



# The Economic Value of the San Diego Community College District





**T**HE SAN DIEGO COMMUNITY COLLEGE DISTRICT<sup>1</sup> (SDCCD) creates value in many ways. The colleges play a key role in helping students increase their employability and achieve their individual potential. The colleges draw students to the county, generating new dollars and opportunities for San Diego County. The colleges provide students with the education, training, and skills they need to have fulfilling and prosperous careers. Furthermore, the colleges are places for students to meet new people, increase their self-confidence, and promote their overall health and well-being.

The SDCCD influences both the lives of students and the county economy. The colleges support a variety of industries in San Diego County, serve businesses in the county, and benefit society as a whole in California from an expanded economy and improved quality of life. Additionally, the benefits created by the SDCCD extend to the state and local government through increased tax revenues and public sector savings.

This study measures the economic impacts created by the SDCCD on the business community and the benefits the colleges generate in return for the investments made by their key stakeholder groups—students, taxpayers, and society. The following two analyses are presented:

### Economic impact analysis

### Investment analysis

All results reflect employee, student, and financial data, provided by the SDCCD, for fiscal year (FY) 2024-25. Impacts on the San Diego County economy are reported under the economic impact analysis and are measured in terms of added income. The returns on investment to students, taxpayers, and society in California are reported under the investment analysis.



The SDCCD influences both the **lives of its students** and the **county economy**.

<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.



# Economic impact analysis

The SDCCD promotes economic growth in San Diego County through its direct expenditures and the resulting expenditures of students and businesses in the county. The colleges serve as employers and buyers of goods and services for their day-to-day operations. The colleges' activities attract students from outside San Diego County, whose expenditures benefit county vendors. In addition, the colleges are primary sources of higher education to San Diego County residents and suppliers of trained workers to county industries, enhancing overall productivity in the county workforce.

## Operations spending impact



The SDCCD adds economic value to San Diego County as an employer of county residents and large-scale buyer of goods and services. In FY 2024-25, the district employed 5,055 full-time and part-time faculty and staff, 95% of whom lived in San Diego County. Total payroll at the SDCCD was \$318.3 million, much of which was spent in the county on groceries, mortgage and rent payments, dining out, and other household expenses. In addition, the colleges spent \$252.1 million on expenses related to facilities, supplies, and professional services.

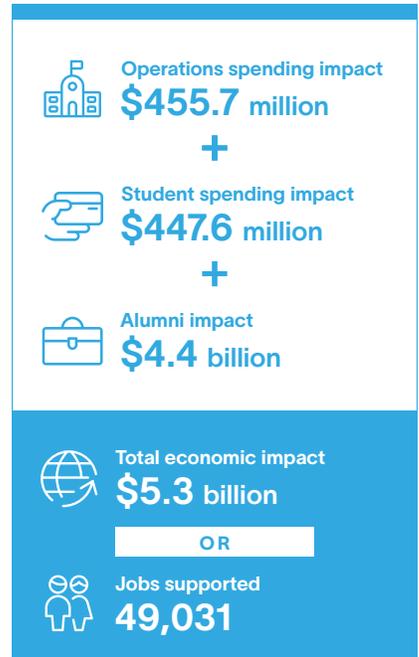
The SDCCD's operations spending added **\$455.7 million** in income to the county during the analysis year. This figure represents the colleges' payroll, the multiplier effects generated by the in-county spending of the colleges and their employees, and a downward adjustment to account for funding that the colleges received from county sources. The \$455.7 million in added income is equivalent to supporting **5,584 jobs** in the county.

## Student spending impact



Around 10% of students attending the SDCCD originated from outside the county in FY 2024-25, and some of these students relocated to San Diego County to attend the SDCCD. These students may not have come to the county if the colleges did not exist. In addition, some in-county students, referred to as retained students, would have left San Diego County if not for the existence of the SDCCD. While attending the colleges, these relocated and retained students spent money on groceries, accommodation, transportation, and other household expenses. This spending generated **\$447.6 million** in added income for the county economy in FY 2024-25, which supported **6,035 jobs** in San Diego County.

Impacts created by the SDCCD in FY 2024-25



## Alumni impact



The education and training the colleges provide for county residents has the greatest impact. Since the colleges were established, students have studied at the SDCCD and entered the county workforce with greater knowledge and new skills. Today, hundreds of thousands of former SDCCD students are employed in San Diego County. As a result of their education from the colleges, the students receive higher earnings and increase the productivity of the businesses that employ them. In FY 2024-25, SDCCD alumni generated **\$4.4 billion** in added income for the county economy, which is equivalent to supporting **37,412 jobs**.

## Total impact

The SDCCD added **\$5.3 billion** in income to the San Diego County economy during the analysis year, equal to the sum of the operations spending impact, the student spending impact, and the alumni impact. For context, the \$5.3 billion impact was equal to approximately **1.8%** of the total gross regional product (GRP) of San Diego County. This contribution that the colleges provided on their own is larger than the entire Transportation & Warehousing industry in the county. For further perspective, the SDCCD's \$5.3 billion impact is an economic boost to San Diego County similar to hosting the Super Bowl **15 times**.

The SDCCD's total impact can also be expressed in terms of jobs supported. The \$5.3 billion impact supported **49,031 county jobs**, using the jobs-to-sales ratios specific to each industry in the county. This means that one out of every 48 jobs in San Diego County is supported by the activities of the colleges and their students. In addition, the \$5.3 billion, or 49,031 supported jobs, stemmed from different industry sectors. For instance, among non-education industry sectors, the spending of the SDCCD and its students and the activities of its alumni in the Government, Non-Education industry sector supported 4,489 jobs in FY 2024-25. If the colleges did not exist, these impacts would not have been generated in San Diego County.

### The SDCCD impacts by industry (jobs supported)



**One out of every 48 jobs** in San Diego County is supported by the activities of the colleges and their students.





# Investment analysis

An investment analysis evaluates the costs associated with a proposed venture against its expected benefits. The analysis presented here evaluates the SDCCCD as an investment from the perspectives of students, taxpayers, and society in California. As with the economic impact analysis, this analysis considers only FY 2024-25 activities.

## Student perspective



In FY 2024-25, the SDCCCD served 59,219 credit and 19,867 non-credit students. In order to attend the colleges, the students paid for tuition, fees, books, and supplies. They also took out loans and will incur interest on those loans. Additionally, students gave up money they would have otherwise earned had they been working instead of attending college. The total investment made by SDCCCD students in FY 2024-25 amounted to a present value of \$552.6 million, equal to \$56.7 million in out-of-pocket expenses (including future principal and interest on student loans) and \$495.8 million in forgone time and money.

In return for their investment, SDCCCD students will receive a stream of higher future earnings that will continue to grow throughout their working lives. For example, the average SDCCCD associate degree graduate from FY 2024-25 will see annual earnings that are \$10,200 higher than a person with a high school diploma or equivalent working in California. Over a working lifetime, the benefits of an associate degree over a high school diploma will amount to an undiscounted value of \$367,000 in higher earnings per graduate. The present value of the cumulative higher future earnings that SDCCCD's FY 2024-25 students will receive over their working careers is \$2.2 billion.

The students' benefit-cost ratio is 4.0. In other words, for every dollar students invest in an education at the SDCCCD in the form of out-of-pocket expenses and forgone time and money, they will receive a cumulative value of \$4.00 in higher future earnings. Annually, the students' investment in the SDCCCD has an average annual internal rate

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



Average annual return for SDCCCD students  
**16.0%**



Stock market 30-year average annual return  
10.9%

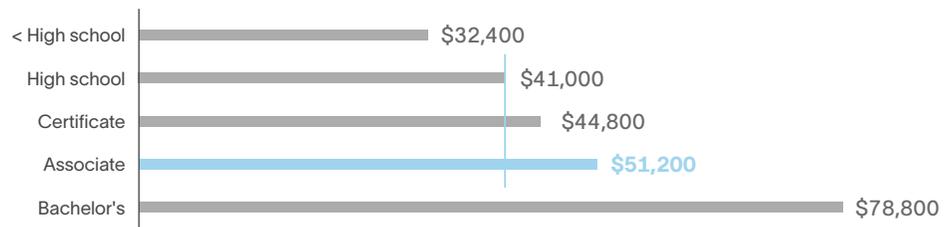


Interest earned on savings account (national deposit rate)  
0.5%

Source: Forbes' S&P 500, 1994-2025. FDIC.gov, January 2024

### Average earnings by education level at career midpoint

The average associate degree graduate from the SDCCCD will see an increase in earnings of **\$10,200** each year compared to a person with a high school diploma or equivalent working in California.



Source: Lightcast employment data

of return of 16.0%, which is impressive compared to the U.S. stock market's 30-year average rate of return of 10.9%.

## Taxpayer perspective



The SDCCD generates more in tax revenue than it receives.

These benefits to taxpayers consist primarily of taxes that the state and local government will collect from the added revenue created in the state. As SDCCD students will earn more, they will make higher tax payments throughout their working lives. Students' employers will also make higher tax payments as they increase their output and purchases of goods and services. By the end of the FY 2024-25 students' working lives, the state and local government will have collected a present value of \$867.6 million in added taxes.

For every \$1 million of public money invested in the SDCCD, taxpayers will receive a cumulative value of **\$1.8 million** over the course of the students' working lives.

Benefits to taxpayers will also consist of savings generated by the improved lifestyles of students attending the SDCCD and the corresponding reduced government services. Education is statistically correlated with a variety of lifestyle changes. The education that the SDCCD students receive will generate savings in three main categories: 1) health care, 2) justice system, and 3) income assistance. Improved health will lower students' demand for national health care services. In addition, costs related to the justice system will decrease. SDCCD students will be more employable, so their reduced demand for income assistance such as welfare and unemployment benefits will benefit taxpayers. For a list of study references, contact the district for a copy of the main report. Altogether, the present value of the benefits associated with an education from the SDCCD will generate \$127.6 million in savings to state and local taxpayers.

Total taxpayer benefits amount to \$995.2 million, the present value sum of the added tax revenue and public sector savings. Taxpayer costs are \$539.1 million, equal to the amount of state and local government funding the SDCCD received in FY 2024-25. These benefits and costs yield a benefit-cost ratio of 1.8. This means that for every \$1 million of public money invested in the SDCCD in FY 2024-25, taxpayers will receive a cumulative present value of \$1.8 million over the course of the students' working lives. The average annual internal rate of return for taxpayers is 4.8%, which compares favorably to other long-term investments in the public sector.

## Social perspective



Society as a whole in California benefits from the presence of the SDCCD in

two major ways. Primarily, society benefits from an increased economic base in the state. This is attributed to the added income from students' increased lifetime earnings (added student income) and increased business output (added business income), which raise economic prosperity in California.

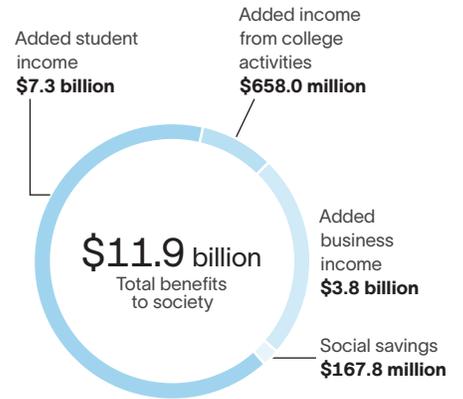
Benefits to society also consist of the savings generated by the improved lifestyles of the SDCCD's students. As discussed in the previous section, education is statistically correlated with a variety of lifestyle changes that generate social savings. Note that these costs are avoided by the consumers but are distinct from the costs avoided

by the taxpayers outlined above. Health care savings include avoided medical costs associated with smoking, obesity, substance abuse, and depression. Justice system savings include avoided costs to the government and society due to less judicial activity. Income assistance savings include reduced welfare and unemployment claims. For a list of study references, contact the district for a copy of the main report.

Altogether, the social benefits of the SDCCD equal a present value of \$11.9 billion. These benefits include \$7.3 billion in added student income, \$3.8 billion in added business income, \$658.0 million in added income from college activities, as well as \$167.8 million in social savings related to health, the justice system, and income assistance in California. People in California invested a present value total of \$1.1 billion in the SDCCD in FY 2024-25. The cost includes all the colleges' expenditures and student costs.

The benefit-cost ratio for society is 10.8, equal to the \$11.9 billion in benefits divided by the \$1.1 billion in costs. In other words, for every \$1 million invested in the SDCCD, people in California will receive a cumulative value of \$10.8 million in benefits. The benefits of this investment will occur for as long as the SDCCD's FY 2024-25 students remain employed in the state workforce.

### Social benefits in California from the SDCCD



Source: Lightcast impact model

## Summary of investment analysis results

The results of the analysis demonstrate that the SDCCD is a strong investment for all three major stakeholder groups—students, taxpayers, and society. As shown, students receive a great return for their investments in an education through the SDCCD. At the same time, taxpayers' investment in the SDCCD returns more to government budgets than it costs and creates a wide range of social benefits throughout California.

### Summary of investment analysis results

Student perspective		Taxpayer perspective		Social perspective	
Present value benefits	\$2.2 billion	Present value benefits	\$995.2 million	Present value benefits	\$11.9 billion
Present value costs	\$0.6 billion	Present value costs	\$539.1 million	Present value costs	\$1.1 billion
Net present value	\$1.6 billion	Net present value	\$456.1 million	Net present value	\$10.8 billion
Benefit-cost ratio	4.0	Benefit-cost ratio	1.8	Benefit-cost ratio	10.8
Rate of return	16.0%	Rate of return	4.8%	Rate of return	n/a*

\* The rate of return is not reported for the social perspective because the beneficiaries are not necessarily the same as the original investors.

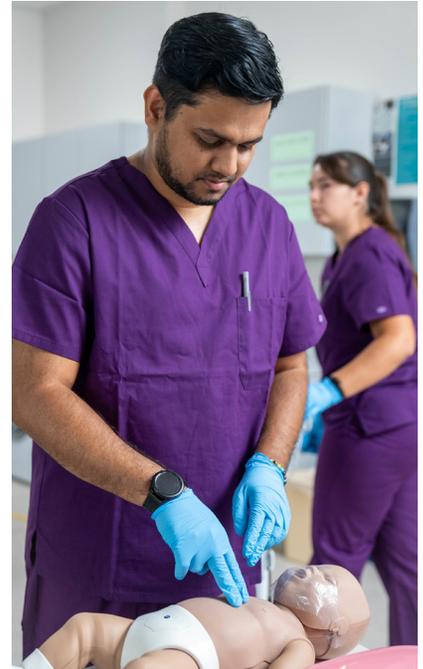
# Conclusion

*The results of this study demonstrate that the SDCCD creates value from **multiple perspectives**.*

The results of this study demonstrate that the SDCCD creates value from multiple perspectives. The colleges benefit businesses in the county by increasing consumer spending in the county and supplying a steady flow of qualified, trained workers to the workforce. The SDCCD enriches the lives of students by raising their lifetime earnings and helping them achieve their individual potential. The colleges benefit state and local taxpayers through increased tax receipts and a reduced demand for government-supported social services. Finally, the SDCCD benefits society as a whole in California by creating a more prosperous economy and generating a variety of savings through the improved lifestyles of students.

## About the study

Data and assumptions used in the study are based on several sources, including the FY 2024-25 academic and financial reports from the SDCCD, industry and employment data from the U.S. Bureau of Labor Statistics and U.S. Census Bureau, outputs of Lightcast's Multi-Regional Social Accounting Matrix model, and a variety of studies and surveys relating education to social behavior. The study applies a conservative methodology and follows standard practice using only the most recognized indicators of economic impact and investment effectiveness. For a full description of the data and approach used in the study, please contact the district for a copy of the main report.



Lightcast provides colleges and universities with labor market data that help create better outcomes for students, businesses, and communities. Our data, which cover more than 99% of the U.S. workforce, are compiled from a wide variety of government sources, job postings, and online profiles and résumés. Hundreds of institutions use Lightcast to align programs with regional needs, drive enrollment, connect students with in-demand careers, track their alumni's employment outcomes, and demonstrate their institution's economic impact on their region. Visit [lightcast.io/solutions/education](https://lightcast.io/solutions/education) to learn more or connect with us.