



# The Economic Value of Cuyahoga Community College

## FACT SHEET

**C**UYAHOGA Community College (Tri-C) 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) 2017-18.



### Economic impact analysis

In FY 2017-18, Tri-C added **\$1.7 billion** in income to the Cuyahoga County economy, a value approximately equal to **1.8%** of the county's total gross regional product (GRP). Expressed in terms of jobs, Tri-C's impact supported **21,500** county jobs. For perspective, the activities of Tri-C and its students support one out of every **44** jobs in Cuyahoga County.

#### OPERATIONS SPENDING IMPACT

- Tri-C employed 3,531 full-time and part-time faculty and staff. Payroll amounted to \$184.2 million, much of which was spent in the county for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$91.7 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$223.9 million** in income to the county economy.

#### CONSTRUCTION SPENDING IMPACT

- Tri-C commissioned contractors to build or renovate its facilities, generating a short-term infusion of spending and jobs in the county economy.
- The net impact of Tri-C's construction spending in FY 2017-18 was **\$21.6 million** in added income for Cuyahoga County.

#### STUDENT SPENDING IMPACT

- Around 24% of students attending Tri-C originated from outside the county. Some of these students relocated to Cuyahoga County. In addition, some in-county students would have left Cuyahoga County for other educational opportunities if not for Tri-C. These relocated and retained students spent money on groceries, mortgage and rent payments, and so on at county businesses.

IMPACTS CREATED BY TRI-C  
IN FY 2017-18



**\$223.9 million**  
Operations Spending Impact



**\$21.6 million**  
Construction Spending Impact



**\$12.2 million**  
Student Spending Impact



**\$1.4 billion**  
Alumni Impact



**\$1.7 billion**  
TOTAL IMPACT

- OR -

**21,500**  
JOBS SUPPORTED



- The expenditures of relocated and retained students in FY 2017-18 added **\$12.2 million** in income to the Cuyahoga County economy.

## ALUMNI IMPACT

- Over the years, students have studied at Tri-C and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, hundreds of thousands of these former students are employed in Cuyahoga County.
- The net impact of Tri-C's former students currently employed in the county workforce amounted to **\$1.4 billion** in added income in FY 2017-18.



## Investment analysis

### STUDENT PERSPECTIVE

- Tri-C's FY 2017-18 students paid a present value of **\$59.8 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also gave up **\$192.4 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$961.3 million** in increased earnings over their working lives. This translates to a return of **\$3.80** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **16.6%**.

### TAXPAYER PERSPECTIVE

- Taxpayers provided Tri-C with **\$202.2 million** of funding in FY 2017-18. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$357.9 million**. A reduced demand for government-funded services in Ohio will add another **\$23.7 million** in benefits to taxpayers.
- For every dollar of public money invested in Tri-C, taxpayers will receive **\$1.90** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **4.6%**.

### SOCIAL PERSPECTIVE

- In FY 2017-18, Ohio invested **\$563.1 million** to fully support Tri-C. In turn, the Ohio economy will grow by **\$5.2 billion**, over the course of students' working lives. Society will also benefit from **\$65.8 million** of public and private sector savings.
- For every dollar invested in Tri-C educations in FY 2017-18, people in Ohio will receive **\$9.40** in return, for as long as Tri-C's FY 2017-18 students remain active in the state workforce.

STUDENTS SEE A HIGH RATE OF RETURN FOR THEIR INVESTMENT IN TRI-C



**16.6%**

Average annual return for Tri-C students



**10.1%**

Stock market 30-year average annual return



**0.8%**

Interest earned on savings account (National Rate Cap)

Source: Forbes' S&P 500, 1987-2016. FDIC.gov, 7-2016.



**FOR EVERY \$1...**



Students gain

**\$3.80**

in lifetime earnings



Taxpayers gain

**\$1.90**

in added tax revenue and public sector savings



Society gains

**\$9.40**

in added income and social savings

