

JANUARY 2020

FACT SHEET

The Economic Value of Santiago Canyon College's Continuing Education Program

Santiago Canyon College's Continuing Education Program (CE program) 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) 2018-19.

IMPACTS CREATED BY THE CE PROGRAM IN FY 2018-19

| ADDED INCOME | JOBS |
|----------------------------|------------|
| \$10.4 million | 255 |
| Operations spending impact | |
| \$3.2 million | 63 |
| Student spending impact | |
| \$62.5 million | 631 |
| Alumni impact | |
| \$76.1 million | 949 |
| Total impact | |

ECONOMIC IMPACT ANALYSIS

In FY 2018-19, the CE program added **\$76.1 million** in income to the City of Orange economy, a value approximately equal to **0.5%** of the city's total gross regional product (GRP). Expressed in terms of jobs, the CE program's impact supported **949 jobs**.

Operations spending impact

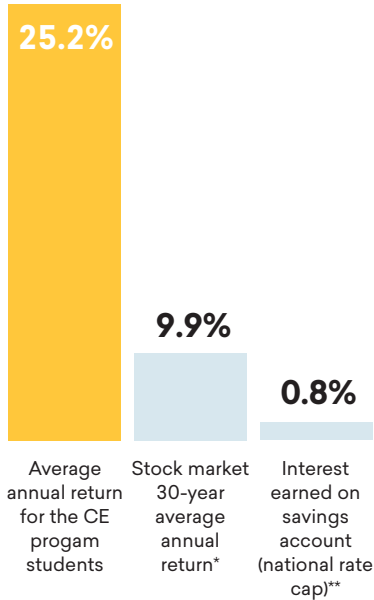
- The CE program employed 251 full-time and part-time faculty and staff. Payroll amounted to \$9.9 million, much of which was spent in the city for groceries, mortgage and rent payments, dining out, and other household expenses. The noncredit program spent another \$898.4 thousand on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the noncredit program's operations spending added **\$10.4 million** in income to the local economy in FY 2018-19.

Student spending impact

- Some in-city students, referred to as retained students, would have left the City of Orange for other educational opportunities if not for the CE program. These retained students spent money on groceries, mortgage and rent payments, and other living expenses at local businesses.

* The City of Orange consists of the following zip codes: 92857, 92859, 92865, 92866, 92867, 92862, 92863, 92864, 92868, and 92869.

STUDENTS SEE A HIGH RATE OF RETURN FOR THEIR INVESTMENT IN THE CE PROGRAM



* Forbes' S&P 500, 1989-2018.

** FDIC.gov, 6-2019.

- The expenditures of retained students in FY 2018-19 added **\$3.2 million** in income to the City of Orange economy.

Alumni impact

- Over the years, students have studied at the CE program and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, many of these former students are employed in the City of Orange.
- The net impact of the CE program's former students currently employed in the local workforce amounted to **\$62.5 million** in added income in FY 2018-19.

INVESTMENT ANALYSIS

Student perspective

- The CE program's FY 2018-19 students paid a present value of **\$0.1 thousand** to cover the cost of books and supplies. They also forwent **\$35.4 million** in money that they would have earned had they been working instead of attending the program.
- In return for their investment, students will receive **\$127.7 million** in increased earnings over their working lives. This translates to a return of **\$3.60** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **25.2%**.

Taxpayer perspective

- Taxpayers provided the CE program with **\$14.1 million** of funding in FY 2018-19. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$30.4 million**. A reduced demand for government-funded services in California will add another **\$7.8 million** in benefits to taxpayers.
- For every dollar of public money invested in the CE program, taxpayers will receive **\$2.70** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **13.1%**.

Social perspective

- In FY 2018-19, California invested **\$46.2 million** to support the CE program. In turn, the California economy will grow by **\$479.4 million**, over the course of students' working lives. Society will also benefit from **\$10.8 million** of public and private sector savings.
- For every dollar invested in the CE program in FY 2018-19, people in California will receive **\$10.60** in return, for as long as the CE program's FY 2018-19 students remain active in the state workforce.

For every \$1 spent by...

| |
|---|
| <p>STUDENTS</p> <p>\$3.60</p> <p>Gained in lifetime earnings for STUDENTS</p> |
| <p>TAXPAYERS</p> <p>\$2.70</p> <p>Gained in added tax revenue and public sector savings for TAXPAYERS</p> |
| <p>SOCIETY</p> <p>\$10.60</p> <p>Gained in added income and social savings for SOCIETY</p> |