



# STUDENTS' INVESTMENT

The Economic Value of Santiago Canyon College | July 2018

Education has the power to raise students' earning potential and increase their employability. In return for their investment in education, SCC's FY 2016-17 students will receive higher wages throughout their working lives.

## EDUCATION RETURNS VALUE FOR MONEY SPENT

- To meet the costs of going to the college, students rely on their own earnings or on the earnings of their families. Many students also take out loans, which they will pay back over time with interest. SCC's FY 2016-17 students paid a present value of **\$13.8 million** to cover the cost of tuition, fees, supplies, and interest on loans for FY 2016-17.
- While at college, students spend time focusing on their studies, time they would have otherwise spent working or with their families and friends. For SCC students, the value of time and earnings forgone was estimated to be **\$81.3 million** (less offsetting monies received from residual aid).
- In return for the costs of going to the college, students will receive a stream of higher lifetime earnings. These wage gains will fully recover the money that students invested and will continue to grow throughout the students' working lives.

## EDUCATION INCREASES EARNING POTENTIAL

- Average annual earnings increase as students attain higher levels of education. On average, an associate degree completer in California will earn \$48,200 at the midpoint of their career, **\$11,200** more than someone with a high school diploma.

- An associate degree completer will earn **\$1.8 million** (undiscounted) over their working lifetime, an increase of \$414,400 compared to someone with a high school diploma.

## EDUCATION IS A KEY INVESTMENT FOR STUDENTS AND THEIR FAMILIES

- SCC's FY 2016-17 students will receive an average annual internal rate of return of **13.2%** on their investment in the college. This internal rate of return continues throughout their working lives.
- Had students and their families taken the money they spent on education and invested it instead in a standard bank savings account, they would have received a rate of return of less than 1%.
- On average, SCC's FY 2016-17 students will receive a cumulative **\$3.70** in higher future earnings for every \$1 they invested in their education.

## AVERAGE EARNINGS BY EDUCATION LEVEL AT CAREER MIDPOINT IN CALIFORNIA

