

## Fact Sheet

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# The Economic Value of Norco College



Norco College (NC) 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 received by each of these groups. Results of the analysis reflect fiscal year (FY) 2023-24.

### Economic impact analysis

In FY 2023-24, NC added **\$149.5 million** in income to the NC Service Area\* economy, a value approximately equal to **0.6%** of the region's total gross regional product (GRP). Expressed in terms of jobs, NC's impact supported **1,806 jobs**.



The NC Service Area  
(in San Bernardino and  
Riverside Counties, CA)

\* For the purposes of this analysis, the NC Service Area is comprised of the following 12 zip codes in Riverside and San Bernardino Counties: 91708, 91752, 92503, 92505, 92860, 92877, 92878, 92879, 92880, 92881, 92882, and 92883.

## Operations spending impact

- NC employed 769 full-time and part-time faculty and staff. Payroll amounted to \$74.8 million, much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$45.4 million on its expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$84.1 million** in income to the regional economy in FY 2023-24.

## Student spending impact

- Around 41% of students attending NC originated from outside the region. Some of these students relocated to the NC Service Area. In addition, some in-region students, referred to as retained students, would have left the NC Service Area for other educational opportunities if not for NC. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.
- The expenditures of relocated and retained students in FY 2023-24 added **\$28.8 million** in income to the NC Service Area economy.

## Alumni impact

- Over the years, students have studied at NC and entered or re-entered the workforce with newly acquired knowledge and skills. Today, thousands of these former students are employed in the NC Service Area.
- The net impact of NC's former students currently employed in the regional workforce amounted to **\$36.6 million** in added income in FY 2023-24.

## Investment analysis

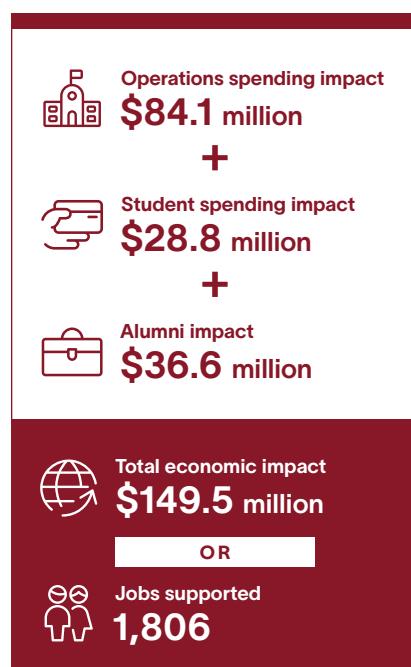
### Student perspective

- NC's FY 2023-24 students paid a present value of **\$14.8 million** to cover the cost of tuition, fees, and supplies. They also forwent a value of **\$33.8 million** in time and money had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of **\$375.3 million** in increased earnings over their working lives. This translates to a return of **\$7.70** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **21.3%**.

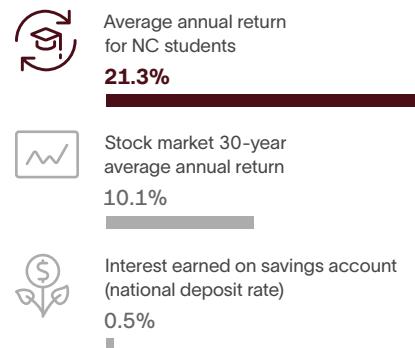
### Taxpayer perspective

- Taxpayers provided NC with **\$94.3 million** of funding in FY 2023-24. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$136.2 million**. A reduced demand for government-funded services in California will add another **\$27.1 million** in benefits to taxpayers.

Impacts created by NC in FY 2023-24



Students see a high rate of return for their investment in NC



Source: Forbes' S&P 500, 1994-2023; FDIC.gov, March 2023

- Total taxpayer benefits amount to **\$163.4 million**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in NC, taxpayers will receive **\$1.70** in return over the course of students' working lives. The average annual rate of return for taxpayers is **3.4%**.

#### Social perspective

- In FY 2023-24, California invested **\$164.4 million** to support NC. In turn, the California economy will grow by **\$1.8 billion**, over the course of students' working lives. Society will also benefit from **\$39.5 million** of public and private sector savings.
- For every dollar invested in NC in FY 2023-24, people in California will receive **\$11.20** in return, for as long as NC's FY 2023-24 students remain active in the state workforce.

For every \$1...	
	<b>Students</b> gain in lifetime earnings <b>\$7.70</b>
	<b>Taxpayers</b> gain in added tax revenue and public sector savings <b>\$1.70</b>
	<b>Society</b> gains in added income and social savings <b>\$11.20</b>

