



The Economic Value of Yosemite Community College District **FACT SHEET**



YOSEMITE Community College District (YCCD) 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) 2019-20.



YOSEMITE COMMUNITY COLLEGE DISTRICT



Economic impact analysis

In FY 2019-20, YCCD added **\$705.5 million** in income to the Yosemite Community College District economy, a value approximately equal to **2.5%** of the region’s total gross regional product (GRP). Expressed in terms of jobs, YCCD’s impact supported **9,820 jobs**. For perspective, the activities of YCCD and its students support **one out of every 32 jobs** in the Yosemite Community College District.

* For the purposes of this analysis, the Yosemite Community College District consists of Stanislaus County and Tuolumne County and parts of the following four counties: Calaveras County, Merced County, San Joaquin County, and Santa Clara County.



OPERATIONS SPENDING IMPACT

- YCCD employed 1,336 full-time and part-time faculty and staff. Payroll amounted to \$141.5 million, much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. The district spent another \$67.3 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of YCCD's operations spending added **\$165 million** in income to the regional economy in FY 2019-20.

CONSTRUCTION SPENDING IMPACT

- YCCD invests in construction 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 regional economy.
- The net impact of YCCD's construction spending in FY 2019-20 was **\$1.6 million** in added income for the Yosemite Community College District.

STUDENT SPENDING IMPACT

- Around 6% of students attending YCCD originated from outside the region. Some of these students relocated to the Yosemite Community College District. In addition, some in-region students, referred to as retained students, would have left the Yosemite Community College District for other educational opportunities if not for YCCD. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.
- The expenditures of relocated and retained students in FY 2019-20 added **\$23.2 million** in income to the Yosemite Community College District economy.

ALUMNI IMPACT

- Over the years, students have studied at YCCD and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, hundreds of thousands of these former students are employed in the Yosemite Community College District.
- The net impact of YCCD's former students currently employed in the regional workforce amounted to **\$515.8 million** in added income in FY 2019-20.

IMPACTS CREATED
BY YCCD IN FY 2019-20



\$165 million
Operations Spending Impact



\$1.6 million
Construction Spending Impact



\$23.2 million
Student Spending Impact



\$515.8 million
Alumni Impact



\$705.5 million
TOTAL IMPACT

- OR -

9,820
JOBS SUPPORTED





Investment analysis

STUDENT PERSPECTIVE

- YCCD's FY 2019-20 students paid a present value of **\$28.6 million** to cover the cost of tuition, fees, and supplies. They also forwent **\$57.5 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$475.1 million** in increased earnings over their working lives. This translates to a return of **\$5.50** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **20.2%**.

TAXPAYER PERSPECTIVE

- Taxpayers provided YCCD with **\$152.1 million** of funding in FY 2019-20. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$138.9 million**. A reduced demand for government-funded services in California will add another **\$25.1 million** in benefits to taxpayers.
- For every dollar of public money invested in YCCD, taxpayers will receive **\$1.10** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **1.9%**.

SOCIAL PERSPECTIVE

- In FY 2019-20, California invested **\$291 million** to support YCCD. In turn, the California economy will grow by **\$2.1 billion**, over the course of students' working lives. Society will also benefit from **\$39.2 million** of public and private sector savings.
- For every dollar invested in YCCD in FY 2019-20, people in California will receive **\$7.50** in return, for as long as YCCD's FY 2019-20 students remain active in the state workforce.

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



20.2%

Average annual return for YCCD 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

\$5.50

in lifetime earnings



Taxpayers gain

\$1.10

in added tax revenue and public sector savings



Society gains

\$7.50

in added income and social savings

