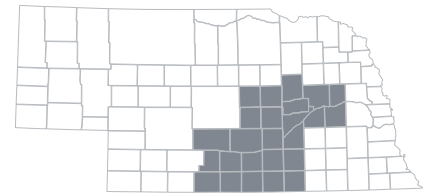


The Economic Value of Central Community College

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) 2020-21.



THE CCC SERVICE AREA, NE



ECONOMIC IMPACT ANALYSIS

In FY 2020-21, CCC added **\$442.1 million** in income to the CCC Service Area economy, a value approximately equal to **2.3%** of the region's total gross regional product (GRP). Expressed in terms of jobs, CCC's impact supported **6,247 jobs**. For perspective, the activities of CCC and its students support **one out of every 33 jobs** in the CCC Service Area.

OPERATIONS SPENDING IMPACT


- CCC employed 777 full-time and part-time faculty and staff. Payroll amounted to \$49 million, much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. The College spent another \$29 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the College's operations spending added **\$54.1 million** in income to the regional economy in FY 2020-21.

CONSTRUCTION SPENDING IMPACT

- CCC 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 regional economy.
- The net impact of CCC's construction spending in FY 2020-21 was **\$4.2 million** in added income for the CCC Service Area.


* For the purposes of this analysis, the CCC Service Area is comprised of Adams, Boone, Buffalo, Butler, Clay, Colfax, Dawson, Franklin, Furnas, Gosper, Greeley, Hall, Hamilton, Harlan, Howard, Kearney, Merrick, Nance, Nuckolls, Phelps, Platte, Polk, Sherman, Valley, and Webster Counties.

IMPACTS CREATED BY
CCC IN FY 2020-21




Operations spending impact
\$54.1 million

+




Construction spending impact
\$4.2 million

+




Student spending impact
\$4.8 million

+



Alumni impact
\$379.0 million



TOTAL ECONOMIC IMPACT
\$442.1 million

OR

Jobs supported
6,247

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, some in-region students, referred to as retained students, would have left the CCC Service Area for other educational opportunities if not for CCC. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.
- The expenditures of relocated and retained students in FY 2020-21 added **\$4.8 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 knowledge and skills. Today, thousands of these former students are employed in the CCC Service Area.
- The net impact of CCC's former students currently employed in the regional workforce amounted to **\$379 million** in added income in FY 2020-21.



INVESTMENT ANALYSIS

STUDENT PERSPECTIVE

- CCC's FY 2020-21 students paid a present value of **\$10.1 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$29.5 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 **\$211.5 million** in increased earnings over their working lives. This translates to a return of **\$5.30** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **23.6%**.

TAXPAYER PERSPECTIVE

- Taxpayers provided CCC with **\$61.8 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 **\$55.3 million**. A reduced demand for government-funded services in Nebraska will add another **\$4.8 million** in benefits to taxpayers. Total benefits to Nebraska taxpayers amount to **\$60.1 million**.

SOCIAL PERSPECTIVE

- In FY 2020-21, Nebraska invested **\$126.4 million** to support CCC. In turn, the Nebraska economy will grow by **\$693.3 million**, over the course of students' working lives. Society will also benefit from **\$11.4 million** of public and private sector savings.
- For every dollar invested in CCC in FY 2020-21, people in Nebraska will receive **\$5.60** in return, for as long as CCC's FY 2020-21 students remain active in the state workforce.

STUDENTS SEE A HIGH RATE OF RETURN FOR THEIR INVESTMENT IN CCC



Average annual return for CCC students

23.6%



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

\$5.30



Society gains in added income and social savings

\$5.60

In total...



Taxpayers gained in added tax revenue and public sector savings

\$60.1 million