

FACT SHEET

Demonstrating the Value of San Jacinto College District

JUNE 2014

SJCD 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 SJCD IN FY 2012-13 (ADDED INCOME)

\$123.5 MILLION

Effect of college operations

\$689.9 MILLION

Effect of student productivity

\$813.4 MILLION

Total effect

IMPACT ON LOCAL BUSINESS COMMUNITY

During the analysis year, SJCD and its students added **\$813.4 MILLION** in income to the SJCD Service Region economy, approximately equal to **2.0%** of the region's Gross Regional Product. The economic impacts of SJCD break down as follows:

Impact of district operations

- SJCD employed 2,859 full-time and part-time employees in FY 2012-13. Payroll amounted to **\$115.1 MILLION**, much of which was spent in the SJCD Service Region to purchase groceries, clothing, and other household goods and services. The district spent another **\$107.1 MILLION** to support its day-to-day operations.
- The net impact of district payroll and expenses in the SJCD Service Region during the analysis year was approximately **\$123.5 MILLION** in added regional income.

Impact of student productivity

- Over the years, students have studied at SJCD and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in the SJCD Service Region.
- The accumulated contribution of former students currently employed in the regional workforce amounted to **\$689.9 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 SJCD, the job equivalents are as follows:

Effect of district operations = **1,823** job equivalents

Effect of student productivity = **10,182** job equivalents

Overall, the added income created by SJCD and its students supported **12,005** job equivalents.

FOR EVERY \$1 SPENT...

\$5.60

Gained in lifetime income for STUDENTS

\$11.20

Gained in added state income and social savings for SOCIETY

\$3.30

Gained in added taxes and public sector savings for TAXPAYERS



RETURN ON INVESTMENT TO STUDENTS, SOCIETY, AND TAXPAYERS

Student perspective

- SJCD's 2012-13 students paid a total of **\$59.7 MILLION** to cover the cost of tuition, fees, books, and supplies. They also forwent **\$279.8 MILLION** in money that they would have earned had they been working instead of learning.
- In return for the monies invested in the district, students will receive a present value of **\$1.9 BILLION** in increased earnings over their working lives. This translates to a return of **\$5.60** in higher future income for every \$1 that students invest in their education. The average annual return for students is **19.7%**.

Social perspective

- Society as a whole in Texas will receive a present value of **\$5.8 BILLION** in added state income over the course of the students' working lives. Society will also benefit from **\$91.4 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 SJCD educations during the analysis year, society will receive a cumulative value of **\$11.20** in benefits, for as long as SJCD's 2012-13 students remain active in the state workforce.

Taxpayer perspective

- In FY 2012-13, state and local taxpayers in Texas paid **\$122.4 MILLION** to support the operations of SJCD. The net present value of the added tax revenue stemming from the students' higher lifetime incomes and the increased output of businesses amounts to **\$384.3 MILLION** in benefits to taxpayers. Savings to the public sector add another **\$25.2 MILLION** in benefits due to a reduced demand for government-funded services in Texas.
- Dividing benefits to taxpayers by the associated costs yields a **3.3** benefit-cost ratio, i.e., every \$1 in costs returns \$3.30 in benefits. The average annual return on investment for taxpayers is **8.1%**.