

The Economic Value of Santiago Canyon College to Orange County



Santiago Canyon College (SCC) 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.



Orange County,
California



Economic impact analysis

In FY 2023-24, SCC added **\$662.8 million** in income to the Orange County economy, a value approximately equal to **0.2%** of the county's total gross regional product (GRP). Expressed in terms of jobs, SCC's impact supported **7,116 jobs**.

Operations spending impact

- SCC employed 988 full-time and part-time faculty and staff. Payroll amounted to \$59.7 million, much of which was spent in the county on groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$24.5 million on its expenses related to facilities, supplies, and professional services (excluding construction).
- The net impact of the college's operations spending added **\$77.3 million** in income to the county economy in FY 2023-24.

Construction spending impact

- SCC invests in capital projects 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 SCC's construction spending in FY 2023-24 was **\$3.8 million** in added income for Orange County.

Student spending impact

- Around 40% of credit students attending SCC originated from outside the county. Some of these students relocated to Orange County. In addition, some in-county students, referred to as retained students, would have left Orange County for other educational opportunities if not for SCC. 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 **\$54.8 million** in income to the Orange County economy.

Alumni impact

- Over the years, students have studied at SCC and entered or re-entered the workforce with newly acquired knowledge and skills. Today, hundreds of thousands of these former students are employed in Orange County.
- The net impact of SCC's former students currently employed in the county workforce amounted to **\$526.8 million** in added income in FY 2023-24.

Impacts created by SCC in FY 2023-24



Operations spending impact

\$77.3 million

+



Construction spending impact

\$3.8 million

+



Student spending impact

\$54.8 million

+



Alumni impact

\$526.8 million



Total economic impact

\$622.8 million

OR



Jobs supported

7,116



Investment analysis

Student perspective

- SCC's FY 2023-24 students paid a present value of **\$12.1 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent a value of **\$42.9 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 **\$383.0 million** in increased earnings over their working lives. This translates to a return of **\$7.00** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **24.7%**.

Taxpayer perspective

- Taxpayers provided SCC with **\$100.8 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 **\$172.6 million**. A reduced demand for government-funded services in California will add another **\$26.8 million** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$199.4 million**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in SCC, taxpayers will receive **\$2.00** in return over the course of students' working lives. The average annual rate of return for taxpayers is **5.0%**.

Social perspective

- In FY 2023-24, California invested **\$141.5 million** to support SCC. In turn, the California economy will grow by **\$2.2 billion** over the course of students' working lives. Society will also benefit from **\$35.5 million** of public and private sector savings.
- For every dollar invested in SCC in FY 2023-24, people in California will receive **\$16.10** in return, for as long as SCC's FY 2023-24 students remain active in the state workforce.

Students see a high rate of return for their investment in SCC



Average annual return for SCC students

24.7%



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

\$7.00



Taxpayers gain in added tax revenue and public sector savings

\$2.00



Society gains in added income and social savings

\$16.10

