

The Economic Value of Diablo Valley College



Diablo Valley College (DVC) 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) 2022-23.

Economic impact analysis

In FY 2022-23, DVC added **\$1.1 billion** in income to the Central Contra Costa County* economy, a value approximately equal to **2.0%** of the region's total gross regional product (GRP). Expressed in terms of jobs, DVC's impact supported **11,680 jobs**. For perspective, the activities of DVC and its students support **one out of every 34 jobs** in Central Contra Costa County.



* For the purposes of this analysis, Central Contra Costa County is comprised of the following zip codes: 94506, 94507, 94516, 94517, 94518, 94519, 94520, 94521, 94522, 94523, 94524, 94526, 94527, 94528, 94529, 94549, 94553, 94556, 94563, 94570, 94575, 94582, 94583, 94595, 94596, 94597, and 94598.

Operations spending impact

- DVC employed 1,878 full-time and part-time faculty and staff. Payroll amounted to \$108.9 million, much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$47.1 million on its expenses related to facilities, supplies, and professional services (excluding construction).
- The net impact of the college's operations spending added **\$117.0 million** in income to the regions economy in FY 2022-23.

Construction spending impact

- DVC invests in construction each year to maintain its facilities, create additional capacities, and meet its growing educational demands, generating a short-term infusion of spending and jobs in the regions economy.
- The net impact of DVC's **\$21.9 million** construction spending in FY 2022-23 was **\$7.5 million** in added income for Central Contra Costa County.

Student spending impact

- Around 48% of students attending DVC originated from outside the region. Many of these students relocated to Central Contra Costa County. In addition, some in-region students, referred to as retained students, would have left Central Contra Costa County for other educational opportunities if not for DVC. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.
- The expenditures of relocated and retained students in FY 2022-23 added **\$114.5 million** in income to the Central Contra Costa County economy.

Alumni impact

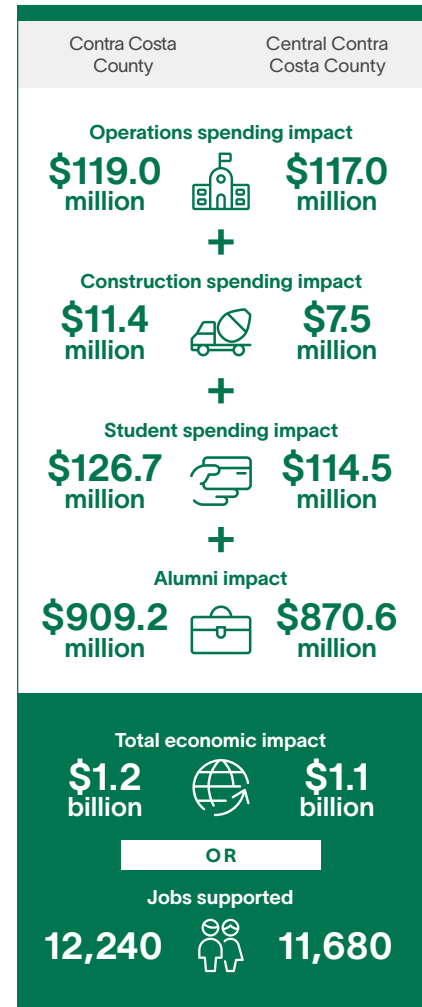
- Over the years, students have studied at DVC and entered or re-entered the workforce with newly acquired knowledge and skills. Today, thousands of these former students are employed in Central Contra Costa County.
- The net impact of DVC's former students currently employed in the regional workforce amounted to **\$870.6 million** in added income in FY 2022-23.

Investment analysis

Student perspective

- DVC's FY 2022-23 students paid a present value of **\$30.9 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent a value of **\$60.3 million** in time and money had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of **\$672.5 million** in increased earnings over their working lives. This translates to a return of **\$7.40** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **21.3%**.

Impacts created by DVC in FY 2022-23



Students see a high rate of return for their investment in DVC



Average annual return for DVC students
21.3%



Stock market 30-year average annual return
10.1%



Interest earned on savings account (national deposit rate)
0.5%

Source: Forbes' S&P 500, 1994-2023; FDIC.gov, March 2023



Taxpayer perspective

- Taxpayers provided DVC with **\$137.9 million** of funding in FY 2022-23. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$301.9 million**. A reduced demand for government-funded services in California will add another **\$35.3 million** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$337.3 million**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in DVC, taxpayers will receive **\$2.40** in return over the course of students' working lives. The average annual rate of return for taxpayers is **5.5%**.

Social perspective

- In FY 2022-23, California invested **\$251.6 million** to support DVC. In turn, the California economy will grow by **\$3.9 billion**, over the course of students' working lives. Society will also benefit from **\$53.6 million** of public and private sector savings.
- For every dollar invested in DVC in FY 2022-23, people in California will receive **\$15.70** in return, for as long as DVC's FY 2022-23 students remain active in the state workforce.

