



# The Economic Value of the Maricopa County Community College District

## FACT SHEET

**T**HE Maricopa County Community College District (MCCCD) 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) 2016-17.



### Economic impact analysis

In FY 2016-17, MCCCD added **\$7.2 billion** in income to the Maricopa County economy, a value approximately equal to **3.0%** of the county's total gross regional product (GRP). Expressed in terms of jobs, MCCCD's impact supported **96,209** county jobs. For perspective, the activities of the colleges and their students support one out of every **27** jobs in Maricopa County.

#### OPERATIONS SPENDING IMPACT

- MCCCD employed 10,826 full-time and part-time faculty and staff. Payroll amounted to \$499.4 million, much of which was spent in the county for groceries, mortgage and rent payments, dining out, and other household expenses. The district spent another \$251.8 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the colleges' operations spending added **\$570.5 million** in income to the county economy.

#### STUDENT SPENDING IMPACT

- Around 94% of MCCCD's students are from Maricopa County. If not for MCCCD, some of these students would have left the county. Additionally, some students relocated to Maricopa County to attend the colleges. These students, referred to as retained and relocated students, spent money on groceries, mortgage and rent payments, and so on at county businesses.
- The expenditures of relocated and retained students in FY 2016-17 added **\$332 million** in income to the Maricopa County economy.

IMPACTS CREATED BY MCCCD  
IN FY 2016-17



**\$570.5 million**  
Operations Spending Impact



**\$332 million**  
Student Spending Impact



**\$6.3 billion**  
Alumni Impact



**\$7.2 billion**  
**TOTAL IMPACT**

– OR –

**96,209**  
**JOBS SUPPORTED**



## ALUMNI IMPACT

- Over the years, students have studied at MCCCDC and entered or re-entered the workforce with newly-acquired knowledge and skills. Once finishing their time at the colleges, 88% of students remain in Maricopa County. Today, hundreds of thousands of these former students are employed in Maricopa County.
- The net impact of MCCCDC's former students currently employed in the county workforce amounted to **\$6.3 billion** in added income in FY 2016-17.



## Investment analysis

### STUDENT PERSPECTIVE

- MCCCDC's FY 2016-17 students paid a present value of **\$235.8 million** to cover the cost of tuition, fees, supplies, and interest on student loans. Students also invested their time, a value of **\$613.9 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$3.4 billion** in increased earnings over their working lives. This translates to a return of **\$4.00** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **15.5%**.

### TAXPAYER PERSPECTIVE

- Taxpayers provided MCCCDC with **\$554.9 million** of funding in FY 2016-17. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output. Students' educations will also lead to improved lifestyles, resulting in savings for state and local government. Altogether, taxpayer benefits amount to **\$2.4 billion**.
- For every dollar of public money invested in MCCCDC, taxpayers will receive **\$4.30** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **12.0%**.

### SOCIAL PERSPECTIVE

- In FY 2016-17, all MCCCDC revenue, inclusive of student costs, equaled **\$1.5 billion**. In turn, the Arizona economy reaps \$31.1 billion, over the course of students' working lives. Society will also benefit from **\$191.3 million** of public and private sector savings.
- For every dollar invested in MCCCDC educations in FY 2016-17, people in Arizona will receive **\$20.50** in return, for as long as MCCCDC's FY 2016-17 students remain active in the state workforce.

STUDENTS SEE A HIGH  
RATE OF RETURN FOR THEIR  
INVESTMENT IN MCCCDC



**15.5%**

Average annual return for  
MCCCDC students



**10.1%**

Stock market 30-year  
average annual return



**0.8%**

Interest earned on savings account  
(National Rate Cap)

Source: Forbes' S&P 500, 1987-2016. FDIC.gov, 7-2016.



### TAXPAYERS' INVESTMENT

**\$2.4 billion**

Present value benefits

**\$554.9 million**

Present value costs

**\$1.8 billion**

Net present value

Benefit-Cost Ratio

Rate of Return

**4.3**

**12.0%**



### FOR EVERY \$1...



Students gain

**\$4.00**

in lifetime earnings



Taxpayers gain

**\$4.30**

in added tax revenue and  
public sector savings



Society gains

**\$20.50**

in added income  
and social savings

