

Fact Sheet

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The Economic Value of the Riverside Community College District's Career and Technical Education



The Riverside Community College District's¹ Career and Technical Education (RCCD's CTE) creates a significant positive impact on the business community and generates a return on investment to its major stakeholder groups—CTE 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, RCCD's CTE added **\$751.8 million** in income to the RCCD Service Area² economy, a value approximately equal to **1.2%** of the region's total gross regional product (GRP). Expressed in terms of jobs, RCCD's CTE impact supported



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

1 The Riverside Community College District consists of Moreno Valley College, Norco College, and Riverside City College.

2 For the purposes of this analysis, the RCCD Service Area is comprised of the following 40 zip codes in Riverside and San Bernardino Counties: 91708, 91752, 92503, 92505, 92860, 92877, 92878, 92879, 92880, 92881, 92882, 92883, 92508, 92518, 92551, 92552, 92553, 92554, 92555, 92556, 92557, 92570, 92571, 92599, 92313, 92316, 92324, 92337, 92501, 92502, 92504, 92506, 92507, 92509, 92514, 92516, 92517, 92519, 92521, and 92522.

8,852 jobs. For perspective, the activities of the colleges and their CTE students support **one out of every 78 jobs** in the RCCD Service Area.

Impacts created by
RCCD's CTE in FY 2023-24

Operations spending impact

- RCCD employed 343 full-time and part-time CTE faculty and staff.³ Payroll amounted to \$155.7 million, much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. The colleges spent another \$97.9 million on expenses related to CTE facilities, supplies, and professional services.⁴
- The net impact of the colleges' operations added **\$197.2 million** in income to the regional economy in FY 2023-24.

Student spending impact

- Around 27% of CTE students attending RCCD originated from outside the region. Some of these CTE students relocated to the RCCD Service Area. In addition, some in-region CTE students, referred to as retained CTE students, would have left the RCCD Service Area for other educational opportunities if not for RCCD. These relocated and retained CTE students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.
- The expenditures of relocated and retained CTE students in FY 2023-24 added **\$74.6 million** in income to the RCCD Service Area economy.

Alumni impact

- Over the years, CTE students have studied at RCCD and entered or re-entered the workforce with newly acquired knowledge and skills. Today, thousands of these former CTE students are employed in the RCCD Service Area.
- The net impact of RCCD's former CTE students currently employed in the regional workforce amounted to **\$480.0 million** in added income in FY 2023-24.

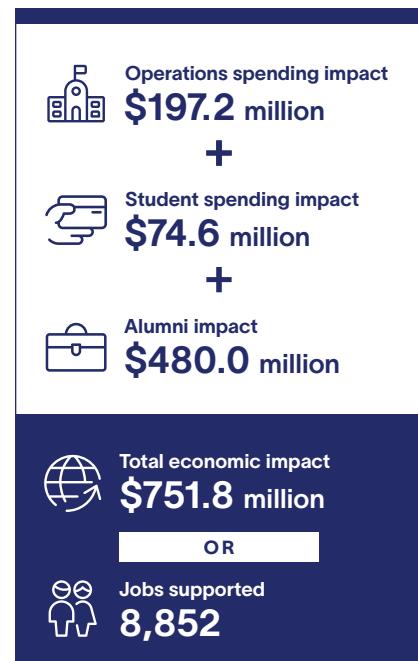
Investment analysis

Student perspective

- RCCD's FY 2023-24 CTE students paid a present value of **\$26.8 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent a value of **\$55.2 million** in time and money had they been working instead of attending college.
- In return for their investment, CTE students will receive a cumulative present value of **\$672.3 million** in increased earnings over their working lives. This translates to a return of **\$8.20** in higher future earnings for every dollar CTE students invest in their education. Students' average annual rate of return is **23.9%**.

³ Due to data limitations, the number of CTE faculty and staff was estimated by Lightcast using a proportion based on CTE credits.

⁴ Due to data limitations, CTE revenue and expenditure data were estimated by Lightcast using a proportion based on CTE credits.



CTE students see a high rate of return for their investment in RCCD's CTE



Average annual return for RCCD CTE students
23.9%



Stock market 30-year average annual return
10.1%



Interest earned on savings account (national deposit rate)
0.5%

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

Taxpayer perspective

- Taxpayers provided RCCD's CTE with **\$198.4 million** of funding in FY 2023-24. In return, they will benefit from added tax revenue, stemming from CTE students' higher lifetime earnings and increased business output, amounting to **\$242.5 million**. A reduced demand for government-funded services in California will add another **\$49.3 million** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$291.9 million**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in RCCD's CTE, taxpayers will receive **\$1.50** in return over the course of CTE students' working lives. The average annual rate of return for taxpayers is **2.7%**.

Social perspective

- In FY 2023-24, California invested **\$326.3 million** to support RCCD's CTE. In turn, the California economy will grow by **\$3.3 billion**, over the course of CTE students' working lives. Society will also benefit from **\$70.5 million** of public and private sector savings.
- For every dollar invested in RCCD's CTE in FY 2023-24, people in California will receive **\$10.20** in return, for as long as RCCD's CTE's FY 2023-24 CTE students remain active in the state workforce.

