

Overview Fact Sheet

Washington's Community and Technical Colleges play a significant role in the state economy and are a sound investment from multiple perspectives. Students benefit from improved lifestyles and increased earnings. Taxpayers benefit from a larger economy and lower social costs. Finally, the community as a whole benefits from increased job and investment opportunities, higher business revenues, greater availability of public funds, and an eased tax burden.

ECONOMIC GROWTH ANALYSIS

College Operations Effect

- The Washington economy annually receives roughly **\$746.6 million** in income due to college operations. This is a conservative figure adjusted to account for monies that leave the state economy or are withdrawn from the economy in support of the colleges.

Student Spending Effect

- An estimated **2%** of students attending Washington's community and technical colleges come from outside the U.S., bringing with them monies that would not have otherwise entered the state economy.
- The expenditures of international students at Washington's community and technical colleges generate roughly **\$75.9 million** in added income in Washington each year.

Productivity Effect

- The current Washington economy embodies an estimated **84.5 million** credits that have accumulated over the past 30-year period as thousands of former students from Washington's community and technical colleges enter the workforce year after year.
- College skills translate to higher earnings for students and increased output of businesses. The added income attributable to the accumulation of credits from Washington's community and technical colleges in the workforce amounts to around **\$10.2 billion** each year.

The accumulated credits achieved by former students of Washington's community and technical colleges contribute \$10.2 billion in added income to the state economy each year.

Total Effect

- Altogether, the average annual added income due to the activities of Washington's community and technical colleges and their former students equals **\$11 billion**. This is approximately equal to **3.8%** of the total Washington economy.

INVESTMENT ANALYSIS

Student Perspective

- Washington's community and technical colleges served **469,907** students in AY 2009-10.
- The average income at the career midpoint of someone with an associate's degree in Washington is **\$49,400**, 35% more than a student with a high school diploma.
- Throughout his or her working career, the average student's discounted lifetime income increases by **\$5.90** for every dollar invested in Washington's community and technical colleges.
- Students enjoy an attractive **20.8%** average rate of return on their investment in Washington's community and technical colleges, recovering all costs (including tuition, fees, and forgone wages) in 7.1 years.

Social Perspective

- Higher earnings that accrue to students of Washington's community and technical colleges and associated increases in state income expand the tax base in Washington by about **\$1.1 billion** each year.
- Washington will see avoided social costs amounting to **\$50.7 million** per year due to students of Washington's community and technical colleges, including savings associated with improved health, reduced crime, and reduced welfare and unemployment.

Taxpayer Perspective

- State government allocated **\$1.1 billion** in support of Washington's community and technical colleges in FY 2009-10.
- For every dollar of this support, taxpayers see a cumulative return of **\$1.70** over the course of students' working careers (in the form of higher tax receipts and avoided costs).
- Washington's community and technical colleges generate a **6.4%** return on investment to state and local taxpayers. This compares favorably with private sector returns on similar long-term investments.