



# The Economic Value of the San Diego Community College District



SAN DIEGO COUNTY, CA

The San Diego Community College District<sup>1</sup> (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 received by each of these groups. Results of the analysis reflect fiscal year (FY) 2021-22.

## Economic impact analysis

In FY 2021-22, the SDCCD added **\$4.3 billion** in income to the San Diego County economy, a value approximately equal to **1.6%** of the county's total gross regional product (GRP). For perspective, the SDCCD's \$4.3 billion impact is an economic boost to San Diego County similar to hosting the Super Bowl 12 times. Expressed in terms of jobs, the SDCCD's impact supported **45,365 jobs**. For perspective, the activities of the colleges and their students support **one out of every 46 jobs** in San Diego County.

### Operations spending impact

- The SDCCD employed 4,645 full-time and part-time faculty and staff. Payroll amounted to \$326 million, much of which was spent in the county for groceries,

<sup>1</sup> The San Diego Community College District consists of San Diego City College, San Diego Mesa College, San Diego Miramar College, and seven campuses of San Diego College of Continuing Education.

mortgage and rent payments, dining out, and other household expenses. The district spent another \$237 million on day-to-day expenses related to facilities, supplies, and professional services.

- The net impact of the colleges' operations spending added **\$504.7 million** in income to the county economy in FY 2021-22.

### Construction spending impact

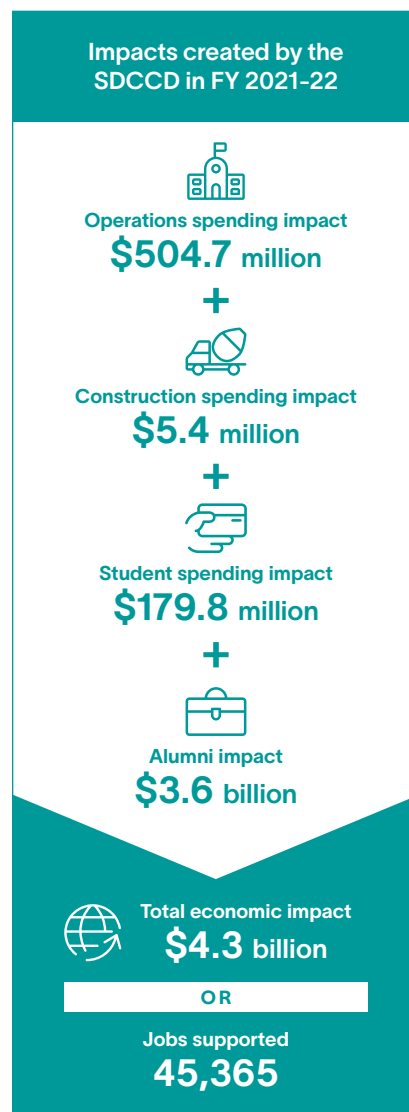
- The SDCCD invests in construction each year to maintain its facilities, create additional capacities, and meet its growing educational demands, generating a short-term infusion of spending and jobs in the county economy.
- The net impact of the SDCCD's construction spending in FY 2021-22 was **\$5.4 million** in added income for San Diego County.

### Student spending impact

- Around 6% of students attending the SDCCD originated from outside the county. Some of these students relocated to San Diego County. In addition, some in-county students, referred to as retained students, would have left San Diego County for other educational opportunities if not for the SDCCD. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at county businesses.
- The expenditures of relocated and retained students in FY 2021-22 added **\$179.8 million** in income to the San Diego County economy.

### Alumni impact

- Over the years, students have studied at the SDCCD and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, hundreds of thousands of these former students are employed in San Diego County.



- The net impact of the SDCCD's former students currently employed in the county workforce amounted to **\$3.6 billion** in added income in FY 2021-22.

## Investment analysis

### Student perspective

- The SDCCD's FY 2021-22 students paid a present value of **\$59.6 million** to cover the cost of tuition, fees, and supplies. They also forwent **\$429.9 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value **\$2.1 billion** in increased earnings over their working lives. This translates to a return of **\$4,400** in higher future earnings for every **\$1,000** students invest in their education. Students' average annual rate of return is **16.3%**.

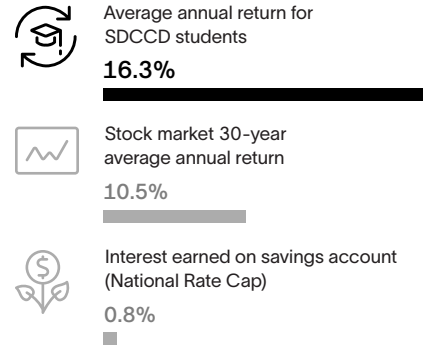
### Taxpayer perspective

- Taxpayers provided the SDCCD with **\$568 million** of funding in FY 2021-22. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$758.1 million**. A reduced demand for government-funded services in California will add another **\$114.2 million** in benefits to taxpayers.
- For every \$1 million of public money invested in the SDCCD, taxpayers will receive **\$1.5 million** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **2.1%**.

### Social perspective

- In FY 2021-22, California invested **\$1 billion** to support the SDCCD. In turn, the California economy will grow by **\$10.8 billion**, over the course of students' working lives. Society will also benefit from **\$162.3 million** of public and private sector savings.
- For every \$1 million invested in the SDCCD in FY 2021-22, people in California will receive **\$10.5 million** in return, for as long as the SDCCD's FY 2021-22 students remain active in the state workforce.

### Students see a high rate of return for their investment in the SDCCD



Source: Forbes' S&P 500, 1992-2021. FDIC.gov, 2-2022.

**For every \$1...**

	<b>Students</b> gain in lifetime earnings <b>\$4.40</b>
	<b>Taxpayers</b> gain in added tax revenue and public sector savings <b>\$1.50</b>
	<b>Society</b> gains in added income and social savings <b>\$10.50</b>

