

FACT SHEET: ECONOMIC IMPACT OF SOUTHWESTERN OREGON COMMUNITY COLLEGE

What role does Southwestern Oregon Community College play in the local economy? The results of this study demonstrate that Southwestern is a sound investment from multiple perspectives. Students benefit from improved lifestyles and increased earnings. Taxpayers benefit from an enlarged economy and lower social costs. And the community as a whole benefits from increased job and investment opportunities, higher business revenues, greater availability of public funds, and an eased tax burden.

Stimulating the state and local economy

- The Southwestern Service Area economy receives roughly **\$13.0 million in regional income** annually due to Southwestern operations and capital spending.
- Southwestern activities encourage new business, assist existing business, and create long-term economic growth. The college enhances worker skills and provides customized training to local business and industry. It is estimated that the present-day Southwestern Service Area workforce embodies around **2.4 million credit and non-credit hours** of past and present Southwestern training.
- Southwestern skills embodied in the regional workforce of where the former students are employed **increase regional income by \$169.5 million**. Associated indirect effects increase income by **another \$29.6 million**.
- Altogether, the regional economy annually receives roughly **\$212.1 million in income** due to the past and present efforts of Southwestern. Clearly it is accurate to describe Southwestern as an engine of economic growth.

The regional economy is \$212.1 million stronger due to the actions of Southwestern.

Leveraging taxpayer dollars

- The state and local community will see **avoided social costs amounting to \$7 per year for every credit earned** by Southwestern students, including savings associated with improved health, reduced crime, and fewer welfare and unemployment claims.
- This translates to **\$1.1 million worth of social savings** to the State of Oregon each year as long as students are in the workforce.
- Students benefit from higher earnings, thereby expanding the tax base and reducing the tax burden on state and local taxpayers. When aggregated together, students generate about **\$9.9 million annually in higher earnings** due to their Southwestern education.

Generating a return on government investment

- State and local government allocated around **\$11.0 million in support of Southwestern** in fiscal year 2005.
- For every dollar appropriated by state and local government, taxpayers will see a **cumulative return of \$4.30** over the course of the students' working career (in the form of higher tax receipts and avoided social costs).

Southwestern returns \$4.30 for every dollar of taxpayer financial support.

- State and local government will see a **rate of return of 19%** on their support for Southwestern, which compares very favorably with private sector rates of return on similar long-term investments.

Increasing students' earning potential

- A total of **11,509 credit and non-credit students** attended the college in academic year 2004-2005. As many as **80% of these students stay in the region** initially after they leave the college and contribute to the local economy.
- Studies demonstrate that education increases lifetime earnings. **The average annual earnings of a student with a one-year certificate are \$26,633**, or 84% more than someone without a high school diploma or GED, and 16% more than a student with a high school diploma. **The average earnings of a student with an Associate Degree are \$31,429**, or 117% more than someone without a high school diploma or GED, and 37% more than a student with a high school diploma or GED.
- Southwestern students will see their annual income increase, on average, by about **\$67 per year for every credit completed** at Southwestern during the analysis year.
- Throughout his or her working career, the average Southwestern student's discounted lifetime earnings (i.e., future values expressed in present value terms) will increase **\$4.20 for every education dollar invested** (in the form of tuition, fees, books, and foregone earnings from employment).
- Students enjoy an attractive **18% annual rate of return** on their educational investment, and recover all costs (including wages foregone while attending) in **8 years**.

Students see their annual income increase by \$67 per year for every credit completed at Southwestern.