

FACT SHEET

The Economic Value of Trinidad State Junior College | May 2017

Trinidad State Junior College (TSJC) 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

IMPACTS CREATED BY TSJC IN FY 2015-16

ADDED INCOME	JOBS
\$13.4 million	339
Operations spending impact	
\$171.3 thousand	5
Construction spending impact	
\$2.7 million	63
Student spending impact	
\$45.8 million	1,010
Alumni impact	
\$62.1 million	1,418
Total impact	

During the analysis year, TSJC and its students added **\$62.1 million** in income to the TSJC Service Area economy, approximately equal to **1.4%** of the region’s total gross regional product (GRP). By comparison, this impact from the college is nearly as large as the entire Arts, Entertainment, & Recreation industry in the region. The economic impacts of TSJC break down as follows:

Operations spending impact

- TSJC employed 290 full-time faculty, adjunct instructors, and staff in FY 2015-16. Payroll amounted to **\$10.7 million**, much of which was spent in the TSJC Service Area to purchase groceries, clothing, and other household goods and services. The college spent another **\$7.7 million** to support its day-to-day operations.
- The net impact of college payroll and expenses in the TSJC Service Area during the analysis year was approximately **\$13.4 million** in income.

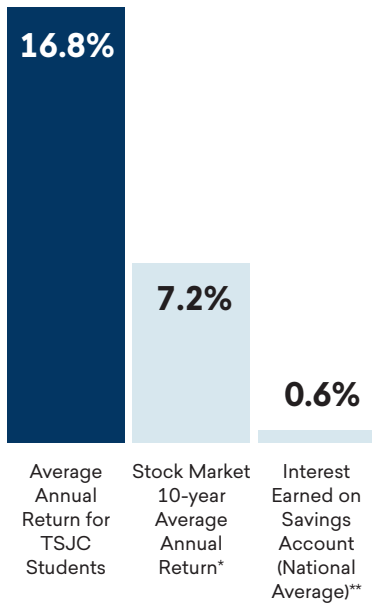
Construction spending impact

- TSJC 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 TSJC’s construction spending in FY 2015-16 was **\$171.3 thousand** in added income for the TSJC Service Area.

Student spending impact

- Around **24%** of students attending TSJC originated from outside the region. Some of these students relocated to the TSJC Service Area. In addition, a number of students would have left the region if not for TSJC. 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 **\$2.7 million** in income to the TSJC Service Area economy.

Alumni impact

- Over the years, students have studied at TSJC and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in the TSJC Service Area.
- The accumulated contribution of former students currently employed in the regional workforce amounted to **\$45.8 million** in added income during the analysis year.

RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS, AND SOCIETY

Student perspective

- TSJC's FY 2015-16 students paid a total of **\$4.9 million** to cover the cost of tuition, fees, and supplies. They also forwent **\$9.3 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 **\$75.2 million** in increased earnings over their working lives. This translates to a return of **\$5.30** in higher future earnings for every \$1 that students invest in their education. The average annual return for students is **16.8%**.

Taxpayer perspective

- In FY 2015-16, state taxpayers in Colorado paid **\$9.9 million** to support the operations of TSJC. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$21.9 million** in benefits to taxpayers. Savings to the public sector add another **\$2.1 million** in benefits due to a reduced demand for government-funded services in Colorado.
- Dividing benefits to taxpayers by the associated costs yields a **2.4** benefit-cost ratio, i.e., every \$1 in costs returns \$2.40 in benefits. The average annual return on investment for taxpayers is **6.2%**.

Social perspective

- The economic base in Colorado will grow by **\$251.9 million** over the course of the students' working lives. Society will also benefit from **\$6 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 TSJC educations during the analysis year, society will receive a cumulative value of **\$8.30** in benefits, for as long as the FY 2015-16 student population at TSJC remains active in the state workforce.

