



# The Economic Value of the San Diego Community College District



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 received by each of these groups. Results of the analysis reflect fiscal year (FY) 2023-24.

## Economic impact analysis

In FY 2023-24, the SDCCD added **\$5.8 billion** in income to the San Diego County economy, a value approximately equal to **2.0%** of the county's total gross regional product (GRP). For perspective, the SDCCD's \$5.8 billion impact is an economic boost to San Diego County similar to hosting the San Diego Comic-Con **35 times**\*\*



San Diego County, California

\* 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.

\*\* Economic impact of the San Diego Comic-Con calculated by the San Diego Chamber of Commerce.

Expressed in terms of jobs, the SDCCD's impact supported **53,245 jobs**. For further perspective, the activities of the colleges and their students support **one out of every 43 jobs** in San Diego County.

### Operations spending impact

- The SDCCD employed 4,866 full-time and part-time faculty and staff. Payroll amounted to \$391.3 million, much of which was spent in the county for groceries, mortgage and rent payments, dining out, and other household expenses. The colleges spent another \$263.8 million on expenses related to facilities, supplies, and professional services (excluding construction).
- The net impact of the colleges' operations added **\$660.0 million** in income to the county economy in FY 2023-24.

### Construction spending impact

- The SDCCD invests in capital projects each year to maintain facilities, create additional capacities, and meet 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 2023-24 was **\$7.5 million** in added income for San Diego County.

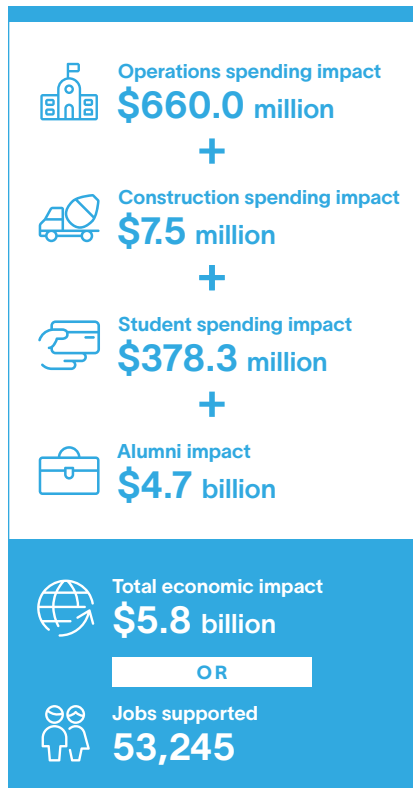
### Student spending impact

- Around 9% of students attending the SDCCD originated from outside the county. All 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 2023-24 added **\$378.3 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 **\$4.7 billion** in added income in FY 2023-24.

### Impacts created by the SDCCD in FY 2023-24



## Investment analysis

### Student perspective

- The SDCCD's FY 2023-24 students paid a present value of **\$51.8 million** to cover the cost of tuition, fees, and supplies. They also forwent a value of **\$465.6 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 **\$2.3 billion** in increased earnings over their working lives. This translates to a return of **\$4.40** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **18.3%**.

### Taxpayer perspective

- Taxpayers provided the SDCCCD with **\$485.5 million** of funding in FY 2023-24. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$963.8 million**. A reduced demand for government-funded services in California will add another **\$129.3 million** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$1.1 billion**, the present value sum of the added tax revenue and public sector savings. For every \$1 million of public money invested in the SDCCD, taxpayers will receive **\$2.3 million** in return over the course of students' working lives. The average annual rate of return for taxpayers is **6.1%**.

### Social perspective

- In FY 2023-24, California invested **\$1.2 billion** to support the SDCCCD. In turn, the California economy will grow by **\$13.2 billion**, over the course of students' working lives. Society will also benefit from **\$176.6 million** of public and private sector savings.
- For every \$1 million invested in SDCCD in FY 2023-24, people in California will receive **\$11.5 million** in return, for as long as the SDCCD's FY 2023-24 students remain active in the state workforce.

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



Average annual return for SDCCD students

**18.3%**



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

### For every \$1...



Students gain in lifetime earnings

**\$4.40**



Taxpayers gain in added tax revenue and public sector savings

**\$2.30**



Society gains in added income and social savings

**\$11.50**

