



FACT SHEET

The Economic Value of Southwestern Oregon Community College | July 2017
<https://www.socc.edu/ie/ie-reports>

Southwestern Oregon Community College 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 to each of these groups. Results of the analysis reflect Fiscal Year (FY) 2015-16.

IMPACTS CREATED BY SWOCC IN FY 2015-16

ADDED INCOME	JOBS
\$19.9 million	433
Operations spending impact	
\$50 thousand	1
Construction spending impact	
\$4.4 million	136
Student spending impact	
\$54.1 million	1,415
Alumni impact	
\$78.5 million	1,985
Total impact	

IMPACT ON BUSINESS COMMUNITY

During the analysis year, SWOCC and its students added **\$78.5 million** in income to the SWOCC service district economy. This is equal to **3.7%** of the region's total gross regional product. By comparison, this contribution that the college provides on its own is slightly larger than the Transportation & Warehousing industry in the region. The economic impacts of SWOCC break down as follows:

Operations spending impact

- SWOCC employed 347 full-time and part-time employees in FY 2015-16. Payroll amounted to **\$16.4 million**, much of which was spent in the college district to purchase groceries, clothing, and other household goods and services. The college spent another **\$26.3 million** to support its day-to-day operations.
- The net impact of college payroll and expenses in the college district during the analysis year was approximately **\$19.9 million** in income.

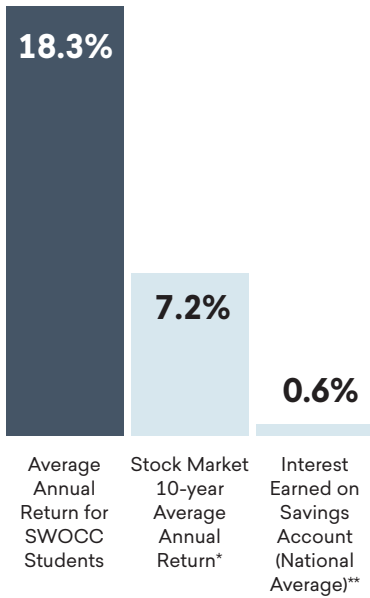
Construction spending impact

- SWOCC commissioned contractors to build or renovate its facilities during the analysis year. This generated a short-term infusion of spending and jobs in the regional economy.
- The net impact of SWOCC's construction spending in FY 2015-16 was **\$50 thousand** in added income for Coos County.

Student spending impact

- Nearly **18%** of SWOCC students originated from outside the region. Some of these students relocated to the college district. In addition, a number of students would have left the region if not for SWOCC. These relocated and retained students spent money on groceries, transportation, rent, and goods and services at regional businesses.

STUDENT RATE OF RETURN



* Forbes' S&P 500, 1994-2014.

** FDIC.gov 12-2016.

- The expenditures of relocated and retained students during the analysis year added approximately **\$4.4 million** in income to the region's economy.

Alumni impact

- Over the years, students have studied at SWOCC and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in the SWOCC service district.
- The accumulated contribution of former students currently employed in the regional workforce amounted to **\$54.1 million** in added income during the analysis year.

RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS, AND SOCIETY

Benefits to Students

- SWOCC's FY 2015-16 students paid a total of **\$4 million** to cover the cost of tuition, fees, and supplies. They also chose to give up **\$5.5 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 **\$55.9 million** in increased earnings over their working lives. This translates to a return of **\$5.90** in higher future earnings for every \$1 that students invest in their education. The average annual return for students is **18.3%**!

Benefits to Taxpayers

- In FY 2015-16, state and local taxpayers in Oregon paid **\$16.1 million** to support SWOCC's operations. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$19.6 million** in benefits to taxpayers. Savings to the public sector add another **\$1.7 million** in benefits due to a reduced demand for government-funded services in Oregon.
- Dividing benefits to taxpayers by the associated costs yields a **1.3** benefit-cost ratio. That means for every \$1 in costs SWOCC returns \$1.30 in benefits. The average annual return on investment for taxpayers is **2.2%**.

Benefits to Society

- The economic base in Oregon will grow by **\$209.5 million** over the course of SWOCC's students' working lives. Society will also benefit from **\$5.5 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 SWOCC and its students' education during the analysis year, society will receive a cumulative value of **\$4.30** in benefits, for as long as the FY 2015-16 student population at SWOCC remains active in Oregon's workforce.

