Colorado Community College System colleges (CCCS colleges) create a significant positive impact on the business community and generate a return on investment to their 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.

### IMPACT ON BUSINESS COMMUNITY

During the analysis year, CCCS colleges and their students added $5.8 billion in added income to the Colorado economy, approximately equal to 2.0% of the state's total GSP. By comparison, this impact from the colleges is nearly as large as the entire Transportation & Warehousing industry in the state. The economic impacts of CCCS colleges break down as follows:

**Operations spending impact**
- CCCS colleges employed 7,776 full-time faculty, adjunct instructors, and staff in FY 2015-16. Payroll amounted to $363.7 million, much of which was spent in Colorado to purchase groceries, clothing, and other household goods and services. The colleges spent another $259.1 million to support their day-to-day operations.
- The net impact of the colleges payroll and expenses in Colorado during the analysis year was approximately $435.9 million in added income.

**Construction spending impact**
- CCCS colleges commissioned contractors to build or renovate their facilities during the analysis year, generating a short-term infusion of spending and jobs in the state economy.
- The net impact of CCCS colleges' construction spending in FY 2015-16 was $22.7 million in added income for Colorado.

**Student spending impact**
- Around 6% of students attending CCCS colleges originated from outside the state. Some of these students relocated to Colorado. In addition, a number of students would have left the state if not for CCCS colleges. These relocated and retained students spent money on groceries, transportation, rent, and so on at state businesses.
The expenditures of relocated and retained students during the analysis year added approximately $246.8 million in added income to the Colorado economy.

Alumni impact
- Over the years, students have studied at CCCS colleges and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in Colorado.
- The accumulated contribution of former students currently employed in the state workforce amounted to $5.1 billion in added income during the analysis year.

RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS, AND SOCIETY

Student perspective
- CCCS colleges’ FY 2015-16 students paid a total of $269 million to cover the cost of tuition, fees, and supplies. They also forwent $567.1 million in money that they would have earned had they been working instead of learning.
- In return for the monies invested in the colleges, students will receive a present value of $3.6 billion in increased earnings over their working lives. This translates to a return of $4.30 in higher future earnings for every $1 that students invest in their education. The average annual return for students is 14.8%.

Taxpayer perspective
- In FY 2015-16, state and local taxpayers in Colorado paid $242 million to support the operations of CCCS colleges. The net present value of the added tax revenue stemming from the students’ higher lifetime earnings and the increased output of businesses amounts to $1.3 billion in benefits to taxpayers. Savings to the public sector add another $86.1 million in benefits due to a reduced demand for government-funded services in Colorado.
- Dividing benefits to taxpayers by the associated costs yields a 5.7 benefit-cost ratio, i.e., every $1 in costs returns $5.70 in benefits. The average annual return on investment for taxpayers is 13.5%.

Social perspective
- The economic base in Colorado will grow by $14.8 billion over the course of the students’ working lives. Society will also benefit from $267 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 educations provided by CCCS colleges during the analysis year, society will receive a cumulative value of $11.30 in benefits, for as long as the FY 2015-16 student population at CCCS colleges remain active in the state workforce.

1 Note that the student and taxpayer returns reported in this study are real returns, not nominal. A real rate of return is on top of inflation.