

FACT SHEET

The Economic Value of Santa Rosa Junior College

DECEMBER 2015

Santa Rosa Junior College (SRJC) 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 to each of these groups. Results of the analysis reflect Fiscal Year (FY) 2014-15.

IMPACTS CREATED BY SRJC IN FY 2014-15

ADDED INCOME	JOBS
\$147.4 MILLION	3,703
Operations spending impact	
\$66.6 MILLION	1,027
Student spending impact	
\$1.4 BILLION	23,217
Alumni impact	
\$1.6 BILLION	27,947
Total impact	

IMPACT ON BUSINESS COMMUNITY

During the analysis year, SRJC and its students added **\$1.6 BILLION** in added income to the Sonoma County economy, approximately equal to **7.2%** of the county's total GRP. By comparison, this impact from the college is nearly as large as the entire Health Care and Social Assistance industry in the county. The economic impacts of SRJC break down as follows:

Operations spending impact

- SRJC employed 3,298 full-time and part-time employees in FY 2014-15, making it the second largest employer in the county. Payroll amounted to **\$111.9 MILLION**, much of which was spent in Sonoma County to purchase groceries, clothing, and other household goods and services. The college spent another **\$61.7 MILLION** to support its day-to-day operations.
- The net impact of college payroll and expenses in Sonoma County during the analysis year was approximately **\$147.4 MILLION** in added income.

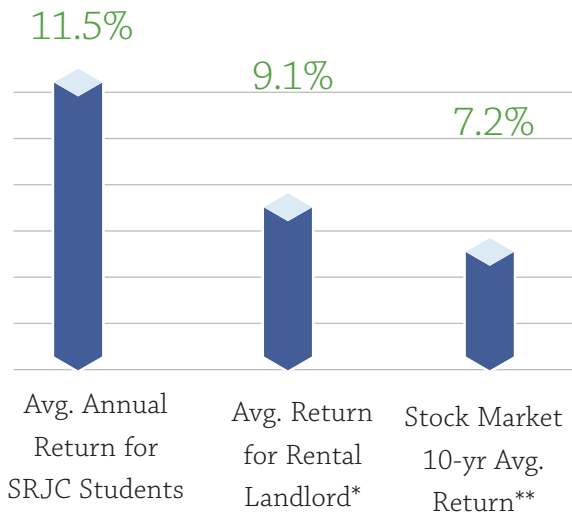
Impact of student spending

- Around 13% of students attending SRJC originated from outside the county. Some of these students relocated to Sonoma County. In addition, a number of students would have left the county if not for SRJC. These relocator and retained students spent money on groceries, transportation, rent, and so on at county businesses.
- The expenditures of relocator and retained students during the analysis year added approximately **\$66.6 MILLION** in added income to the Sonoma County economy.

Alumni impact

- Over the years, students have studied at SRJC and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in Sonoma County.
- The accumulated contribution of former students currently employed in the county workforce amounted to **\$1.4 BILLION** in added income during the analysis year.

STUDENT RATE OF RETURN



*RealityTrac's Q3, 2014
 **Forbes's S&P 500, 1994-2014.

RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS, AND SOCIETY

Student perspective

- SRJC's FY 2014-15 students paid a total of **\$52.7 MILLION** to cover the cost of tuition, fees, and supplies. They also forwent **\$445 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 **\$1.2 BILLION** in increased earnings over their working lives. This translates to a return of **\$2.50** in higher future earnings for every \$1 that students invest in their education. The average annual return for students is **11.5%**.

Taxpayer perspective

- In FY 2014-15, state and local taxpayers in California paid **\$123.1 MILLION** to support the operations of SRJC. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$492.2 MILLION** in benefits to taxpayers. Savings to the public sector add another **\$57.9 MILLION** in benefits due to a reduced demand for government-funded services in California.
- Dividing benefits to taxpayers by the associated costs yields a **4.5** benefit-cost ratio, i.e., every \$1 in costs returns \$4.50 in benefits. The average annual return on investment for taxpayers is **14.8%**.

Social perspective

- The economic base in California will grow by **\$6.4 BILLION** over the course of the students' working lives. Society will also benefit from **\$124.2 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 SRJC educations during the analysis year, society will receive a cumulative value of **\$9.90** in benefits, for as long as the FY 2014-15 student population at SRJC remains active in the state workforce.

FOR EVERY \$1 SPENT BY...

STUDENTS	<p>\$2.50</p> <p>Gained in lifetime earnings for STUDENTS</p>
TAXPAYERS	<p>\$4.50</p> <p>Gained in added state revenue and social savings for TAXPAYERS</p>
SOCIETY	<p>\$9.90</p> <p>Gained in added taxes and public sector savings for SOCIETY</p>