

## Fact Sheet

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# The Economic Value of Riverside City College



Riverside City College (RCC) 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, RCC added **\$466.9 million** in income to the RCC Service Area\* economy, a value approximately equal to **1.8%** of the region's total gross regional product (GRP). Expressed in terms of jobs, RCC's impact supported **5,768 jobs**. For perspective, the activities of RCC and its students support **one out of every 50 jobs** in the RCC Service Area.



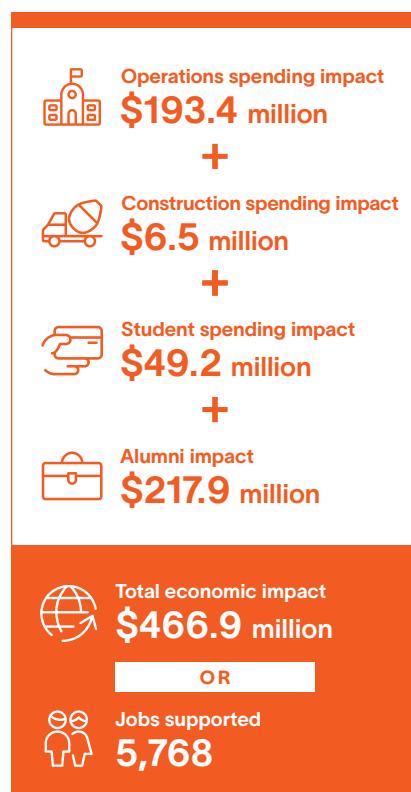
The RCC Service Area  
(in San Bernardino and  
Riverside Counties, CA)

\* For the purposes of this analysis, the RCC Service Area is comprised of the following 16 zip codes in Riverside and San Bernardino Counties 92313, 92316, 92324, 92337, 92501, 92502, 92504, 92506, 92507, 92509, 92514, 92516, 92517, 92519, 92521, and 92522.

## Operations spending impact

- RCC employed 1,606 full-time and part-time faculty and staff. Payroll amounted to \$169.7 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 \$114.2 million on its expenses related to facilities, supplies, and professional services (excluding construction).
- The net impact of the college's operations spending added **\$193.4 million** in income to the regional economy in FY 2023-24.

Impacts created by  
RCC in FY 2023-24



## Construction spending impact

- RCC invests in capital projects each year to maintain its facilities, create additional capacities, and meet its growing educational demands, generating a short-term infusion of spending and jobs in the regional economy.
- The net impact of RCC's construction spending in FY 2023-24 was **\$6.5 million** in added income for the RCC Service Area.

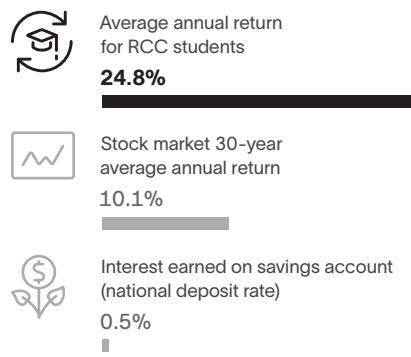
## Student spending impact

- Around 70% of students attending RCC originated from outside the region. Some of these students relocated to the RCC Service Area. In addition, some in-region students, referred to as retained students, would have left the RCC Service Area for other educational opportunities if not for RCC. 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 **\$49.2 million** in income to the RCC Service Area economy.

## Alumni impact

- Over the years, students have studied at RCC and entered or re-entered the workforce with newly acquired knowledge and skills. Today, thousands of these former students are employed in the RCC Service Area.
- The net impact of RCC's former students currently employed in the regional workforce amounted to **\$217.9 million** in added income in FY 2023-24.

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



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

## Investment analysis

### Student perspective

- RCC's FY 2023-24 students paid a present value of **\$27.2 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent a value of **\$45.9 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 **\$705.5 million** in increased earnings over their working lives. This translates to

a return of **\$9.70** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **24.8%**.

#### Taxpayer perspective

- Taxpayers provided RCC with **\$221.5 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 **\$286.1 million**. A reduced demand for government-funded services in California will add another **\$44.4 million** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$330.5 million**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in RCC, taxpayers will receive **\$1.50** in return over the course of students' working lives. The average annual rate of return for taxpayers is **2.6%**.



#### Social perspective

- In FY 2023-24, California invested **\$367.8 million** to support RCC. In turn, the California economy will grow by **\$3.7 billion**, over the course of students' working lives. Society will also benefit from **\$65.0 million** of public and private sector savings.
- For every dollar invested in RCC in FY 2023-24, people in California will receive **\$10.30** in return, for as long as RCC's FY 2023-24 students remain active in the state workforce.

