



# FACT SHEET

The Economic Value of Clover Park Technical College | March 2017

Clover Park Technical College (CPTC) 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) 2014-15.

## IMPACTS CREATED BY CPTC IN FY 2014-15

ADDED INCOME	JOBS
<b>\$32.6 million</b>	<b>419</b>
Operations spending impact	
<b>\$8.3 million</b>	<b>191</b>
Student spending impact	
<b>\$147 million</b>	<b>2,193</b>
Alumni impact	
<b>\$187.9 million</b>	<b>2,803</b>
Total impact	

## IMPACT ON BUSINESS COMMUNITY

During the analysis year, CPTC and its students added **\$187.9 million** in income to the Pierce County economy, approximately equal to **0.5%** of the county's total gross regional product. By comparison, this impact from the college is nearly as large as the entire Utilities industry in the region. The economic impacts of CPTC break down as follows:

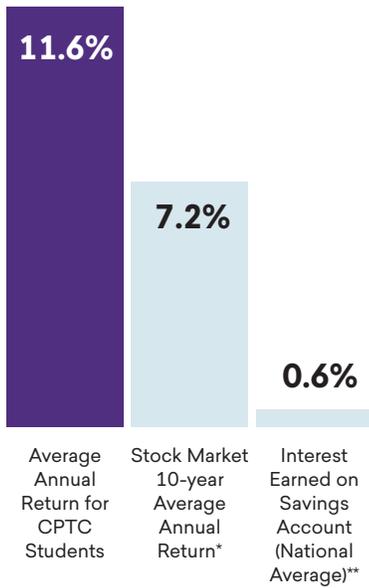
### Operations spending impact

- CPTC employed 322 full-time and part-time employees in FY 2014-15. Payroll amounted to **\$25.9 million**, much of which was spent in Pierce County to purchase groceries, clothing, and other household goods and services. The college spent another **\$20 million** to support its day-to-day operations.
- The net impact of college payroll and expenses in Pierce County during the analysis year was approximately **\$32.6 million** in income.

### Impact of student spending

- Around **1,371** students attending CPTC originated from outside the county. Of these, an estimated 1,114 students relocated to Pierce County. In addition, a number of students would have left the county if not for CPTC. These relocated and retained students spent money on groceries, transportation, rent, and so on at county businesses.
- The expenditures of relocated and retained students during the analysis year added approximately **\$8.3 million** in income to the Pierce County economy.

## STUDENT RATE OF RETURN



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

\*\* FDIC.gov 12-2016.

## Alumni impact

- Over the years, students have studied at CPTC and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in Pierce County.
- The accumulated contribution of former students currently employed in the county workforce amounted to **\$147 million** in added income during the analysis year.

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

### Student perspective

- CPTC's FY 2014-15 students paid a total of **\$10.4 million** to cover the cost of tuition, fees, and supplies. They also forwent **\$75.9 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 **\$212.5 million** in increased earnings over their working lives. This translates to a return of **\$2.50** in higher future earnings for every \$1 that students invest in their education. The average annual return for students is **11.6%**.

### Taxpayer perspective

- In FY 2014-15, state and local taxpayers in Washington paid **\$24.7 million** to support the operations of CPTC. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$59.3 million** in benefits to taxpayers. Savings to the public sector add another **\$6.3 million** in benefits due to a reduced demand for government-funded services in Washington.
- Dividing benefits to taxpayers by the associated costs yields a **2.6** benefit-cost ratio, i.e., every \$1 in costs returns \$2.60 in benefits. The average annual return on investment for taxpayers is **9.2%**.

### Social perspective

- The economic base in Washington will grow by **\$945.9 million** over the course of the students' working lives. Society will also benefit from **\$19.8 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 CPTC educations during the analysis year, society will receive a cumulative value of **\$7.70** in benefits, for as long as the FY 2014-15 student population at CPTC remains active in the state workforce.

