



FACT SHEET

JULY 2018 | THE ECONOMIC VALUE OF THE NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT

The North Orange County Community College District (NOCCCD) 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) 2016-17.

IMPACTS CREATED BY NOCCCD IN FY 2016-17

ADDED INCOME	JOBS
\$282.1 million	3,713
Operations spending impact	
\$8.3 million	75
Construction spending impact	
\$103 million	1,730
Student spending impact	
\$1.2 billion	14,558
Alumni impact	
\$1.6 billion	20,076
Total impact	

IMPACT ON THE BUSINESS COMMUNITY

During the analysis year, NOCCCD and its students added **\$1.6 billion** in income to the Orange County economy, approximately equal to **0.6%** of the county's total gross regional product (GRP). NOCCCD's impact supported **20,076** jobs in FY 2016-17. For perspective, this means that one out of every 113 jobs in Orange County is supported by the activities of NOCCCD and its students. The economic impacts of NOCCCD break down as follows:

Operations spending impact

- NOCCCD employed 2,702 full-time and part-time employees, including district staff, in FY 2016-17. Payroll amounted to \$194.4 million, much of which was spent in Orange County to purchase groceries, clothing, and other household goods and services. The colleges spent another \$129 million to support their day-to-day operations.
- The net impact of the colleges' payroll and expenses in Orange County during the analysis year was approximately **\$282.1 million** in income.

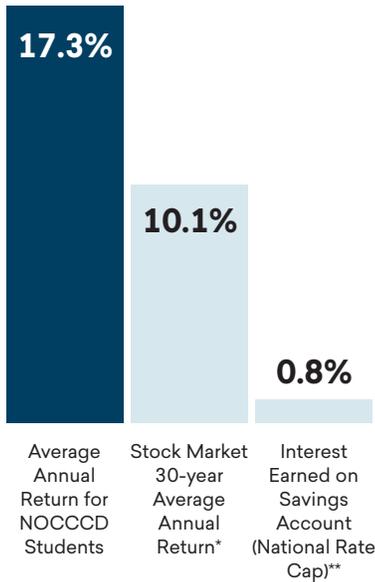
Construction spending impact

- NOCCCD commissioned contractors to build or renovate its facilities during the analysis year, generating a short-term infusion of spending and jobs in the county economy.
- The net impact of the colleges' construction spending in FY 2016-17 was **\$8.3 million** in added income for Orange County.

Student spending impact

- Around 24% of students attending NOCCCD originated from outside the county. Some of these students relocated to Orange County. In addition, a number of students would have left the county if not for NOCCCD. These relocated and

STUDENT RATE OF RETURN



* Forbes' S&P 500, 1987-2016.

** FDIC.gov, 7-2017.

retained students spent money on groceries, transportation, rent, and so on at county businesses.

- The expenditures of relocated and retained students during the analysis year added approximately **\$103 million** in income to the Orange County economy.

Alumni impact

- Over the years, students have studied at NOCCCD and entered or re-entered the workforce with newly-acquired skills. Today, hundreds of thousands of these former students are employed in Orange County.
- The impact of former students currently employed in the county workforce amounted to **\$1.2 billion** in added income during the analysis year.

RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS, AND SOCIETY

Student perspective

- NOCCCD's FY 2016-17 students paid a total present value of **\$57.8 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$194.8 million** in money that they would have earned had they been working instead of learning.
- In return for the monies invested in the colleges, students will receive a present value of **\$1.4 billion** in increased earnings over their working lives. This translates to a return of **\$5.70** in higher future earnings for every dollar that students invest in their education. The average annual return for students is **17.3%**.

Taxpayer perspective

- In FY 2016-17, state and local taxpayers in California paid **\$257.8 million** to support the operations of NOCCCD. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$852 million** in benefits to taxpayers. Savings to the public sector add another **\$67.8 million** in benefits due to a reduced demand for government-funded services in California.
- Dividing benefits to taxpayers by the associated costs yields a **3.6** benefit-cost ratio, i.e., every dollar in costs returns **\$3.60** in benefits. The average annual return on investment for taxpayers is **8.8%**.

Social perspective

- The economic base in California will grow by **\$12 billion** over the course of the students' working lives. Society will also benefit from **\$150.1 million** in present value social savings related to reduced crime, lower unemployment, and increased health and well-being across the state.
- For every dollar that society spent on NOCCCD's FY 2016-17 educations, society will receive a cumulative value of **\$21.50** in benefits, for as long as the FY 2016-17 student population at NOCCCD remains active in the state workforce.

