Community College Economic Impact Study
March 17, 2022
Strategic Planning Committee
State Board of Community Colleges
Agenda

- Concept Creation and Vision – MC Belk Pilon
- Project Overview – Dr. Patrick Crane
- The Economic Value of NC Community Colleges – Anna Brown, Emsi Burning Glass
- Connecting to Strategic Planning – Dr. Patrick Crane
- Legislative Support – Senator Deanna Ballard
Creating the Vision

MC Pilon
President and Board Chair
John M. Belk Endowment
**Project Timeline**

- **June–Aug. 2021**
  - Data Collection on Economic Impact Survey and Program-Specific Economic Impact Study Survey
- **Sep.–Oct. 2021**
  - Data Analysis and Preparation of draft reports
- **Nov. 2021 – Jan. 2022**
  - Preparation of Final Reports
  - Development of communication strategies and professional learning
- **Mar.–May 2022**
  - Sharing information locally and statewide
The economic value of North Carolina Community Colleges

ANALYSIS OF THE ECONOMIC IMPACT
AND RETURN ON INVESTMENT OF EDUCATION
Emsi Burning Glass & Community Colleges

20+ years working with higher education institutions

2,200+ economic impact studies completed

2M students used Emsi Burning Glass’s career pathways tool in 2020

7 of 10 2021 Aspen Prize finalists received Emsi Burning Glass economic impact studies

10 of 10 2021 Aspen Prize finalists are Emsi Burning Glass customers
What is an ECONOMIC IMPACT ANALYSIS?
Measures how events or institutions affect the economy

What is an INVESTMENT ANALYSIS?
A comparison of the costs and benefits to determine the return on investment
## About North Carolina

### Average Earnings by Education Level

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Average Earnings ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;HS</td>
<td>$18,700</td>
</tr>
<tr>
<td>HS</td>
<td>$24,000</td>
</tr>
<tr>
<td>Certificate</td>
<td>$27,500</td>
</tr>
<tr>
<td>Associate</td>
<td>$30,900</td>
</tr>
<tr>
<td>Bachelor's</td>
<td>$45,500</td>
</tr>
</tbody>
</table>

- **Total Gross Regional Product (GRP):** $567 billion
- **Total Jobs:** 6.1 million

Attachment PLAN 01

SBCC 03/18/2022
North Carolina Community Colleges in FY 2019-20

Credit students served: 303,842

Non-credit students served: 381,453

Total payroll/benefits: $1.4 billion

Employees: 36,422

Total tuition revenue: $2.124 billion

Students from outside the state: 3%
Overview of results

$19.3 billion
Total income added to the state

3.4%
Of state’s GSP

319,763
Total jobs supported in the state

4.5
Benefit-cost ratio for students

1.9
Benefit-cost ratio for taxpayers

7.5
Benefit-cost ratio for society
ECONOMIC IMPACT ANALYSIS

**Operations Spending Impact**

*College payroll and other spending + ripple effects*

- $1.4 billion
- Added state income

**Construction Spending Impact**

*College construction expenditures + ripple effects*

- $93.2 million
- Added state income

**OR**

- 37,067 Jobs supported in the state
- 1,534 Jobs supported in the state

All results measured in income, not sales. Results are net of counterfactual scenarios.
<table>
<thead>
<tr>
<th>Student Spending Impact</th>
<th>Alumni Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relocated/retained student spending + ripple effects</td>
<td>Higher alumni earnings and increased business profit + ripple effects</td>
</tr>
<tr>
<td>$588 million Added state income</td>
<td>$17.1 billion Added state income</td>
</tr>
<tr>
<td>13,936 Jobs supported in the state</td>
<td>267,226 Jobs supported in the state</td>
</tr>
</tbody>
</table>

All results measured in income, not sales. Results are net of counterfactual scenarios.
**ECONOMIC IMPACT ANALYSIS**

**Total Impact**

- **$19.3 billion**
  - Total income added in the state

- **3.4%**
  - Of state’s GSP

- **319,763**
  - Total jobs supported in the state

- **1 out of 19**
  - Jobs in the state

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**Impacts by industry (jobs supported):**

- **Retail Trade**
  - 37,758

- **Health Care & Social Assistance**
  - 36,766

- **Other Services (except Public Administration)**
  - 34,366

- **Government, Non-Education**
  - 21,046

- **Accommodation & Food Services**
  - 19,347

- **All Other Industries**
  - 170,482

SBCC
03/18/2022
## INVESTMENT ANALYSIS

<table>
<thead>
<tr>
<th></th>
<th>Student Perspective</th>
<th>Taxpayer Perspective</th>
<th>Social Perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Benefit</strong></td>
<td>Higher future earnings</td>
<td>Future tax revenue, government savings</td>
<td>Future earnings, tax revenue, private savings</td>
</tr>
<tr>
<td><strong>Cost</strong></td>
<td>Tuition, supplies, opportunity cost</td>
<td>State and local funding</td>
<td>All college and student costs</td>
</tr>
<tr>
<td><strong>Rate of return</strong></td>
<td>22.3%</td>
<td>5.3%</td>
<td>n/a*</td>
</tr>
<tr>
<td><strong>Benefit/cost ratio</strong></td>
<td>4.5</td>
<td>1.9</td>
<td>7.5</td>
</tr>
</tbody>
</table>

Future benefits are discounted to the present.

*The rate of return is not reported for the social perspective because the beneficiaries are not necessarily the same as the original investors.
Overview of State-Level PSEIS Results

- Health Professions
- Advanced Manufacturing & Engineering Technologies
- Business
- Construction Trades
- Computer & Information Sciences

Results reflect the programs chosen by the colleges, not all programs offered in the program area in the state. There may be overlap between program areas. For example, a Business IT program included in the Business and Computer & Information Sciences program areas.
Overview of State-Level PSEIS Results

All Programs Student Benefit-Cost Ratio

Median across all **289** programs = 6.3

Average = 6.9
Overview of State-Level PSEIS Results

Student Benefit-Cost Ratio

Percentile Distribution of Student Benefit-Cost Ratio
All Programs
Medián across all 76 programs = 6.5
Average = 7.0
State-level results = 5.5
Median across all 63 programs = 5.8
Average = 6.5
State-level results = 3.1
Business Program Area

Student Benefit-Cost Ratio

Median across all 31 programs = 7.2
Average = 7.9
State-level results = 6.5
Construction Trades Program Area

Student Benefit-Cost Ratio

Median across all 21 programs = 5.7
Average = 5.5
State-level results = 4.3
Computer & Information Sciences Program Area

Student Benefit-Cost Ratio

Median across all 28 programs = 7.9
Average = 9.4
State-level results = 6.4
The results of this study were prepared by

Emsi | burning glass

For a copy of the report, please contact the North Carolina Community College System.
Connecting to NCCCS Strategic Plan

- $2M in legislative funding (2022-23) to establish a grant program “to expand and target efforts...that are proven to have greater economic impact...based on the findings of the studies” SB 105 Section 6.1.(e)
- Plan to release a Request for Proposals (RFP) in April 2022, award for FY 2022-23
Legislative Support

Senator Deanna Ballard

Senator

NC General Assembly