

FACT SHEET

The Economic Value of Front Range Community College | May 2017

Front Range Community College (FRCC) 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.

IMPACT ON BUSINESS COMMUNITY

During the analysis year, FRCC and its students added **\$590.6 million** in income to the FRCC Service Area economy, approximately equal to **0.8%** of the region’s total gross regional product (GRP). By comparison, this impact from the college is slightly larger than the entire Arts, Entertainment, & Recreation industry in the region. The economic impacts of FRCC break down as follows:

IMPACTS CREATED BY FRCC IN FY 2015-16

ADDED INCOME	JOBS
\$80.1 million	1,790
Operations spending impact	
\$5 million	85
Construction spending impact	
\$37.4 million	775
Student spending impact	
\$468 million	6,997
Alumni impact	
\$590.6 million	9,647
Total impact	

Operations spending impact

- FRCC employed 1,546 full-time faculty, adjunct instructors, and staff in FY 2015-16. Payroll amounted to **\$68.7 million**, much of which was spent in the FRCC Service Area to purchase groceries, clothing, and other household goods and services. The college spent another **\$41.9 million** to support its day-to-day operations.
- The net impact of college payroll and expenses in the FRCC Service Area during the analysis year was approximately **\$80.1 million** in income.

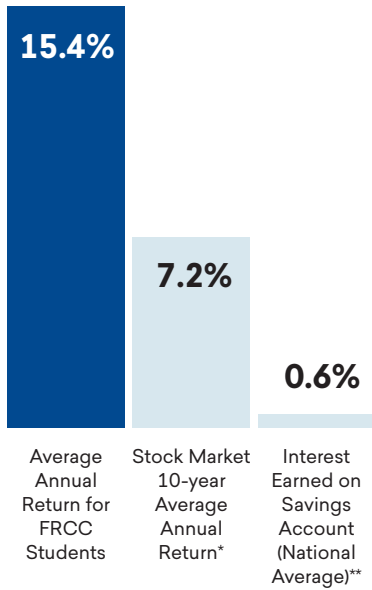
Construction spending impact

- FRCC commissioned contractors to build or renovate its facilities during the analysis year, generating a short-term infusion of spending and jobs in the regional economy.
- The net impact of FRCC’s construction spending in FY 2015-16 was **\$5 million** in added income for the FRCC Service Area.

Student spending impact

- Around 8% of students attending FRCC originated from outside the region. Some of these students relocated to the FRCC Service Area. In addition, a number of students would have left the region if not for FRCC. These relocated and retained students spent money on groceries, transportation, rent, and so on at regional businesses.

STUDENT RATE OF RETURN



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

** FDIC.gov 12-2016.

- The expenditures of relocated and retained students during the analysis year added approximately **\$37.4 million** in income to the FRCC Service Area economy.

Alumni impact

- Over the years, students have studied at FRCC and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in the FRCC Service Area.
- The accumulated contribution of former students currently employed in the regional workforce amounted to **\$468 million** in added income during the analysis year.

RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS, AND SOCIETY

Student perspective

- FRCC's FY 2015-16 students paid a total of **\$63 million** to cover the cost of tuition, fees, and supplies. They also forwent **\$81.5 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 **\$656.4 million** in increased earnings over their working lives. This translates to a return of **\$4.50** in higher future earnings for every \$1 that students invest in their education. The average annual return for students is **15.4%**.

Taxpayer perspective

- In FY 2015-16, state and local taxpayers in Colorado paid **\$35.4 million** to support the operations of FRCC. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$312.6 million** in benefits to taxpayers. Savings to the public sector add another **\$16.3 million** in benefits due to a reduced demand for government-funded services in Colorado.
- Dividing benefits to taxpayers by the associated costs yields a **9.3** benefit-cost ratio, i.e., every \$1 in costs returns \$9.30 in benefits. The average annual return on investment for taxpayers is **30.7%**.

Social perspective

- The economic base in Colorado will grow by **\$3.6 billion** over the course of the students' working lives. Society will also benefit from **\$53.5 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 FRCC educations during the analysis year, society will receive a cumulative value of **\$15.90** in benefits, for as long as the FY 2015-16 student population at FRCC remains active in the state workforce.

