The Economic Value of San José-Evergreen Community College District

FACT SHEET

San José-Evergreen Community College District (SJECCD) creates a significant positive impact on the business community and generates a positive 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.

**Economic impact analysis**

In FY 2018-19, SJECCD added **$895.7 million** in income to the Santa Clara County economy. Expressed in terms of jobs, SJECCD’s impact supported **6,917 jobs**.

**Operations Spending Impact**

- SJECCD employed 1,038 full-time and part-time faculty and staff. Payroll amounted to $115.8 million, much of which was spent in the county for food, mortgage and rent payments, and other household expenses. The colleges spent another $36.7 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the colleges’ operations spending added **$114.6 million** in income to the county economy in FY 2018-19.

**Construction Spending Impact**

- SJECCD invests in construction each year to maintain facilities, create additional capacities, and meet growing educational demands, generating a short-term infusion of spending and jobs in the county economy.
- On average SJECCD’s expenditure on construction projects generates **$17.3 million** in added income for Santa Clara County.

**Student Spending Impact**

- Around 19% of students attending the colleges originated from outside the county. Some of these students relocated to Santa Clara County. In addition, some in-county students, referred to as retained students, would have left the county had they not attended the colleges.
Santa Clara County for other educational opportunities if not for SJECCD. 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 2018-19 added $37.7 million in income to the Santa Clara County economy.

**ALUMNI IMPACT**

- Over the years, students have studied at SJECCD and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in Santa Clara County.

- The net impact of SJECCD’s former students currently employed in the county workforce amounted to $726 million in added income in FY 2018-19.

**Investment analysis**

**STUDENT PERSPECTIVE**

- SJECCD’s FY 2018-19 students paid a present value of $25.1 million to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent $121.7 million in money that they would have earned had they been working instead of attending college.

- In return for their investment, students will receive $901.4 million in increased earnings over their working lives. This translates to a return of $6.10 in higher future earnings for every dollar students invest in their education. Students’ average annual rate of return is 20.7%.

**TAXPAYER PERSPECTIVE**

- Taxpayers provided SJECCD with $147.4 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 $321.5 million. A reduced demand for government-funded services in California will add another $19.4 million in benefits to taxpayers.

- For every dollar of public money invested in SJECCD, taxpayers will receive $2.30 in return, over the course of students’ working lives. The average annual rate of return for taxpayers is 6.1%.

**SOCIAL PERSPECTIVE**

- In FY 2018-19, California invested $335 million to support SJECCD. In turn, the California economy will grow by $4 billion, over the course of students’ working lives. Society will also benefit from $31.5 million of public and private sector savings.

- For every dollar invested in SJECCD in FY 2018-19, people in California will receive $12.00 in return, for as long as SJECCD’s FY 2018-19 students remain active in the state workforce.