



MAY 2018

FACT SHEET

The Economic Value of Victor Valley Community College District

Victor Valley College (VVC) 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 VVC IN FY 2016-17

ADDED INCOME	JOBS
\$97.6 million	1,329
Operations spending impact	
\$3 million	38
Construction spending impact	
\$36.8 million	580
Student spending impact	
\$490.1 million	6,479
Alumni impact	
\$627.5 million	8,426
Total impact	

IMPACT ON BUSINESS COMMUNITY

During the analysis year, VVC and its students added **\$627.5 million** in income to the San Bernardino County economy, approximately equal to **0.7%** of the county's total gross regional product (GRP). By comparison, this impact from the college is nearly as large as the entire Management of Companies & Enterprises industry in the county. The economic impacts of VVC break down as follows:

Operations spending impact

- VVC employed 765 full-time and part-time employees in FY 2016-17. Payroll amounted to **\$58.4 million**, much of which was spent in San Bernardino County to purchase groceries, clothing, and other household goods and services. The college spent another **\$60.5 million** to support its day-to-day operations.
- The net impact of college payroll and expenses in San Bernardino County during the analysis year was approximately **\$97.6 million** in income.

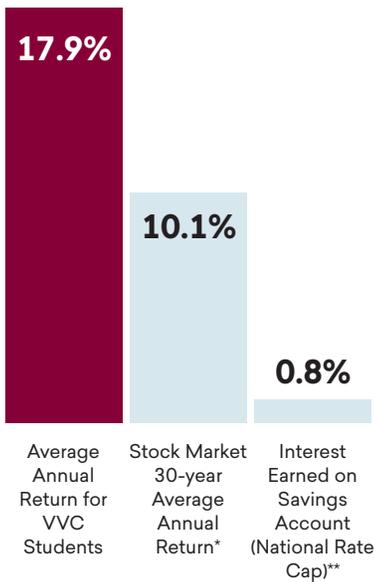
Construction spending impact

- VVC 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 VVC's construction spending in FY 2016-17 was **\$3 million** in added income for San Bernardino County.

Student spending impact

- Around **6%** of students attending VVC originated from outside the county. Some of these students relocated to San Bernardino County. In addition, a number of students would have left the county if not for VVC. 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 **\$36.8 million** in income to San Bernardino County economy.

Alumni impact

- Over the years, students have studied at VVC and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in San Bernardino County.
- The accumulated contribution of former students currently employed in the county workforce amounted to **\$490.1 million** in added income during the analysis year.

RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS, AND SOCIETY

Student perspective

- VVC's FY 2016-17 students paid a total present value of **\$18 thousand** to cover the cost of tuition, fees, and supplies. They also went without **\$52.5 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 **\$415.6 million** in increased earnings over their working lives. This translates to a return of **\$5.90** in higher future earnings for every dollar that students invest in their education. The average annual return for students is **17.9%**.

Taxpayer perspective

- In FY 2016-17, state and local taxpayers in California paid **\$77.7 million** to support the operations of VVC. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$215.3 million** in benefits to taxpayers. Savings to the public sector add another **\$23.4 million** in benefits due to a reduced demand for government-funded services in California.
- Dividing benefits to taxpayers by the associated costs yields a **3.1** benefit-cost ratio, i.e., every dollar in costs returns \$3.10 in benefits. The average annual return on investment for taxpayers is **7.6%**.

Social perspective

- The economic base in California will grow by **\$3.2 billion** over the course of the students' working lives. Society will also benefit from **\$53.6 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 VVC FY 2016-17 educations, society will receive a cumulative value of **\$16.80** in benefits, for as long as the FY 2016-17 student population at VVC remains active in the state workforce.

