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) 2019-20.

**ECONOMIC IMPACT ANALYSIS**

In FY 2019-20, NC added **$175.9 million** in income to the NC Service Area economy, a value approximately equal to **0.8%** of the region’s total gross regional product (GRP). Expressed in terms of jobs, NC’s impact supported **2,414 jobs**.

**OPERATIONS SPENDING IMPACT**

- NC employed 487 full-time and part-time faculty and staff. Payroll amounted to **$61.7 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 **$34.3 million** on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college’s operations spending added **$72 million** in income to the regional economy in FY 2019-20.

**STUDENT SPENDING IMPACT**

- Around 35% 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 2019-20 added **$23.4 million** in income to the NC Service Area economy.

*For the purposes of this analysis, the NC Service Area is comprised of the following 12 ZIP codes in the northwest corner of Riverside and southwest San Bernardino County in California: 91708, 91752, 92503, 92505, 92860, 92877, 92878, 92879, 92880, 92881, 92882, and 92883.
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 $80.5 million in added income in FY 2019-20.

INVESTMENT ANALYSIS

STUDENT PERSPECTIVE

- NC’s FY 2019-20 students paid a present value of $14.7 million to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent $24.1 million in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value $275.6 million in increased earnings over their working lives. This translates to a return of $7.10 in higher future earnings for every dollar students invest in their education. Students’ average annual rate of return is 21.7%.

TAXPAYER PERSPECTIVE

- Taxpayers provided NC with $67.2 million of funding in FY 2019-20. In return, they will benefit from added tax revenue, stemming from students’ higher lifetime earnings and increased business output, amounting to $86.2 million. A reduced demand for government-funded services in California will add another $14.9 million in benefits to taxpayers.
- For every dollar of public money invested in NC, taxpayers will receive $1.50 in return, over the course of students’ working lives. The average annual rate of return for taxpayers is 2.5%.

SOCIAL PERSPECTIVE

- In FY 2019-20, California invested $131.2 million to support NC. In turn, the California economy will grow by $1.2 billion, over the course of students’ working lives. Society will also benefit from $22.9 million of public and private sector savings.
- For every dollar invested in NC in FY 2019-20, people in California will receive $9.60 in return, for as long as NC’s FY 2019-20 students remain active in the state workforce.