The economic value of Riverside Community College District

ANALYSIS OF THE ECONOMIC IMPACT AND RETURN ON INVESTMENT OF EDUCATION
Emsi & Community Colleges

15+ years working with higher education institutions

1,800+ economic impact studies completed

1.2M students used Emsi’s career pathways tool last year

9 of 10 2019 Aspen Prize finalists are Emsi customers
What is an ECONOMIC IMPACT ANALYSIS?
Measures how an event or institution affects the local economy

What is an INVESTMENT ANALYSIS?
A comparison of the costs and benefits to determine the return on investment
About the RCCD Service Area

$66.8 billion
Total Gross Regional Product (GRP)

780,526
Total Jobs

AVERAGE EARNINGS BY EDUCATION LEVEL

- < HS: $20,400
- HS: $25,600
- Certificate: $29,800
- Associate: $34,400
- Bachelor’s: $50,100
RCCD in FY 2016-17

- Credit students served: 59,456
- Non-credit students served: 835
- Total payroll/benefits: $164.7 million
- Employees: 1,846
- Total tuition revenue: $16.7 million
- Degrees & certificates awarded: 3,151
Overview of results

$873.5 million
Total income added to the region

1.3%
Of region’s GRP

12,898
Total jobs supported in the region

6.8
Benefit-cost ratio for students

2.4
Benefit-cost ratio for taxpayers

14.8
Benefit-cost ratio for society
ECONOMIC IMPACT ANALYSIS

Operations Spending Impact
College’s payroll and other spending + ripple effects

$201.3 million
Added regional income

2,318
Jobs supported in the region

Student Spending Impact
Retained student spending + ripple effects

$70.2 million
Added regional income

1,395
Jobs supported in the region

Alumni Impact
Higher alumni earnings and increased business profit + ripple effects

$602 million
Added regional income

9,185
Jobs supported in the region

All results measured in income, not sales. Results are net of counterfactual scenarios.
**ECONOMIC IMPACT ANALYSIS**

**Total Impact**

$873.5$ million

- Total income added in the region

**1.3%**

- Of region’s GRP

**12,898**

- Total jobs supported in the region

**Top industries impacted by RCCD (jobs supported)**

- Health Care & Social Assistance: 1,746
- Professional & Technical Services: 1,636
- Accommodation & Food Services: 1,370
- Other Services (except Public Administration): 992
- Government, Non-Education: 767
- All other industries
## INVESTMENT ANALYSIS

<table>
<thead>
<tr>
<th>Perspective</th>
<th>Benefit</th>
<th>Cost</th>
<th>Benefit/Cost Ratio</th>
<th>Rate of Return</th>
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</thead>
<tbody>
<tr>
<td><strong>Student Perspective</strong></td>
<td>Higher future earnings</td>
<td>Tuition, supplies, opportunity cost</td>
<td>6.8</td>
<td>21.4%</td>
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<td></td>
<td>$1 billion</td>
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<td>$148.9 million</td>
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<tr>
<td><strong>Taxpayer Perspective</strong></td>
<td>Future tax revenue, government savings</td>
<td>State and local funding</td>
<td>2.4</td>
<td>5.9%</td>
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<td></td>
<td>$489.6 million</td>
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<td>$203.2 million</td>
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<tr>
<td><strong>Social Perspective</strong></td>
<td>Future earnings, tax revenue, private savings</td>
<td>All college and student costs</td>
<td>14.8</td>
<td>n/a</td>
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<tr>
<td></td>
<td>$6.3 billion</td>
<td></td>
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<td></td>
<td>$424.6 million</td>
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</table>

Future benefits are discounted to the present.
Next Steps

Send the executive summary to state legislators.

Use social media to broadcast student returns to prospective students and parents.

Share industry impacts with local business partners.

Use campus fliers, newsletters, & websites to publish results.

Share results with state & local media.

Leverage impacts for proposals, grant writing, & strategic planning.

**HOW CAN EMSI HELP?**

- Emsi’s press packet
- Ongoing presentations from your Emsi economist
- Email/call us anytime
Share your results

Combine your results with other institutional highlights to create a fact sheet.

Create a web page that includes written highlights, animations, and videos.

Include your results in your periodic publications.
Share your results

Create a press release or hold a press conference to share results with your state and local media.

Use social media to share your investment results with prospective students.

Use your study to help secure additional funding.

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**Did you know that learners will receive £6.20 in future earnings for every £1 invested in the region’s colleges?**

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**Emsi’s Capital Analysis Justifies Funding for New UT Martin STEM Facility**

**Summary:**
In a time of serious need, the University of Tennessee at Martin (UT Martin) used Emsi’s Economic Impact and Capital Analysis studies to demonstrate the ROI that would come from building a prepared STEM facility. The results, in part, led to a boost in state funding—reducing the university’s share of facility construction costs from 25% to 10%.

**Key takeaways:**
- UT Martin leveraged Emsi’s Economic Impact and Capital Analysis studies to communicate the institution’s value and make the case for additional state funding to build a new STEM facility—now known as the Latimer Engineering and Science Building.
- Among other things, the study found that building the new facility would generate 900-plus jobs.
- The Capital Analysis helped justify a state budget amendment increasing state funding of the $46 million project.

Led by its current interim Chancellor, Dr. Robert Smith—a longtime acquaintance of Emsi from his time at Slippery Rock University in Pennsylvania—UT Martin came to Emsi last year needing support for a critical project. Limited by inadequate space and antiquated laboratory facilities, UT Martin needed to prove that the proposed construction of a new STEM facility would be a smart and profitable investment for the state.

After working with Emsi several years ago, Smith knew that Emsi could provide him with the analysis he needed to advance UT Martin’s cause. Emsi consultants worked closely with the UT Martin team to develop a customized report based on the Economic Impact Study and the Capital Analysis. The report would show the broad-reaching value of UT Martin and detail the potential ROI of building the new STEM facility.
The results of this study were prepared by Emsi.

For a copy of the report, please contact RCCD.