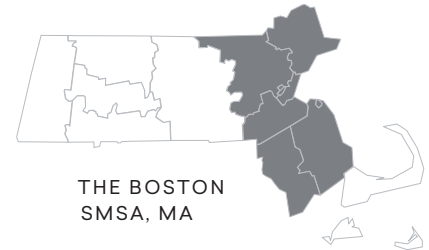


# The Economic Value of Roxbury Community College

Roxbury Community College (RCC) 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) 2018-19.



## ECONOMIC IMPACT ANALYSIS

In FY 2018-19, RCC added **\$148.9 million** in income to the Boston Standard Metropolitan Statistical Area (SMSA) economy. Expressed in terms of jobs, RCC's impact supported **2,113 jobs**.

### OPERATIONS SPENDING IMPACT

- RCC employed 482 full-time and part-time faculty and staff. Payroll amounted to \$16.9 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 \$9.1 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$18.3 million** in income to the regional economy in FY 2018-19.

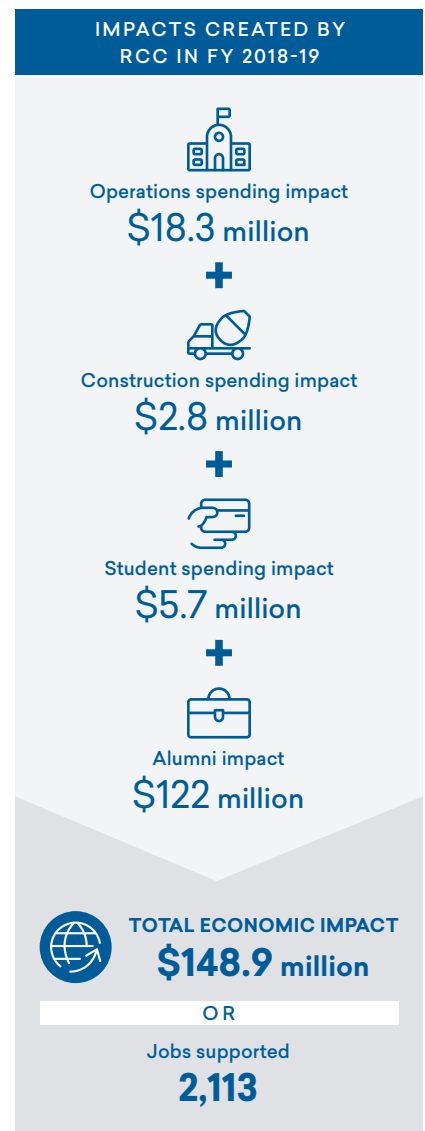
### CONSTRUCTION SPENDING IMPACT

- RCC invests in construction each year to maintain its facilities, create additional capacities, and meet its growing educational demands, generating a short-term infusion of spending and jobs in the regional economy.
- The net impact of RCC's construction spending in FY 2018-19 was **\$2.8 million** in added income for the Boston SMSA.

### STUDENT SPENDING IMPACT

- Around 7% of students attending RCC originated from outside the region. Some of these students relocated to the Boston SMSA. In addition, some in-region students, referred to as retained students, would have left the

\* For the purposes of this analysis, the Boston SMSA is comprised of Bristol, Essex, Middlesex, Norfolk, Plymouth, and Suffolk Counties.



Boston SMSA for other educational opportunities if not for RCC. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.

- The expenditures of relocated and retained students in FY 2018-19 added **\$5.7 million** in income to the Boston SMSA economy.

#### ALUMNI IMPACT

- Over the years, students have studied at RCC and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in the Boston SMSA.
- The net impact of RCC's former students currently employed in the regional workforce amounted to **\$122 million** in added income in FY 2018-19.



## INVESTMENT ANALYSIS

#### STUDENT PERSPECTIVE

- RCC's FY 2018-19 students paid a present value of **\$5.2 million** to cover the cost of tuition, fees, and supplies. They also forwent **\$3.1 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$69.5 million** in increased earnings over their working lives. This translates to a return of **\$8.40** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **31.9%**.

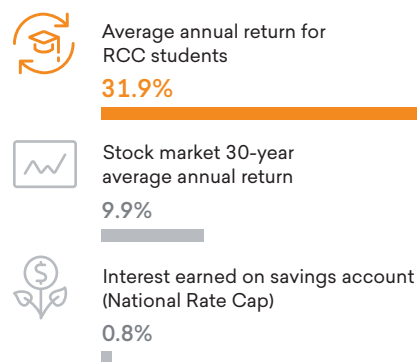
#### TAXPAYER PERSPECTIVE

- As a result of RCC, taxpayers across the state will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$19.1 million**. A reduced demand for government-funded services in Massachusetts will add another **\$2.2 million** in benefits to taxpayers.
- Total benefits to Massachusetts taxpayers amount to **\$21.3 million**.

#### SOCIAL PERSPECTIVE

- In FY 2018-19, Massachusetts invested **\$35.8 million** to support RCC. In turn, the Massachusetts economy will grow by **\$238.1 million**, over the course of students' working lives. Society will also benefit from **\$3.5 million** of public and private sector savings.
- For every dollar invested in RCC in FY 2018-19, people in Massachusetts will receive **\$6.70** in return, for as long as RCC's FY 2018-19 students remain active in the state workforce.

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



Source: Forbes' S&P 500, 1989-2018. FDIC.gov, 6-2019.

