

FACT SHEET

The Economic Value of College of the Mainland | May 2017

College of the Mainland (COM) 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 to each of these groups. Results of the analysis reflect Fiscal Year (FY) 2015-16.

IMPACTS CREATED BY COM IN FY 2015-16

ADDED INCOME	JOBS
\$31.4 million	689
Operations spending impact	
\$646.3 thousand	13
Student spending impact	
\$218.9 million	2,413
Alumni impact	
\$250.9 million	3,116
Total impact	

IMPACT ON BUSINESS COMMUNITY

During the analysis year, COM and its students added **\$250.9 million** in income to the COM Service Area economy, approximately equal to **2.2%** of the region's total gross regional product (GRP). By comparison, this impact from the college is nearly as large as the entire Real Estate & Rental & Leasing industry in the region. The economic impacts of COM break down as follows:

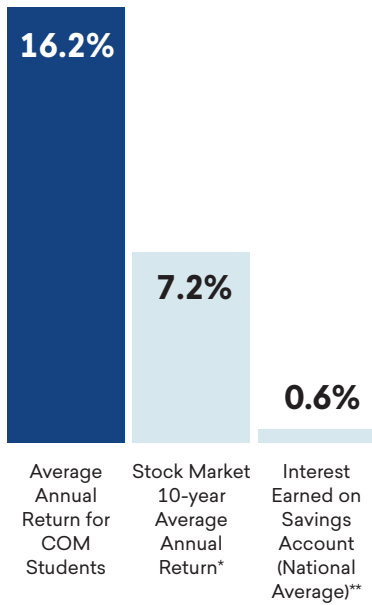
Operations spending impact

- COM employed 646 full-time and part-time employees in FY 2015-16. Payroll amounted to **\$29.6 million**, much of which was spent in the COM Service Area to purchase groceries, clothing, and other household goods and services. The college spent another **\$13.2 million** to support its day-to-day operations.
- The net impact of college payroll and expenses in the COM Service Area during the analysis year was approximately **\$31.4 million** in income.

Impact of student spending

- Around **22%** of students attending COM originated from outside the region. Some of these students relocated to the COM Service Area. In addition, a number of students would have left the region if not for COM. These relocators and retained students spent money on groceries, transportation, rent, and so on at region businesses.
- The expenditures of relocators and retained students during the analysis year added approximately **\$646.3 thousand** in income to the COM Service Area economy.

STUDENT RATE OF RETURN



* Forbes' S&P 500, 1994-2014.

** FDIC.gov 12-2016.

Alumni impact

- Over the years, students have studied at COM and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in the COM Service Area.
- The accumulated contribution of former students currently employed in the regional workforce amounted to **\$218.9 million** in added income during the analysis year.

RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS, AND SOCIETY

Student perspective

- COM's FY 2015-16 students paid a total of **\$8.6 million** to cover the cost of tuition, fees, and supplies. They also forwent **\$35.4 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 **\$176.1 million** in increased earnings over their working lives. This translates to a return of **\$4.00** in higher future earnings for every \$1 that students invest in their education. The average annual return for students is **16.2%**.

Taxpayer perspective

- In FY 2015-16, state and local taxpayers in Texas paid **\$29.6 million** to support the operations of COM. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$94.2 million** in benefits to taxpayers. Savings to the public sector add another **\$5.1 million** in benefits due to a reduced demand for government-funded services in Texas.
- Dividing benefits to taxpayers by the associated costs yields a **3.4** benefit-cost ratio, i.e., every \$1 in costs returns \$3.40 in benefits. The average annual return on investment for taxpayers is **9.8%**.

Social perspective

- The economic base in Texas will grow by **\$1.4 billion** over the course of the students' working lives. Society will also benefit from **\$16.2 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 COM educations during the analysis year, society will receive a cumulative value of **\$17.30** in benefits, for as long as the FY 2015-16 student population at COM remains active in the state workforce.

