

The Economic Value of Chabot-Las Positas Community College District



Chabot-Las Positas Community College District¹ (CLPCCD) 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) 2022-23.

Economic impact analysis

In FY 2022-23, CLPCCD added **\$801.2 million** in income to the Alameda County economy, a value approximately equal to **0.5%** of the county's total gross regional product (GRP). Expressed in terms of jobs, CLPCCD's impact supported **7,709 jobs**.

Operations spending impact

- CLPCCD employed 2,369² full-time and part-time faculty and staff. Payroll amounted to \$183.9 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 \$56.8 million (excluding construction) on its day-to-day expenses related to facilities, supplies, and professional services.

¹ Chabot-Las Positas Community College District consists of Chabot College and Las Positas College.
² The number of full-time and part time faculty and staff includes professional experts, student workers, and temporary on call workers.

- The net impact of the district's operations spending added **\$219.0 million** in income to the county economy in FY 2022-23.

Construction spending impact

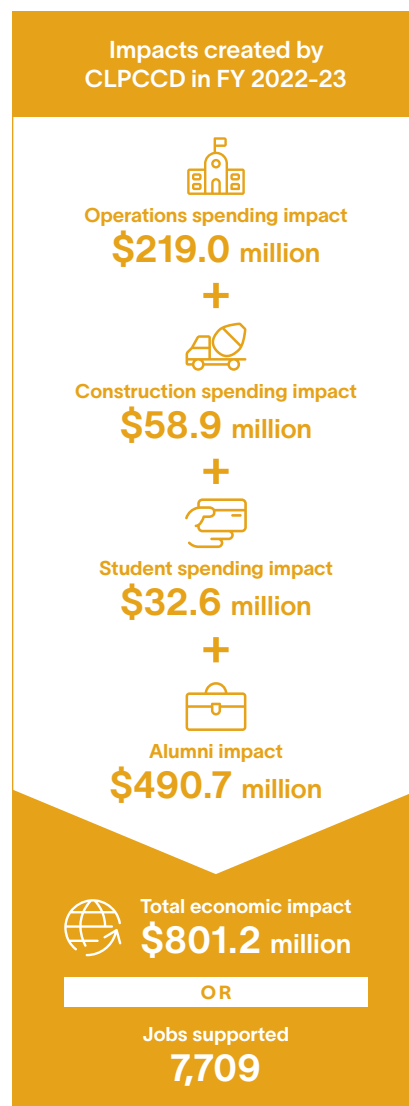
- CLPCCD invests in construction each year to maintain its facilities, create additional capacities, and meet its growing educational demands, generating a short-term infusion of spending and jobs in the county economy.
- The net impact of CLPCCD's construction spending in FY 2022-23 was **\$58.9 million** in added income for Alameda County.

Student spending impact

- Around 28% of students attending the colleges originated from outside the county. Some of these students relocated to Alameda County. In addition, some in-county students, referred to as retained students, would have left Alameda County for other educational opportunities if not for CLPCCD. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at county businesses.
- The expenditures of relocated and retained students in FY 2022-23 added **\$32.6 million** in income to the Alameda County economy.

Alumni impact

- Over the years, students have studied at CLPCCD and entered or re-entered the workforce with newly acquired knowledge and skills. Today, thousands of these former students are employed in Alameda County.
- The net impact of CLPCCD's former students currently employed in the county workforce amounted to **\$490.7 million** in added income in FY 2022-23.



Investment analysis

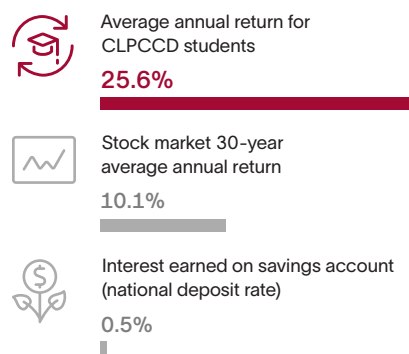
Student perspective

- CLPCCD's FY 2022-23 students paid a present value of **\$25.4 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent a value of **\$63.6 million** in time and money had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of **\$723.4 million** in increased earnings over their working lives. This translates to a return of **\$8.10** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **25.6%**.

Taxpayer perspective

- Taxpayers provided CLPCCD with **\$261.9 million** of funding in FY 2022-23. In return, they will benefit from added tax revenue, stemming from students' higher

Students see a high rate of return for their investment in CLPCCD



Source: Forbes' S&P 500, 1992-2021. FDIC.gov, 2-2022.



lifetime earnings and increased business output, amounting to **\$297.6 million**. A reduced demand for government-funded services in California will add another **\$27.8 million** in benefits to taxpayers.

- Total taxpayer benefits amount to **\$325.4 million**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in CLPCCD, taxpayers will receive **\$1.20** in return over the course of students' working lives. The average annual rate of return for taxpayers is **1.9%**.

Social perspective

- In FY 2022-23, California invested **\$428.5 million** to support CLPCCD. In turn, the California economy will grow by **\$3.9 billion**, over the course of students' working lives. Society will also benefit from **\$44.5 million** of public and private sector savings.
- For every dollar invested in CLPCCD in FY 2022-23, people in California will receive **\$9.30** in return, for as long as CLPCCD's FY 2022-23 students remain active in the state workforce.

For every \$1...

	<p>Students gain in lifetime earnings</p> <p style="font-size: 1.5em; font-weight: bold; color: #800040;">\$8.10</p>
	<p>Taxpayers gain in added tax revenue and public sector savings</p> <p style="font-size: 1.5em; font-weight: bold; color: #800040;">\$1.20</p>
	<p>Society gains in added income and social savings</p> <p style="font-size: 1.5em; font-weight: bold; color: #800040;">\$9.30</p>

