



# FACT SHEET

## The Economic Value of Diablo Valley College on Central Contra Costa County

Diablo Valley College (DVC) 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 DVC IN FY 2016-17

ADDED INCOME	JOBS
<b>Operations spending impact</b>	
\$105 million	2,433
Central Contra Costa County	
\$124.4 million	2,586
Contra Costa County	
<b>Student spending impact</b>	
\$6.5 million	112
Central Contra Costa County	
\$18.5 million	167
Contra Costa County	
<b>Alumni impact</b>	
\$507.6 million	6,308
Central Contra Costa County	
\$774.5 million	9,103
Contra Costa County	
<b>Total impact</b>	
\$619.2 million	8,853
Central Contra Costa County	
\$917.4 million	11,856
Contra Costa County	

### IMPACT ON THE BUSINESS COMMUNITY

During the analysis year, DVC and its students added **\$619.2 million** in income to the Central Contra Costa County economy, approximately equal to **1.3%** of the region’s total gross regional product (GRP). DVC’s impact supported **8,853** jobs in FY 2016-17. For perspective, this means that one out of every **43** jobs in Central Contra Costa County is supported by the activities of DVC and its students. The economic impacts of DVC break down as follows:

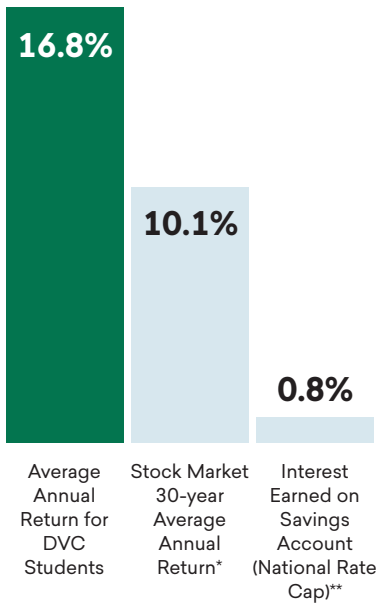
#### Operations spending impact

- DVC employed 2,265 full-time and part-time employees in FY 2016-17. Payroll amounted to \$96.2 million, much of which was spent in Central Contra Costa County to purchase groceries, clothing, and other household goods and services. The college spent another \$52.8 million to support its day-to-day operations.
- The net impact of college payroll and expenses in Central Contra Costa County during the analysis year was approximately **\$105 million** in income.

#### Student spending impact

- A number of students would have left the region if not for DVC. These retained students spent money on groceries, transportation, rent, and so on at regional businesses.
- The expenditures of retained students during the analysis year added approximately **\$6.5 million** in income to the Central Contra Costa County economy.

## STUDENT RATE OF RETURN



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

\*\* FDIC.gov, 7-2017.

## Alumni impact

- Over the years, students have studied at DVC and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in Central Contra Costa County.
- The impact of former students currently employed in the regional workforce amounted to **\$507.6 million** in added income during the analysis year.

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

### Student perspective

- DVC's FY 2016-17 students paid a total present value of **\$43.9 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$100.9 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 **\$777.6 million** in increased earnings over their working lives. This translates to a return of **\$5.40** in higher future earnings for every dollar that students invest in their education. The average annual return for students is **16.8%**.

### Taxpayer perspective

- In FY 2016-17, state and local taxpayers in California paid **\$99.3 million** to support the operations of DVC. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$398.4 million** in benefits to taxpayers. Savings to the public sector add another **\$26.3 million** in benefits due to a reduced demand for government-funded services in California.
- Dividing benefits to taxpayers by the associated costs yields a 4.3 benefit-cost ratio, i.e., every dollar in costs returns **\$4.30** in benefits. The average annual return on investment for taxpayers is **10.6%**.

### Social perspective

- The economic base in California will grow by **\$5.3 billion** over the course of the students' working lives. Society will also benefit from **\$71 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 DVC FY 2016-17 educations, society will receive a cumulative value of **\$20.00** in benefits, for as long as the FY 2016-17 student population at DVC remains active in the state workforce.

