



The Economic Value of Grossmont-Cuyamaca Community College District

FACT SHEET

THE Grossmont-Cuyamaca Community College District (GCCCD)* 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.

Economic impact analysis



In FY 2018-19, GCCCD added **\$1.1 billion** in income to the San Diego County economy, a value approximately equal to **0.4%** of the county's total gross regional product (GRP). Expressed in terms of jobs, GCCCD's impact supported **14,239 jobs**.

OPERATIONS SPENDING IMPACT

- GCCCD employed 2,994 full-time and part-time faculty and staff. Payroll amounted to \$152.3 million, much of which was spent in the county for groceries, mortgage and rent payments, dining out, and other household expenses. The district spent another \$86.2 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the district's operations spending added **\$237.5 million** in income to the county economy in FY 2018-19.

CONSTRUCTION SPENDING IMPACT

- GCCCD 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.
- The net impact of GCCCD's construction spending in FY 2018-19 was **\$18.2 million** in added income for San Diego County.

STUDENT SPENDING IMPACT

- Around 6% of students attending the colleges originated from outside the county. Some of these students relocated to San Diego County. In addition, some in-county students, referred to as retained students, would have left San Diego County for other educational opportunities if not for GCCCD.

IMPACTS CREATED BY GCCCD
IN FY 2018-19



\$237.5 million
Operations Spending Impact



\$18.2 million
Construction Spending Impact



\$65.4 million
Student Spending Impact



\$810.2 million
Alumni Impact



\$1.1 billion
TOTAL IMPACT

- OR -

14,239
JOBS SUPPORTED

* The Grossmont-Cuyamaca Community College District consists of Cuyamaca College and Grossmont College.



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 **\$65.4 million** in income to the San Diego County economy.

ALUMNI IMPACT

- Over the years, students have studied at GCCCD and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, hundreds of thousands of these former students are employed in San Diego County.
- The net impact of GCCCD's former students currently employed in the county workforce amounted to **\$810.2 million** in added income in FY 2018-19.



Investment analysis

STUDENT PERSPECTIVE

- GCCCD's FY 2018-19 students paid a present value of **\$32.9 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$70.2 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$707.1 million** in increased earnings over their working lives. This translates to a return of **\$6.90** 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 GCCCD with **\$195.5 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 **\$244.1 million**. A reduced demand for government-funded services in California will add another **\$28.5 million** in benefits to taxpayers.
- For every dollar of public money invested in GCCCD, taxpayers will receive **\$1.40** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **3.5%**.

SOCIAL PERSPECTIVE

- In FY 2018-19, California invested **\$357.6 million** to support GCCCD. In turn, the California economy will grow by **\$3.6 billion**, over the course of students' working lives. Society will also benefit from **\$45.7 million** of public and private sector savings.
- For every dollar invested in GCCCD in FY 2018-19, people in California will receive **\$10.20** in return, for as long as GCCCD's FY 2018-19 students remain active in the state workforce.

STUDENTS SEE A HIGH RATE OF RETURN FOR THEIR INVESTMENT IN GCCCD



25.2%

Average annual return for GCCCD students



9.9%

Stock market 30-year average annual return



0.8%

Interest earned on savings account (National Rate Cap)

Source: Forbes' S&P 500, 1989-2018. FDIC.gov, 6-2019.



FOR EVERY \$1...



Students gain

\$6.90

in lifetime earnings



Taxpayers gain

\$1.40

in added tax revenue and public sector savings



Society gains

\$10.20

in added income and social savings

