

FACT SHEET

Demonstrating the Value of Stanly Community College

OCTOBER 2014

SCC creates a significant positive impact on the local business community and generates a return on investment to its major stakeholder groups—students, society, and taxpayers. Using a two-pronged approach that involves a regional economic impact analysis and an investment analysis, the study calculates the benefits to each of these groups. Results of the analysis reflect Fiscal Year (FY) 2012-13.

INCOME CREATED BY SCC IN FY 2012-13 (ADDED INCOME)

\$18.9 MILLION

Operations spending impact

\$220.1 THOUSAND

Student spending impact

\$92.2 MILLION

Alumni impact

\$111.3 MILLION

Total impact

IMPACT ON LOCAL BUSINESS COMMUNITY

During the analysis year, SCC and its students added **\$111.3 MILLION** in income to the SCC Service Area economy, approximately equal to **7.8%** of the region's Gross Regional Product. The economic impacts of SCC break down as follows:

Impact of college operations

- SCC employed 469 full-time and part-time employees in FY 2012-13. Payroll amounted to **\$16.3 MILLION**, much of which was spent in the SCC Service Area to purchase groceries, clothing, and other household goods and services. The college spent another **\$8.6 MILLION** to support its day-to-day operations.
- The net impact of college payroll and expenses in the SCC Service Area during the analysis year was approximately **\$18.9 MILLION** in added regional income.

Impact of student spending

- About **0.8%** of students at SCC relocated to the SCC Service Area from outside of the region and spent money at local businesses to purchase groceries, rent accommodation, pay for transport, and so on.
- The expenditures of students who relocated to the region during the analysis year added approximately **\$220,100** in income to the economy.

Impact of student productivity

- Over the years, students have studied at SCC and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in the SCC Service Area.
- The accumulated contribution of former students currently employed in the regional workforce amounted to **\$92.2 MILLION** in added income during the analysis year.

JOB EQUIVALENTS BASED ON INCOME

Job equivalents are a measure of the average-wage jobs that a given amount of income can potentially support. They are calculated by dividing income by the average income per worker in the region. Based on the added income created by SCC, the job equivalents are as follows:

Effect of college operations = **514** job equivalents

Effect of student spending = **5** job equivalents

Effect of student productivity = **2,368** job equivalents

Overall, the added income created by SCC and its students supported **2,887** job equivalents.

FOR EVERY \$1 SPENT...

\$2.70

Gained in lifetime income for STUDENTS

\$8.80

Gained in added state income and social savings for SOCIETY

\$4.00

Gained in added taxes and public sector savings for TAXPAYERS



RETURN ON INVESTMENT TO STUDENTS, SOCIETY, AND TAXPAYERS

Student perspective

- SCC's 2012-13 students paid a total of **\$5.3 MILLION** to cover the cost of tuition, fees, books, and supplies. They also forwent **\$44.6 MILLION** in money that they would have earned had they been working instead of learning.
- In return for the monies invested in the college, students will receive a present value of **\$132.9 MILLION** in increased earnings over their working lives. This translates to a return of **\$2.70** in higher future income for every \$1 that students invest in their education. The average annual return for students is **13.3%**.

Social perspective

- Society as a whole in North Carolina will receive a present value of **\$605.1 MILLION** in added state income over the course of the students' working lives. Society will also benefit from **\$13.2 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 SCC educations during the analysis year, society will receive a cumulative value of **\$8.80** in benefits, for as long as SCC's 2012-13 students remain active in the state workforce.

Taxpayer perspective

- In FY 2012-13, state and local taxpayers in North Carolina paid **\$15.9 MILLION** to support the operations of SCC. The net present value of the added tax revenue stemming from the students' higher lifetime incomes and the increased output of businesses amounts to **\$57.3 MILLION** in benefits to taxpayers. Savings to the public sector add another **\$3.9 MILLION** in benefits due to a reduced demand for government-funded services in North Carolina.
- Dividing benefits to taxpayers by the associated costs yields a **4.0** benefit-cost ratio, i.e., every \$1 in costs returns \$4.00 in benefits. The average annual return on investment for taxpayers is **13.2%**.