

# FACT SHEET

The Economic Value of Owens Community College

JANUARY 2016

Owens Community College (OCC) 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) 2013-14.

## IMPACTS CREATED BY OCC IN FY 2013-14

ADDED INCOME	JOBS
<b>\$83.4 MILLION</b>	<b>1,753</b>
Operations spending impact	
<b>\$2.4 MILLION</b>	<b>77</b>
Student spending impact	
<b>\$622.4 MILLION</b>	<b>8,856</b>
Alumni impact	
<b>\$708.3 MILLION</b>	<b>10,686</b>
Total impact	

## IMPACT ON BUSINESS COMMUNITY

During the analysis year, OCC and its students added **\$708.3 MILLION** in added income to the OCC Service District economy, approximately equal to **2.1%** of the region's total GRP. The economic impacts of OCC break down as follows:

### Operations spending impact

- OCC employed 1,475 full-time and part-time employees in FY 2013-14. Payroll amounted to **\$61.8 MILLION**, much of which was spent in the OCC Service District to purchase groceries, clothing, and other household goods and services. The college spent another **\$38.2 MILLION** to support its day-to-day operations.
- The net impact of college payroll and expenses in the OCC Service District during the analysis year was approximately **\$83.4 MILLION** in added income.

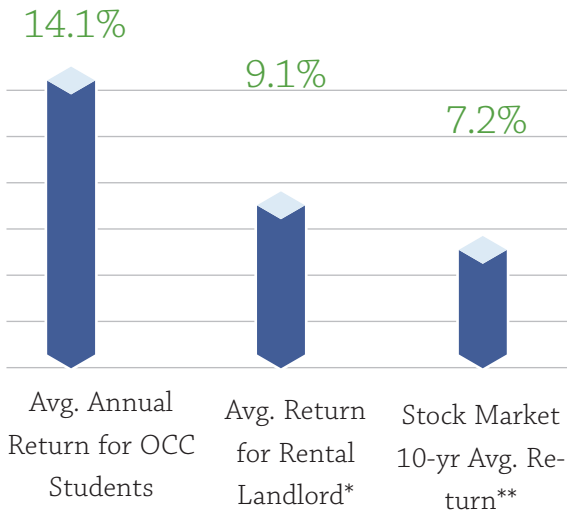
### Impact of student spending

- Around 35% of students attending OCC originated from outside the region. Some of these students relocated to the OCC Service District. In addition, a number of students would have left the region if not for OCC. These retained students spent money on groceries, transportation, rent, and so on at region businesses.
- The expenditures of retained students during the analysis year added approximately **\$2.4 MILLION** in added income to the OCC Service District economy.

### Alumni impact

- Over the years, students have studied at OCC and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in the OCC Service District.
- The accumulated contribution of former students currently employed in the regional workforce amounted to **\$622.4 MILLION** 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

- OCC's FY 2013-14 students paid a total of **\$41.5 MILLION** to cover the cost of tuition, fees, and supplies. They also forwent **\$114.8 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 **\$586 MILLION** in increased earnings over their working lives. This translates to a return of **\$3.80** in higher future earnings for every \$1 that students invest in their education. The average annual return for students is **14.1%**.

### Taxpayer perspective

- In FY 2013-14, state taxpayers in Ohio paid **\$38.2 MILLION** to support the operations of OCC. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$178 MILLION** in benefits to taxpayers. Savings to the public sector add another **\$14 MILLION** in benefits due to a reduced demand for government-funded services in Ohio.
- Dividing benefits to taxpayers by the associated costs yields a **5.0** benefit-cost ratio, i.e., every \$1 in costs returns \$5.00 in benefits. The average annual return on investment for taxpayers is **13.5%**.

### Social perspective

- The economic base in Ohio will grow by **\$2.5 BILLION** over the course of the students' working lives. Society will also benefit from **\$52.8 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 OCC educations during the analysis year, society will receive a cumulative value of **\$11.00** in benefits, for as long as the FY 2013-14 student population at OCC remains active in the state workforce.

## FOR EVERY \$1 SPENT BY...

<b>STUDENTS</b>	<p><b>\$3.80</b></p> <p>Gained in lifetime earnings for STUDENTS</p>
<b>TAXPAYERS</b>	<p><b>\$5.00</b></p> <p>Gained in added state revenue and social savings for TAXPAYERS</p>
<b>SOCIETY</b>	<p><b>\$11.00</b></p> <p>Gained in added taxes and public sector savings for SOCIETY</p>