



FACT SHEET

The Economic Value of Onondaga Community College | April 2017

Onondaga Community College (OCC) 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.

IMPACTS CREATED BY OCC IN FY 2015-16

ADDED INCOME	JOBS
\$81.6 million	1,621
Operations spending impact	
\$36.3 million	697
Student spending impact	
\$378.1 million	5,011
Alumni impact	
\$496 million	7,329
Total impact	

IMPACT ON BUSINESS COMMUNITY

During the analysis year, OCC and its students added **\$496 million** in income to Central New York’s economy, approximately equal to **1.3%** of the region’s total gross regional product (GRP). By comparison, this impact from the college is over half the size of the region’s Real Estate industry. The economic impacts of OCC break down as follows:

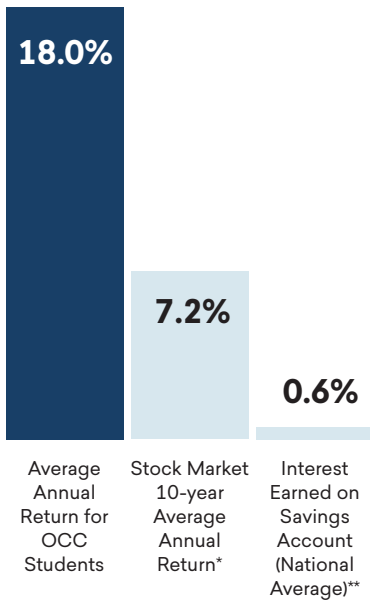
Operations spending impact

- OCC employed 1,342 full-time and part-time employees in FY 2015-16. Payroll amounted to **\$63.7 million**, much of which was spent in Central New York to purchase groceries, clothing, and other household goods and services. The college spent another **\$37.9 million** to support its day-to-day operations.
- The net impact of college payroll and expenses in Central New York during the analysis year was approximately **\$81.6 million** in income.

Impact of student spending

- Around **18%** of students attending OCC originated from outside the region. Some of these students relocated to Central New York. In addition, a number of students would have left the region if not for OCC. These relocated and retained students spent money on groceries, transportation, rent, and so on at region 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 **\$36.3 million** in income to Central New York's economy.

Alumni impact

- Over the years, students have studied at OCC and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in Central New York.
- The accumulated contribution of former students currently employed in the regional workforce amounted to **\$378.1 million** in added income during the analysis year.

RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS, AND SOCIETY

Student perspective

- OCC's FY 2015-16 students paid a total of **\$30.3 million** to cover the cost of tuition, fees, and supplies. They also forwent **\$49.7 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 **\$463.5 million** in increased earnings over their working lives. This translates to a return of **\$5.80** in higher future earnings for every \$1 that students invest in their education. The average annual return for students is **18.0%**.

Taxpayer perspective

- In FY 2015-16, state and local taxpayers in New York paid **\$40.8 million** to support the operations of OCC. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$256.1 million** in benefits to taxpayers. Savings to the public sector add another **\$19 million** in benefits due to a reduced demand for government-funded services in New York.
- Dividing benefits to taxpayers by the associated costs yields a **6.7** benefit-cost ratio, i.e., every \$1 in costs returns \$6.70 in benefits. The average annual return on investment for taxpayers is **19.1%**.

Social perspective

- The economic base in New York will grow by **\$2.7 billion** over the course of the students' working lives. Society will also benefit from **\$49.6 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 OCC educations during the analysis year, society will receive a cumulative value of **\$17.20** in benefits, for as long as the FY 2015-16 student population at OCC remains active in the state workforce.

