



# CHABOT LAS POSITAS

COMMUNITY COLLEGE DISTRICT

## The Economic Value of Chabot-Las Positas Community College District **FACT SHEET**

**C**HABOT-LAS POSITAS Community College District (CLPCCD) 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, CLPCCD added **\$694.6 million** in income to the CLPCCD Service Area\* economy, a value approximately equal to **0.5%** of the region's total gross regional product (GRP). Expressed in terms of jobs, CLPCCD's impact supported **6,851 jobs**.

#### OPERATIONS SPENDING IMPACT

- CLPCCD employed 1,867 full-time and part-time faculty and staff. Payroll amounted to \$161.6 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 \$118 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the district's operations spending added **\$229.5 million** in income to the regional economy in FY 2018-19.

#### CONSTRUCTION SPENDING IMPACT

- CLPCCD 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 regional economy.
- CLPCCD's construction spending generated \$122.2 million in sales across the CLPCCD Service Area which had a net impact **\$33.4 million** in FY 2018-19.

#### STUDENT SPENDING IMPACT

- Around 26% of students attending the colleges originated from outside the region. Some of these students relocated to the CLPCCD Service Area. In addition, some in-region students, referred to as retained students, would have left the CLPCCD Service Area for other educational opportunities

IMPACTS CREATED BY  
CLPCCD IN FY 2018-19



**\$229.5 million**  
Operations Spending Impact



**\$33.4 million**  
Construction Spending Impact



**\$33.5 million**  
Student Spending Impact



**\$398.2 million**  
Alumni Impact



**\$694.6 million**  
TOTAL IMPACT

- OR -

**6,851**  
JOBS SUPPORTED

\* For the purposes of this analysis, the CLPCCD Service Area is comprised of Alameda County.



if not for CLPCCD. 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 2018-19 added **\$33.5 million** in income to the CLPCCD Service Area economy.

#### ALUMNI IMPACT

- Over the years, students have studied at CLPCCD and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in the CLPCCD Service Area.
- The net impact of CLPCCD's former students currently employed in the regional workforce amounted to **\$398.2 million** in added income in FY 2018-19.



### Investment analysis

#### STUDENT PERSPECTIVE

- CLPCCD's FY 2018-19 students paid a present value of **\$40.7 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$76 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$750.4 million** in increased earnings over their working lives. This translates to a return of **\$6.40** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **21.0%**.

#### TAXPAYER PERSPECTIVE

- Taxpayers provided CLPCCD with **\$274.1 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 **\$270.8 million**. A reduced demand for government-funded services in California will add another **\$28.7 million** in benefits to taxpayers.
- For every dollar of public money invested in CLPCCD, taxpayers will receive **\$1.10** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **1.5%**.

#### SOCIAL PERSPECTIVE

- In FY 2018-19, California invested **\$436.6 million** to support CLPCCD. In turn, the California economy will grow by **\$3.9 billion**, over the course of students' working lives. Society will also benefit from **\$47.9 million** of public and private sector savings.
- For every dollar invested in CLPCCD in FY 2018-19, people in California will receive **\$9.00** in return, for as long as CLPCCD's FY 2018-19 students remain active in the state workforce.

#### STUDENTS SEE A HIGH RATE OF RETURN FOR THEIR INVESTMENT IN CLPCCD



**21.0%**

Average annual return for CLPCCD 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**

**\$6.40**

in lifetime earnings



**Taxpayers gain**

**\$1.10**

in added tax revenue and public sector savings



**Society gains**

**\$9.00**

in added income and social savings

