\$1.7 billion** over the course of the students' working lives. Society will also benefit from **\$18.4 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 CCC FY 2016-17 educations, society will receive a cumulative value of **\$19.30** in benefits, for as long as the FY 2016-17 student population at CCC remains active in the state workforce.

