



# The Economic Value of Onondaga Community College

## FACT SHEET

**O** **NONDAGA** 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 received by each of these groups. Results of the analysis reflect fiscal year (FY) 2017-18.

### Economic impact analysis

In FY 2017-18, OCC added **\$619.3 million** in income to the Central New York<sup>1</sup> economy, a value approximately equal to **1.4%** of the region's total gross regional product (GRP). Expressed in terms of jobs, OCC's impact supported **8,506** regional jobs. For perspective, the activities of OCC and its students support one out of every **52** jobs in Central New York.

#### OPERATIONS SPENDING IMPACT

- OCC employed 2,002 full-time and part-time faculty and staff. Payroll amounted to \$74.8 million, much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$24 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$103 million** in income to the regional economy.

#### CONSTRUCTION SPENDING IMPACT

- OCC commissioned contractors to build or renovate its facilities, generating a short-term infusion of spending and jobs in the regional economy.
- The net impact of OCC's construction spending in FY 2017-18 was **\$1.1 million** in added income for Central New York.

#### STUDENT SPENDING IMPACT

- Around 8% of credit students attending OCC originated from outside the region. All of these students relocated to Central New York. In addition, some in-region students would have left Central New York for other educational opportunities if not for OCC. These relocated and retained

IMPACTS CREATED BY OCC  
IN FY 2017-18



<sup>1</sup> For the purposes of this analysis, Central New York is comprised of Cayuga, Cortland, Madison, Onondaga, and Oswego Counties.

students spent money on groceries, mortgage and rent payments, and so on at regional businesses.

- The expenditures of relocated and retained students in FY 2017-18 added **\$18.6 million** in income to the Central New York economy.

#### ALUMNI IMPACT

- Over the years, students have studied at OCC and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, hundreds of thousands of these former students are employed in Central New York.
- The net impact of OCC's former students currently employed in the regional workforce amounted to **\$496.6 million** in added income in FY 2017-18.

### Investment analysis

#### STUDENT PERSPECTIVE

- OCC's FY 2017-18 students paid a present value of **\$20.9 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$35.1 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$375.8 million** in increased earnings over their working lives. This translates to a return of **\$6.70** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **21.7%**.

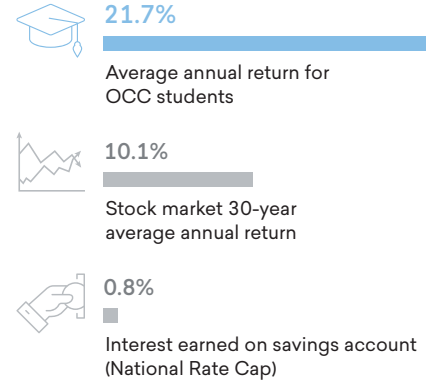
#### TAXPAYER PERSPECTIVE

- Taxpayers provided OCC with **\$54 million** of funding in FY 2017-18. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$194.6 million**. A reduced demand for government-funded services in New York will add another **\$15.7 million** in benefits to taxpayers.
- For every dollar of public money invested in OCC, taxpayers will receive **\$3.90** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **9.3%**.

#### SOCIAL PERSPECTIVE

- In FY 2017-18, New York invested **\$152.5 million** to fully support OCC. In turn, the New York economy will grow by **\$2.1 billion**, over the course of students' working lives. Society will also benefit from **\$26.2 million** of public and private sector savings.
- For every dollar invested in OCC educations in FY 2017-18, people in New York will receive **\$14.10** in return, for as long as OCC's FY 2017-18 students remain active in the state workforce.

#### STUDENTS SEE A HIGH RATE OF RETURN FOR THEIR INVESTMENT IN OCC



Source: Forbes' S&P 500, 1987-2016. FDIC.gov, 7-2016.



**FOR EVERY \$1...**



**Students** gain  
**\$6.70**  
in lifetime earnings



**Taxpayers** gain  
**\$3.90**  
in added tax revenue and public sector savings



**Society** gains  
**\$14.10**  
in added income and social savings

