

# FACT SHEET

*Demonstrating the Economic Value of Suffolk County Community College*

**MARCH 2015**

*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, society, and taxpayers. Using a two-pronged approach that involves an economic impact analysis and an investment analysis, the study calculates the benefits to each of these groups. Results of the analysis reflect Fiscal Year (FY) 2012-13.*

## **INCOME CREATED BY SCCC IN FY 2012-13 (ADDED INCOME)**

**\$116.9 MILLION**

Operations spending impact

**\$6.5 MILLION**

Impact of student spending

**\$755.7 MILLION**

Alumni impact

**\$879.1 MILLION**

Total impact

## **IMPACT ON BUSINESS COMMUNITY**

During the analysis year, SCCC and its students added **\$879.1 MILLION** in income to Suffolk County economy, approximately equal to **1.1%** of the Gross Regional Product. The economic impacts of SCCC break down as follows:

### ***Operations spending impact***

- SCCC employed 2,444 full-time and part-time employees in FY 2012-13. Payroll amounted to **\$130.9 MILLION**, much of which was spent in Suffolk County to purchase groceries, clothing, and other household goods and services. The college spent another **\$105.1 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 **\$116.9 MILLION** in added income.

### ***Impact of student spending***

- Around 3% of students attending SCCC originated from outside the county. Some of these students relocated to Suffolk County and spent money on groceries, transportation, rent, and so on at county businesses.
- The expenditures of students who relocated to the region during the analysis year added approximately **\$6.5 MILLION** in income to the 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 state workforce amounted to **\$755.7 MILLION** in added income during the analysis year.

## JOB EQUIVALENTS BASED ON INCOME

Job equivalents are a measure of the average-wage jobs that a given amount of income can potentially support. They are calculated by dividing income by the average income per worker in the state. Based on the added income created by SCCC, the job equivalents are as follows:

Operations spending impact = **2,278** job equivalents

Impact of student spending = **106** job equivalents

Alumni impact = **13,315** job equivalents

Overall, the added income created by SCCC and its students supported **15,699** job equivalents.

## FOR EVERY \$1 SPENT BY...

<b>STUDENTS</b>	<p><b>\$3.20</b></p> <p>Gained in lifetime income for STUDENTS</p>
<b>SOCIETY</b>	<p><b>\$11.70</b></p> <p>Gained in added state income and social savings for SOCIETY</p>
<b>TAXPAYERS</b>	<p><b>\$4.30</b></p> <p>Gained in added taxes and public sector savings for TAXPAYERS</p>



## RETURN ON INVESTMENT TO STUDENTS, SOCIETY, AND TAXPAYERS

### Student perspective

- SCCC's 2012-13 students paid a total of **\$118.6 MILLION** to cover the cost of tuition, fees, books, and supplies. They also forwent **\$154.6 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 **\$886.4 MILLION** in increased earnings over their working lives. This translates to a return of **\$3.20** in higher future income for every \$1 that students invest in their education. The average annual return for students is **13.1%**.

### Social perspective

- Society as a whole in New York will receive a present value of **\$4.7 BILLION** in added state income over the course of the students' working lives. Society will also benefit from **\$84.6 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 educations during the analysis year, society will receive a cumulative value of **\$11.70** in benefits, for as long as the 2012-13 student population at SCCC remains active in the state workforce.

### Taxpayer perspective

- In FY 2012-13, state and local taxpayers in New York paid **\$108.8 MILLION** to support the operations of SCCC. The net present value of the added tax revenue stemming from the students' higher lifetime incomes and the increased output of businesses amounts to **\$436 MILLION** in benefits to taxpayers. Savings to the public sector add another **\$29.3 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 **4.3** benefit-cost ratio, i.e., every \$1 in costs returns \$4.30 in benefits. The average annual return on investment for taxpayers is **10.9%**.