

FACT SHEET: ECONOMIC IMPACT OF WASHINGTON COMMUNITY AND TECHNICAL COLLEGE DISTRICTS

What role do the Washington Community and Technical College Districts (Washington's CTC Districts) play in the statewide economy? Business sales in the State of Washington are \$16,194.9 million larger, and labor income is \$7,045.0 million larger due to the past and present operations of Washington's CTC Districts. The benefits of a robust state economy translate into job and investment opportunities, increased business revenues, greater availability of public funds, and an eased tax burden.

Washington's CTC Districts stimulate the state economy

- Washington's CTC Districts had operating expenses of \$1,315.8 million in fiscal 2002, and spent \$1,223.8 million (93%) of this in the State of Washington to purchase supplies and pay salaries and benefits.
- Washington's CTC Districts employ 10,559 full-time and 16,077 part-time faculty and staff. Washington's CTC Districts paid faculty and staff wages of \$646.0 million in fiscal 2002.
- For every \$1 Washington's CTC Districts pay in salaries and benefits, there is an additional \$0.64 in salaries and benefits generated off-campus in the State of Washington economy—this is the commonly known multiplier effect.
- Washington CTC Districts' activities encourage new business, assist existing business, and create long-term economic growth. The colleges enhance worker skills and provide customized training to local business and industry. It is estimated that the present-day State of Washington workforce embodies over 116.0 million credit and non-credit hours of past and present Washington's CTC Districts training.
- Washington's CTC Districts skills embodied in the present-day workforce increase the output of industries in the State of Washington economy where the former students are employed by \$7,569.16 million. Associated multiplier effects (sometimes called indirect effects) in other industries increase sales by \$7,522.99 million.
- Washington's CTC Districts skills from current and former students increase salaries and benefits in the State of Washington by \$3,088.3 million directly, and by another \$2,912.0 million indirectly in fiscal 2002.

Washington's CTC Districts leverage taxpayer dollars

- The state government allocated \$557.5 million in support of Washington's CTC Districts in fiscal 2002. For every dollar appropriated by the state government, Washington's CTC Districts' spending alone generated \$1.87 in salaries and benefits in the State of Washington.
- For every dollar appropriated by the state government in fiscal 2002, student earnings will increase by an average of

\$1.45 per year, every year through the rest of their working lives. Likewise, for every state dollar appropriated, the State of Washington will see social savings of \$0.30 per year, every year (i.e., reduced incarceration and health care expenditures, reduced expenditures on unemployment and welfare, and reduced absenteeism).

Washington's CTC Districts generate a return on government investment

- The state government support for Washington's CTC Districts in fiscal 2002 will be fully recovered in 6.8 years, in the form of higher tax receipts (from increased student wages) and avoided costs (e.g., from reduced public expenditures on incarceration).
- Accounting for increased tax receipts and avoided costs, the state government will see a rate of return of 19.6% on their fiscal 2002 support for Washington's CTC Districts.

Washington's CTC Districts increase individuals' earning potential

- 484,982 credit and non-credit students attended the colleges in fiscal 2002, 49% of which were employed full- or part-time while attending.
- 79.1% of the students stay in the state and contribute to the statewide economy after they leave the colleges.
- Studies demonstrate that education increases lifetime earnings. The average annual earnings of a student with a 1-year certificate is \$30,564, or 80.9% more than someone without a high school diploma or GED, and 16.0% more than a student with a high school diploma. The average earnings of someone with an Associate Degree is \$35,941, or 112.7% more than someone without a high school diploma or GED, and 36.4% more than a student with a high school diploma or GED.
- After leaving college, the average Washington's CTC Districts student will spend 34 years in the workforce. The student who leaves with a two-year college degree will earn \$326,529 more than someone with a high school diploma or GED.
- Over their next 34 years in the workforce, the average Washington's CTC Districts student's discounted lifetime earnings will increase \$5.46 for every education dollar invested (in the form of tuition, fees, books, and foregone earnings from employment).
- Students enjoy an attractive 20.7% rate of return on their Washington's CTC Districts educational investment, and recover all costs (including wages foregone while attending Washington's CTC Districts) in 6.9 years.