

The Value of Community and Technical Colleges

The Socioeconomic Benefits
Generated by the Community and
Technical College System in the State
of Washington

The Study

23 Community and Technical College Districts participated in the CCBenefits socioeconomic impact study.



TACTC sponsored a statewide report that is the aggregate of the local reports.

Four types of benefits were tracked

- 1) Regional economic benefits (contributions to local job and income formation);
- 2) Higher earnings captured by exiting students;
- 3) A broad collection of social benefits (improved health, reduced crime, and lower welfare and unemployment);
- 4) The return to taxpayers for their CTC support

From the Students' Perspective

- For every full-time year students attend, they will earn an additional \$4,409 per year.
- The CTC students will, on average, enjoy a 21% rate of return on their investments of time and money.



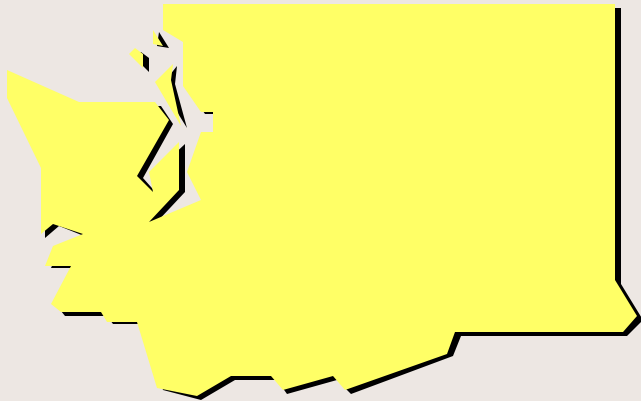
Findings from the State Perspective



The accumulated contribution of past CTC instruction adds some \$6,000.3 million in annual earnings to the state of Washington's economy each year.

Findings from the Taxpayers' Perspective

- Persons with higher education are less likely to smoke or abuse alcohol, draw welfare or unemployment benefits, or commit crimes.



The State of Washington will benefit from \$168 million worth of avoided costs per year.

Improved Health

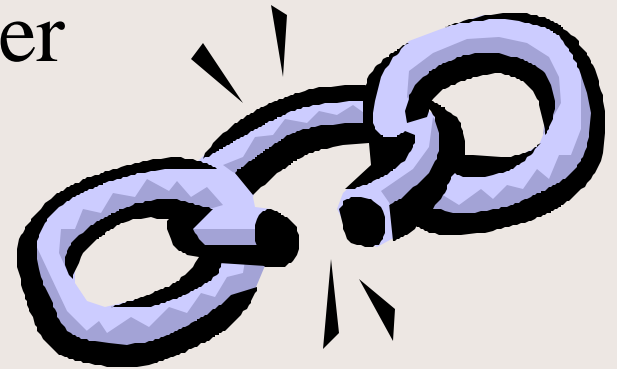
- Reduced absenteeism
- Fewer smokers
- Fewer alcohol abusers

**Total annual savings
= \$60,405,659**



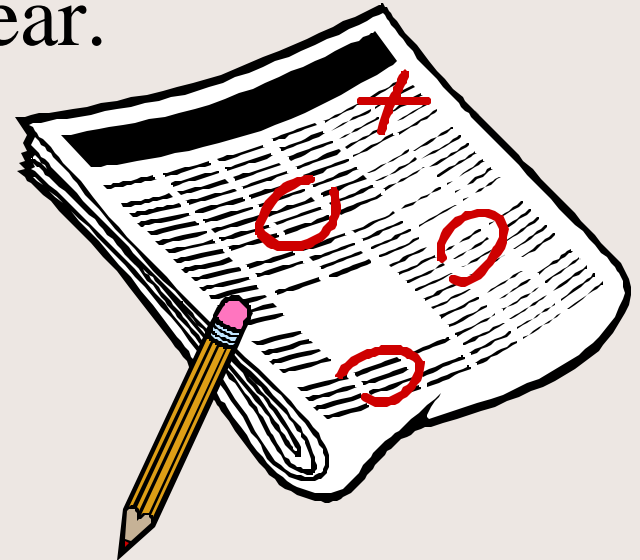
Reduced Crime

- 2,267 fewer people will be incarcerated per year, saving \$22,585,577
- Reductions in victim costs equal \$24,874,628
- People are employed rather than incarcerated, adding \$10,008,002 of earnings per year to the economy



Reduced Welfare/Unemployment

- Fewer people on welfare will save the state \$26,627,517 per year.
- Fewer people on unemployment will save \$23,430,842 per year.



From the Taxpayers' Broad Perspective

The value of all future earnings and associated social savings is compared to the year's worth of state taxpayer support.

The benefit/cost ratio is 20.8

= Every dollar of state tax money invested in Washington's CTCs today returns \$21 over the next 34 years.

From the Taxpayer's Narrow Perspective

- This perspective includes only the increased state tax receipts from higher earnings and actual reductions in state and local government expenditures.
- For Washington, the rate of return is 19.6%, with a short payback period of only 6.8 years.

What Does This Mean?

The state government actually makes money on the investment made in community and technical colleges – the colleges put more money back into the state treasury than they take out.

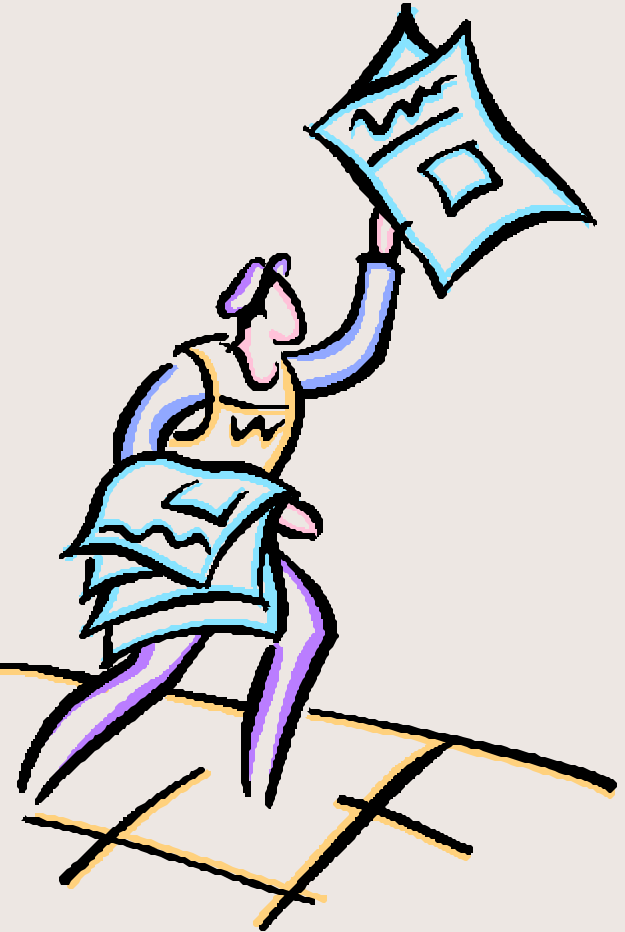
Other beneficiaries of state funding are actually subsidized through the revenues generated by the colleges.

Next steps



The State Report

- TACTC will release letters to the editor and/or an Op Ed piece to the Seattle PI, Seattle Times and Puget Sound Business Journal
- TACTC will share the report with our U.S. Senators



The Local Story is Most Important



- Getting the word out about the socioeconomic study results is up to you!

Strategies

- Newspaper stories
- Letters to the editor from trustees
- Tell your Foundation
- Tell your Chambers
- Tell your Legislators
- Share it with your Congressman
- Tell your staff!!!
- Focus on your local results
- Incorporate two or three state-wide facts
- Join forces with neighboring colleges to strengthen to message.

Spread the Word. . . .

“By funding community and technical colleges, other beneficiaries of state funding are actually subsidized through the revenues generated by the colleges.”

CCBenefits