



APRIL 2018

FACT SHEET

The Economic Value of Central Community College

Central Community College (CCC) 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) 2015-16.

IMPACTS CREATED BY CCC IN FY 2015-16

ADDED INCOME	JOBS
\$50.8 million	1,037
Operations spending impact	
\$6.2 million	112
Construction spending impact	
\$16.8 million	442
Student spending impact	
\$436.8 million	6,965
Alumni impact	
\$510.6 million	8,556
Total impact	

IMPACT ON BUSINESS COMMUNITY

During the analysis year, CCC and its students added **\$510.6 million** in income to the CCC Service Area economy, approximately equal to **3.3%** of the region's total gross regional product (GRP). For perspective, this means that one out of every 24 jobs in the CCC Service Area is supported by the activities of CCC and its students. The economic impacts of CCC break down as follows:

Operations spending impact

- CCC employed 869 full-time and part-time employees in FY 2015-16. Payroll amounted to **\$42.8 million**, much of which was spent in the CCC Service Area to purchase groceries, clothing, and other household goods and services. The college spent another **\$49.3 million** to support its day-to-day operations.
- The net impact of college payroll and expenses in the CCC Service Area during the analysis year was approximately **\$50.8 million** in income.

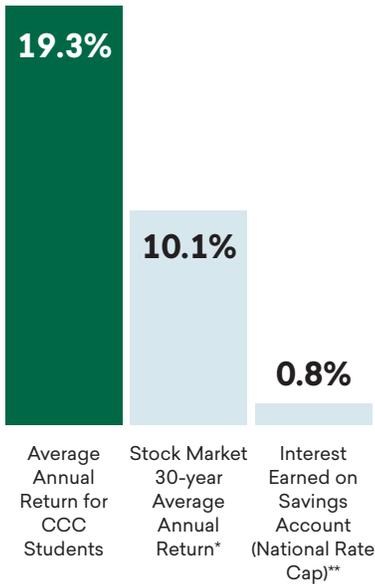
Construction spending impact

- CCC commissioned contractors to build or renovate its facilities during the analysis year, generating a short-term infusion of spending and jobs in the regional economy.
- The net impact of CCC's construction spending in FY 2015-16 was **\$6.2 million** in added income for the CCC Service Area.

Student spending impact

- Around **11%** of students attending CCC originated from outside the region. Some of these students relocated to the CCC Service Area. In addition, a number of students would have left the region if not for CCC. These relocated and retained students spent money on groceries, transportation, rent, and so on at regional businesses.

STUDENT RATE OF RETURN



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

** FDIC.gov, 7-2017.

- The expenditures of relocated and retained students during the analysis year added approximately **\$16.8 million** in income to the CCC Service Area economy.

Alumni impact

- Over the years, students have studied at CCC and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in the CCC Service Area.
- The accumulated contribution of former students currently employed in the regional workforce amounted to **\$436.8 million** in added income during the analysis year.

RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS, AND SOCIETY

Student perspective

- CCC's FY 2015-16 students paid a total present value of **\$12.5 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$33.4 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 **\$248.9 million** in increased earnings over their working lives. This translates to a return of **\$5.40** in higher future earnings for every \$1 that students invest in their education. The average annual return for students is **19.3%**.

Taxpayer perspective

- In FY 2015-16, state and local taxpayers in Nebraska paid **\$51.1 million** to support the operations of CCC. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$113 million** in benefits to taxpayers. Savings to the public sector add another **\$7.5 million** in benefits due to a reduced demand for government-funded services in Nebraska.
- Dividing benefits to taxpayers by the associated costs yields a **2.4** benefit-cost ratio, i.e., every \$1 in costs returns \$2.40 in benefits. The average annual return on investment for taxpayers is **5.6%**.

Social perspective

- The economic base in Nebraska will grow by **\$1.4 billion** over the course of the students' working lives. Society will also benefit from **\$27.1 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 CCC FY 2015-16 educations, society will receive a cumulative value of **\$11.20** in benefits, for as long as the FY 2015-16 student population at CCC remains active in the state workforce.

