

The Economic Value of the Cuyahoga Community College



CUYAHOGA COUNTY

Cuyahoga 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) 2020-21.

Economic impact analysis

In FY 2020-21, Tri-C added **\$1.5 billion** in income to the Cuyahoga County economy, a value approximately equal to **1.3%** of the county's total gross regional product (GRP). Expressed in terms of jobs, Tri-C's impact supported **18,946 jobs**. For perspective, the activities of Tri-C and its students support **one out of every 51 jobs** in Cuyahoga County.

Operations spending impact

- Tri-C employed 4,005 full-time and part-time faculty and staff. Payroll amounted to \$164.5 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 \$82.3 million on day-to-day expenses related to facilities, supplies, and professional services.

- The net impact of the college's operations spending added **\$175.6 million** in income to the county economy in FY 2020-21.

Construction spending impact

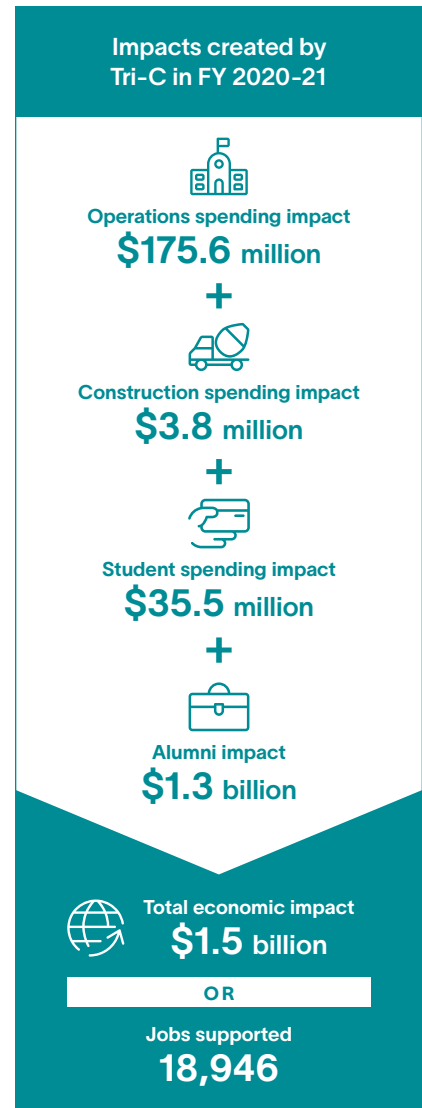
- Tri-C invests in construction each year to maintain its facilities, create additional capacities, and meet its growing educational demands, generating a short-term infusion of spending and jobs in the county economy.
- The net impact of Tri-C's construction spending in FY 2020-21 was **\$3.8 million** in added income for Cuyahoga County.

Student spending impact

- Around 34% of credit students attending Tri-C originated from outside the county. Some of these students relocated to Cuyahoga County. In addition, some in-county students, referred to as retained 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 other living expenses at county businesses.
- The expenditures of relocated and retained students in FY 2020-21 added **\$35.5 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 **\$1.3 billion** in added income in FY 2020-21.



Investment analysis

Student perspective

- Tri-C's FY 2020-21 students paid a present value of **\$51.3 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$64.4 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value **\$807.6 million** in increased earnings over their working lives. This translates to a return of **\$7.00** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **20.7%**.

Taxpayer perspective

- Taxpayers provided Tri-C with **\$216.6 million** of funding in FY 2020-21. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$280.8 million**. A reduced demand for government-funded services in Ohio will add another **\$22.5 million** in benefits to taxpayers.
- For every dollar of public money invested in Tri-C, taxpayers will receive **\$1.40** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **1.4%**.

Social perspective

- In FY 2020-21, Ohio invested **\$342 million** to support Tri-C. In turn, the Ohio economy will grow by **\$4 billion**, over the course of students' working lives. Society will also benefit from **\$68.7 million** of public and private sector savings.
- For every dollar invested in Tri-C in FY 2020-21, people in Ohio will receive **\$11.80** in return, for as long as Tri-C's FY 2020-21 students remain active in the state workforce.

Students see a high rate of return for their investment in the Tri-C



Average annual return for Tri-C students

20.7%



Stock market 30-year average annual return

10.5%



Interest earned on savings account (National Rate Cap)

0.8%

Source: Forbes' S&P 500, 1992-2021. FDIC.gov, 2-2022.

For every \$1...



Students gain in lifetime earnings

\$7.00



Taxpayers gain in added tax revenue and public sector savings

\$1.40



Society gains in added income and social savings

\$11.80

