

FACT SHEET: ECONOMIC IMPACT OF CENTRAL ARIZONA COLLEGE

What role does Central Arizona College (CAC) play in the local economy? The results of this study demonstrate that CAC is a sound investment from multiple perspectives. Students benefit from improved lifestyles and increased earnings. Taxpayers benefit from an enlarged economy and lower social costs. And 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.

CAC stimulates state and local economy

- The Pinal County economy receives roughly **\$21.9 million in regional income** annually due to CAC operations and capital spending.
- About 24% of CAC's students come to Pinal County from outside the region, bringing with them monies that would not have otherwise entered the local economy. CAC's out-of-region students spend a total of \$7.6 million while attending CAC, generating roughly **\$5.0 million in regional income in Pinal County**.
- CAC activities encourage new business, assist existing business, and create long-term economic growth. The college enhances worker skills and provides customized training to local business and industry. It is estimated that the present-day Pinal County workforce embodies around **2.9 million credit and non-credit hours** of past and present CAC training.
- CAC skills embodied in the workforce of Pinal County where former students are employed **increase regional income by \$351.3 million**. Associated indirect effects increase income by **another \$40.5 million**.
- Altogether, the Pinal County economy annually receives roughly **\$418.7 million in income** due to the past and present efforts of CAC. Clearly it is accurate to describe CAC as an engine of economic growth.

CAC leverages taxpayer dollars

- The state and local community will see **avoided social costs amounting to \$20 per year for every credit earned** by CAC students, including savings associated with improved health, reduced crime, and fewer welfare and unemployment claims.
- This translates to **\$2.8 million worth of social savings** to the State of Arizona each year as long as students are in the workforce.
- Students benefit from higher earnings, thereby expanding the tax base and reducing the tax burden on state and local taxpayers. When aggregated together, CAC students generate about **\$15.4 million annually in higher earnings** due to their CAC education.

CAC generates return on investment

- State and local government allocated around **\$38.8 million in support of CAC** in fiscal year 2006.
- For every dollar appropriated by state and local government, taxpayers will see a **cumulative return of \$2.10** over the course of the students' working career (in the form of higher tax receipts and avoided social costs).

CAC returns \$2.10 for every dollar of taxpayer financial support.

- State and local government will see a **rate of return of 11%** on their support for CAC, which compares very favorably with private sector rates of return on similar long-term investments.

CAC increases students' earning potential

- A total of **11,751 credit and non-credit students** attended the college in academic year 2005-2006. As many as **75% of these students stay in the region** initially after they leave college and contribute to the local economy.
- Studies demonstrate that education increases lifetime earnings. **The average annual earnings of a student with a one-year certificate are \$29,100**, or 84% more than someone without a high school diploma or GED, and 16% more than a student with a high school diploma. **The average earnings of a student with an Associate Degree are \$34,200**, or 116% more than someone without a high school diploma or GED, and 37% more than a student with a high school diploma or GED.
- CAC students will see their annual income increase, on average, by about **\$107 per year for every credit completed** at CAC during the analysis year.
- Throughout his or her working career, the average CAC student's discounted lifetime earnings (i.e., future values expressed in present value terms) will increase **\$4.50 for every education dollar invested** (in the form of tuition, fees, books, and foregone earnings from employment).
- Students enjoy an attractive **19% annual rate of return** on their CAC educational investment, and recover all costs (including wages foregone while attending) in **7 years**.

Students see their annual income increase by \$107 per year for every credit completed at CAC.