



FACT SHEET

The Economic Value of Suffolk County Community College

Suffolk County Community College (SCCC) 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.

IMPACTS CREATED BY SCCC IN FY 2016-17

ADDED INCOME	JOBS
\$258.7 million	3,565
Operations spending impact	
\$13.7 million	128
Construction spending impact	
\$38.4 million	587
Student spending impact	
\$820.5 million	10,092
Alumni impact	
\$1.1 billion	14,372
Total impact	

IMPACT ON BUSINESS COMMUNITY

During the analysis year, SCCC and its students added **\$1.1 billion** in income to the Suffolk County economy, approximately equal to **1.1%** of the county’s total gross regional product (GRP). By comparison, this impact from the college is nearly half as large as the entire Accommodation & Food Services industry in the region. The economic impacts of SCCC break down as follows:

Operations spending impact

- SCCC employed 2,649 full-time and part-time employees in FY 2016-17. Payroll amounted to \$187.7 million, much of which was spent in Suffolk County to purchase groceries, clothing, and other household goods and services. The college spent another \$80.1 million to support its day-to-day operations.
- The net impact of college payroll and expenses in Suffolk County during the analysis year was approximately **\$258.7 million** in income.

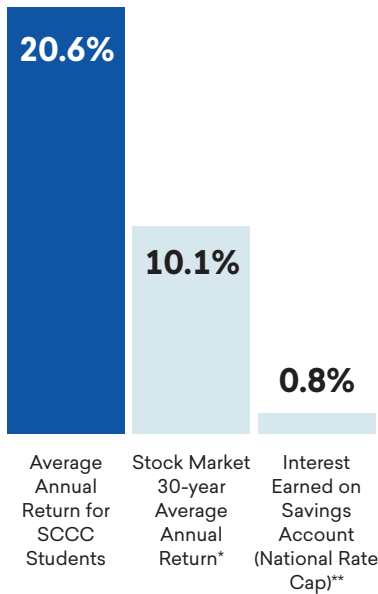
Construction spending impact

- SCCC commissioned contractors to build or renovate its facilities during the analysis year, generating a short-term infusion of spending and jobs in the county economy.
- The net impact of SCCC’s construction spending in FY 2016-17 was **\$13.7 million** in added income for Suffolk County.

Student spending impact

- Around 7% of students attending SCCC originated from outside the county. Some of these students relocated to Suffolk County. In addition, a number of students would have left the county if not for SCCC. These relocated and retained students spent money on groceries, transportation, rent, and so on at county businesses.

STUDENT RATE OF RETURN



* Forbes' S&P 500, 1987-2016.

** FDIC.gov, 7-2017.

- The expenditures of relocated and retained students during the analysis year added approximately **\$38.4 million** in income to the Suffolk County economy.

Alumni impact

- Over the years, students have studied at SCCC and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in Suffolk County.
- The accumulated contribution of former students currently employed in the county workforce amounted to **\$820.5 million** in added income during the analysis year.

RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS, AND SOCIETY

Student perspective

- SCCC's FY 2016-17 students paid a total present value of **\$128.6 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$180.6 million** in money that they would have earned had they been working instead of learning.
- In return for the monies invested in the college, students will receive a present value of **\$2.3 billion** in increased earnings over their working lives. This translates to a return of **\$7.40** in higher future earnings for every dollar that students invest in their education. The average annual return for students is **20.6%**.

Taxpayer perspective

- In FY 2016-17, state and local taxpayers in New York paid **\$132.4 million** to support the operations of SCCC. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$1.4 billion** in benefits to taxpayers. Savings to the public sector add another **\$75.5 million** in benefits due to a reduced demand for government-funded services in New York.
- Dividing benefits to taxpayers by the associated costs yields a **11.1** benefit-cost ratio, i.e., every dollar in costs returns \$11.10 in benefits. The average annual return on investment for taxpayers is **26.7%**.

Social perspective

- The economic base in New York will grow by **\$14.3 billion** over the course of the students' working lives. Society will also benefit from **\$223.1 million** in present value social savings related to reduced crime, lower unemployment, and increased health and well-being across the state.
- For every dollar that society spent on SCCC FY 2016-17 educations, society will receive a cumulative value of **\$28.10** in benefits, for as long as the FY 2016-17 student population at SCCC remains active in the state workforce.

