

# FACT SHEET

## The Economic Value of San Jacinto College

San Jacinto College (San Jac) 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) 2016-17.

### IMPACTS CREATED BY SAN JAC IN FY 2016-17

ADDED INCOME	JOB
<b>\$143 million</b>	<b>3,247</b>
Operations spending impact	
<b>\$24.4 million</b>	<b>449</b>
Student spending impact	
<b>\$1.1 billion</b>	<b>9,348</b>
Alumni impact	
<b>\$1.3 billion</b>	<b>13,044</b>
Total impact	

### IMPACT ON THE BUSINESS COMMUNITY

During the analysis year, San Jac and its students added **\$1.3 billion** in income to the East Harris County economy, approximately equal to **2.4%** of the region's total gross regional product (GRP). San Jac's impact supported 13,044 jobs in FY 2016-17. For perspective, this means that one out of every 31 jobs in East Harris County is supported by the activities of San Jac and its students. The economic impacts of San Jac break down as follows:

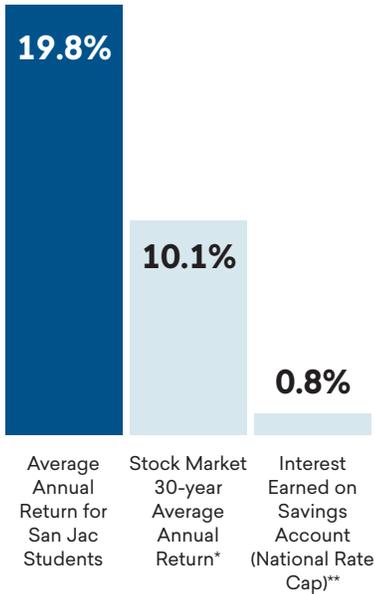
#### Operations spending impact

- San Jac employed 2,967 full-time and part-time employees in FY 2016-17. Payroll amounted to \$125 million, much of which was spent in East Harris County to purchase groceries, clothing, and other household goods and services. The college spent another \$108 million to support its day-to-day operations.
- The net impact of college payroll and expenses in East Harris County during the analysis year was approximately **\$143 million** in income.

#### Student spending impact

- Around 36% of credit students attending San Jac originated from outside the region. Some of these students relocated to East Harris County. In addition, a number of students would have left the region if not for San Jac. These relocated and retained students spent money on groceries, transportation, rent, etc. at regional businesses.
- The expenditures of relocated and retained students during the analysis year added approximately **\$24.4 million** in income to the East Harris County economy.

## STUDENT RATE OF RETURN



\* Forbes' S&P 500, 1987-2016.

\*\* FDIC.gov, 7-2017.

## Alumni impact

- Over the years, students have studied at San Jac and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in East Harris County.
- The impact of former students currently employed in the regional workforce amounted to **\$1.1 billion** in added income during the analysis year.

## RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS, AND SOCIETY

### Student perspective

- San Jac's FY 2016-17 students paid a total present value of **\$68.8 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$189.4 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 **\$1.6 billion** in increased earnings over their working lives. This translates to a return of **\$6.30** in higher future earnings for every dollar that students invest in their education. The average annual return for students is **19.8%**.

### Taxpayer perspective

- In FY 2016-17, state and local taxpayers in Texas paid **\$139.2 million** to support the operations of San Jac. The net present value of the added tax revenue, stemming from the students' higher lifetime earnings and the increased output of businesses, amounts to **\$586.2 million** in benefits to taxpayers. Savings to the public sector add another **\$34 million** in benefits due to a reduced demand for government-funded services in Texas.
- Dividing benefits to taxpayers by the associated costs yields a **4.5** benefit-cost ratio, i.e., every dollar in costs returns \$4.50 in benefits. The average annual return on investment for taxpayers is **10.8%**.

### Social perspective

- The economic base in Texas will grow by **\$9.6 billion** over the course of the students' working lives. Society will also benefit from **\$127.5 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 San Jac FY 2016-17 educations, society will receive a cumulative value of **\$21.80** in benefits, for as long as the FY 2016-17 student population at San Jac remains active in the state workforce.

