



# FACT SHEET

The Economic Value of The San Diego Community College District | October 2016

The San Diego Community College District (SDCCD) 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 to each of these groups. Results of the analysis reflect Fiscal Year (FY) 2015-16.

## IMPACTS CREATED BY THE SDCCD IN FY 2015-16

ADDED INCOME	JOBS
<b>\$409.6 million</b>	<b>7,442</b>
Operations spending impact	
<b>\$94.4 million</b>	<b>2,026</b>
Student spending impact	
<b>\$5 billion</b>	<b>64,569</b>
Alumni impact	
<b>\$5.5 billion</b>	<b>74,037</b>
Total impact	

## IMPACT ON BUSINESS COMMUNITY

During the analysis year, the SDCCD and its students added **\$5.5 billion** in added income to the San Diego County economy, approximately equal to **2.8%** of the county's total GRP. By comparison, this impact from the District is nearly as large as the entire Accommodation and Food Services industry in the county. The economic impacts of the SDCCD break down as follows:

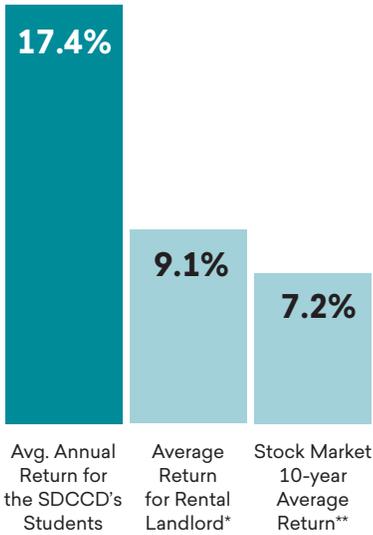
### Operations spending impact

- The SDCCD employed 5,626 full-time and part-time employees in FY 2015-16. Payroll amounted to **\$261.9 million**, much of which was spent in San Diego County to purchase groceries, clothing, and other household goods and services. The District spent another **\$258.4 million** to support its day-to-day operations.
- The net impact of District payroll and expenses in San Diego County during the analysis year was approximately **\$409.6 million** in added income.

### Impact of student spending

- A number of students would have left the region if not for the SDCCD. 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 **\$94.4 million** in added income to the San Diego County economy.

## STUDENT RATE OF RETURN



\* RealtyTrac's Q3, 2014

\*\* Forbes' S&P 500, 1994-2014.

## Alumni impact

- Over the years, students have studied at the SDCCD and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in San Diego County.
- The accumulated contribution of former students currently employed in the county workforce amounted to **\$5 billion** in added income during the analysis year.

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

### Student perspective

- The SDCCD's FY 2015-16 students paid a total of **\$74.9 million** to cover the cost of tuition, fees, and supplies. Those who did not work or worked less in order to attend also forfeited **\$760.5 million** in money that they would have earned had they been working instead of learning.
- In return for the monies invested in the District, students will receive a present value of **\$3.4 billion** in increased earnings over their working lives. This translates to a return of **\$4.10** in higher future earnings for every \$1 that students invest in their education. The average annual return for students is **17.4%**.

### Taxpayer perspective

- In FY 2015-16, state and local taxpayers in California paid **\$416.1 million** to support the operations of the SDCCD. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$1.5 billion** in benefits to taxpayers. Savings to the public sector add another **\$114.4 million** in benefits due to a reduced demand for government-funded services in California.
- Dividing benefits to taxpayers by the associated costs yields a **3.9** benefit-cost ratio, i.e., every \$1 in costs returns \$3.90 in benefits. The average annual return on investment for taxpayers is **12.6%**.

### Social perspective

- The economic base in California will grow by **\$20.1 billion** over the course of the students' working lives. Society will also benefit from **\$212.7 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 SDCCD educations during the analysis year, society will receive a cumulative value of **\$15.20** in benefits, for as long as the FY 2015-16 student population at the SDCCD remains active in the state workforce.

