



DECEMBER 2018

FACT SHEET

The Economic Value of Contra Costa Community College District

Contra Costa Community College District (4CD) 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 4CD IN FY 2016-17

ADDED INCOME	JOBS
\$270.6 million	5,390
Operations spending impact	
\$34.8 million	313
Student spending impact	
\$1.5 billion	16,807
Alumni impact	
\$1.8 billion	22,510
Total impact	

IMPACT ON THE BUSINESS COMMUNITY

During the analysis year, 4CD and its students added **\$1.8 billion** in income to the Contra Costa County economy, approximately equal to **2.3%** of the county's total gross regional product (GRP). 4CD's impact supported 22,510 jobs in FY 2016-17. For perspective, this means that one out of every **25** jobs in Contra Costa County is supported by the activities of 4CD and the colleges students. The economic impacts of 4CD break down as follows:

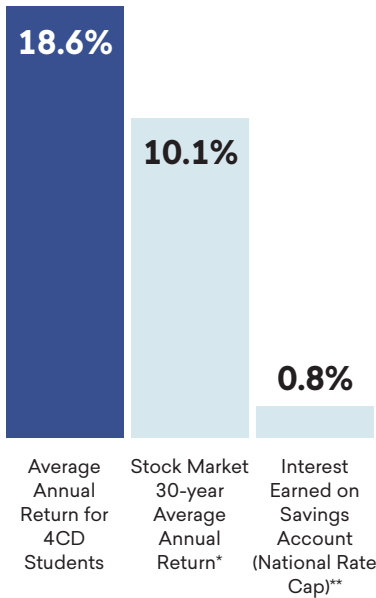
Operations spending impact

- 4CD employed 4,559 full-time and part-time employees, including district staff, in FY 2016-17. Payroll amounted to \$198.4 million, much of which was spent in Contra Costa County to purchase groceries, clothing, and other household goods and services. The colleges spent another \$136.8 million to support their day-to-day operations.
- The net impact of the colleges' payroll and expenses in Contra Costa County during the analysis year was approximately **\$270.6 million** in income.

Student spending impact

- A number of students would have left the county if not for 4CD. These retained students spent money on groceries, transportation, rent, and so on at county businesses.
- The expenditures of retained students during the analysis year added approximately **\$34.8 million** in income to the Contra Costa County economy.

STUDENT RATE OF RETURN



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

** FDIC.gov, 7-2017.

Alumni impact

- Over the years, students have studied at 4CD and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in Contra Costa County.
- The impact of former students currently employed in the county workforce amounted to **\$1.5 billion** in added income during the analysis year.

RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS, AND SOCIETY

Student perspective

- 4CD's FY 2016-17 students paid a total present value of **\$63 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$157.1 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 **\$1.4 billion** in increased earnings over their working lives. This translates to a return of **\$6.30** in higher future earnings for every dollar that students invest in their education. The average annual return for students is **18.6%**.

Taxpayer perspective

- In FY 2016-17, state and local taxpayers in California paid **\$231.4 million** to support the operations of 4CD. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$704.5 million** in benefits to taxpayers. Savings to the public sector add another **\$45.3 million** in benefits due to a reduced demand for government-funded services in California.
- Dividing benefits to taxpayers by the associated costs yields a 3.2 benefit-cost ratio, i.e., every dollar in costs returns **\$3.20** in benefits. The average annual return on investment for taxpayers is **8.1%**.

Social perspective

- The economic base in California will grow by **\$9.4 billion** over the course of the students' working lives. Society will also benefit from **\$121.3 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 4CD FY 2016-17 educations, society will receive a cumulative value of **\$18.20** in benefits, for as long as the FY 2016-17 student population at 4CD remains active in the state workforce.

