

Adapted from methodologies used in:

The Economic Impact of Three Rivers Community College on Southeastern Connecticut, 2004

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Additional information sources from:

Arizona Department of Economic Security

National Center for Education Statistics

U.S. Census Bureau

U.S. Bureau of Labor Statistics

Coconino Community College District Economic Impact:

INCOME GENERATION

JOB CREATION

CREDIT BASE EXPANSION EFFECT

INCREASED GRADUATE INCOME PRODUCTIVITY

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Introduction

Sixteen short years ago Coconino Community College (CCC) began operations with 15 staff and 151 part-time faculty from part of a hastily remodeled, formerly vacant, strip mall on Fourth Street in East Flagstaff. The fledgling college also rented space, primarily in public schools, in Fredonia, Grand Canyon, Page, Sedona, Tuba City and Williams. The 970 students who enrolled that first fall semester exceeded the number tossed out as the most optimistic enrollment forecast.

So the story has continued to the present day. Today, CCC boasts 439 employees that provide educational services to nearly 7,500 students each year. Its' facilities are modern with the Flagstaff Lone Tree Campus and District Offices, Flagstaff Fourth Street Campus and Technology Center, Page/Lake Powell Campus, and the Grand Canyon, Tuba City, Williams and Fredonia Extension Centers.

CCC is the seventh largest employer in Coconino County and is a major contributor to the economic health of the county. In addition to its primary role as provider of excellence in teaching credit and non-credit courses and workshops, CCC is also a builder, buyer of goods and services, and investor. The dollars that flow from CCC serve as an economic foundation for the continued success of many established business. The college also provides stimulus for new entrepreneurs seeking to start their own companies. Additionally, the deposits made by CCC in regional financial entities increase the ability of lenders to make loans to area residents in buying a home, investing in a business, or sending children to college.

The college's variety of programs has made, and continues to make, a significant difference in the educational and economic advancement of thousands of Arizonans. These individuals, in turn, contribute to the prosperity of the County and State as they fulfill productive careers.

The vast majority of the skilled knowledge workers produced by CCC will continue to live in Arizona and most will stay in Coconino County. They have contributed to, and will continue to contribute to, a quality of life and standard of living that few others places offer. An educated workforce coupled with an envious location help to entice additional business and industry to the area. Without question, CCC is a stronger partner in guaranteeing the economic vitality of Coconino County and the State of Arizona, today and in the future.

Components of Impact

The benefits that stem from CCC's presence are extraordinary to Coconino County, and in turn, significant to the State of Arizona. The shape and size of some of these benefits, such as the dollars that flow from CCC can be measured. Other benefits are just as real but are more difficult to quantify.

Most institutions of higher education occasionally measure their economic impact. Financial benefits are among the most straight forward indicators to calculate. These indicators also have important bearing on informing policy makers and the public on the contribution of institutions to regional economies.

Economic impact studies have been produced or sponsored by colleges for decades. There is an accepted approach to preparing these analyses. This study follows that accepted approach. Typically, the factors examined in these studies are: 1) Income Generation, 2) Job Creation, 3) Credit Base Expansion, and 4) Increased Graduate Income Productivity.

The other benefits that flow from CCC's presence are as tangible as financial benefits but that are more elusive to measure:

- It is certain that the many of graduates from CCC administration of justice, detention academy, fire science and paramedic programs are making a positive difference in homeland security and public safety in Coconino County and the State of Arizona
- With assurance, the numerous CCC nursing and allied health graduates are delivering skilled care and contributing to the well being of residents in numerous communities.
- Additionally, CCC programs and projects in sustainability and environmental science are making this region a better place to live for future generations.
- Without a doubt, CCC opened the college door for hundreds of deserving students who have gone onto earning bachelor's degrees and beyond but who did not start at universities due to rising costs, selective admissions, or family demands.
- Moreover, the 778 graduates of the CCC Adult Basic Education program who earned a GED have for the first time attained the basic credential for entering into gainful employment.

The benefits counted in this economic study does not count the hundreds of CCC students who have used the educational experience obtained here to move off of the welfare rolls and other means of public assistance. This study does not count the countless times that CCC has been the vehicle that broke through the barriers of despair facing Arizonans to make opportunity and success possible.

People, Learning and Growth, Quality, Ethics, Community, and Respect are the core values that CCC holds dear in how it operates and what the college endeavors to impart to those associated with the college. Not all the benefits of CCC can be counted but they are just real as those that can be measured.

Income Generation

The first economic benefit is Income Generation. This component is comprised of purchases made by CCC, the total employee payroll of the institution, special events and visitors, and student financial aid and student expenses. These expenses do not amount to the total amount of income generated. For each dollar spent by the college, businesses, their employees, and others in turn spend that CCC dollar for their own purposes. This stream of revenue from one source to another has a multiplier effect that creates further spending. Thus, the income generated, directly and indirectly, because of **Coconino Community College's presence amounted to \$80,024,774.** This amount constitutes a substantial contribution to the regional economy with \$76,061,058 staying in Coconino County. Another \$2,332,586 is spent within Arizona but outside the county. The remainder, \$1,631,130, goes to companies and entities outside Arizona.

Job Creation

The second major economic benefit is providing employment opportunities or Job Creation. During 2006-07, the number of faculty and staff positions at CCC was 439. Various economic studies have determined that additional jobs are created from CCC's infusion of funds.

A conservative estimate is that 70 jobs are created for every \$1 million spent by CCC. **Thus, 988 jobs are created due to CCC operations.** Most of these jobs, 966, are within Coconino County. CCC spending outside the county creates another 13 elsewhere in Arizona. Nine jobs are created outside Arizona.

Credit Base Expansion

The third major economic benefit results from the expansion of the region's credit base and the resulting stimulus to the regional economy. CCC and its employees establish checking and savings accounts with primarily local financial entities. In turn, these deposits build the credit base for loans to businesses and individuals throughout the community. During 2006-07, CCC and its employees deposited an estimated **\$\$9,288,637** in area financial entities. Nearly all of this money, \$9,238,548 stayed in Coconino County. The remainder stayed in Arizona.

Increased Graduate Income Productivity

Graduates from CCC have earned \$65,751,436 more than they would have by not attending CCC. This amount is based on actual income records of actual CCC graduates for 2006 provided by the Arizona Department of Economic Security (ADES).

The ADES records prove that gaining a CCC education does pay big dividends. Furthermore, the stated income productivity does not account for the added income received by CCC graduates who go onto earn a bachelor's, master's, professional or doctorate degree.

It is estimated that 75% of these graduates remain living in Coconino County. By July 2007, their added contribution to the income of country residents was \$49,313,577. This increase in income is directly due to their having CCC educations and the career advancement that followed. Another 15% of graduates may move out of Coconino County but remain in Arizona. This segment of graduates earned an additional \$9,862,715. About 10% of graduates move out of Arizona. Their added income by July 2007 amounted to \$6,575,144.

The U.S. Census Bureau estimates that adult Americans without a high school level education earned \$17,299 on the average in 2006. High school and GED graduates were estimated to earn \$26,933 per year. Contrast these incomes to the actual 2006 incomes of CCC graduates.

- CCC certificate graduates – average of \$35,324 per year with forensic certificate graduates earning as much as \$77,945 per year
- CCC associate degree graduates – average of \$35,883 per year with some graduates earning as much as \$80,956 per year.
- CCC graduates who went onto earn a bachelor's degree or higher earned an average of \$48,337 per year

The above figures prove that a CCC education pays. The income productivity of CCC graduates will continue to greatly surpass the \$65.7 million reported by mid 2007. The career and financial advancement of these individuals are a tremendous economic stimulus to Coconino County and the State of Arizona.

Economic Impact Calculations

Fiscal Year 2007

	<u>In District</u>	<u>In State (Out of District)</u>	<u>Out of State</u>	<u>Total</u>
<u>Income Generation</u>				
Non- equipment, non-construction, non-personnel expenditures of \$3,415,311 (49% ID, 30% IS, 12%OOS)	\$2,209,587	\$1,352,808	\$946,966	\$4,509,361
Compensation Assumes all CCC employees live in Coco Cnty.	\$11,768,748			\$11,768,748
Capital expenditures (Construction & equipment) of \$562,104 (49% ID, 35%IS, 16% OOS)	\$275,431	\$168,631	\$118,042	\$562,104
Special Events and Visitors	\$590,000			\$590,000
CCC Foundation Expenditures (75% ID, 15% IS, 10% OOS)	\$168,091	\$33,618	\$22,412	\$224,121
Student grant aid minus tuition & fees collected (80%)	\$1,338,018			\$1,338,018
Sub-Total	<u>\$16,349,875</u>	<u>\$1,555,058</u>	<u>\$1,087,420</u>	<u>\$18,992,352</u>
Student expenses minus tuition & fees	<u>\$34,357,497</u>			<u>\$34,357,497</u>
Income Generated	<u>\$50,707,372</u>	<u>\$1,555,058</u>	<u>\$1,087,420</u>	<u>\$53,349,849</u>
Further spending by local businesses and individuals based on CCC income (1.5 multiplier)	<u>\$25,353,686</u>	<u>\$777,529</u>	<u>\$543,710</u>	<u>\$26,674,925</u>
Total income generation effect of CCC	<u>\$76,061,058</u>	<u>\$2,332,586</u>	<u>\$1,631,130</u>	<u>\$80,024,774</u>
	<u>In District</u>	<u>In State (Out of District)</u>	<u>Out of State</u>	<u>Total</u>
<u>Job Creation</u>				
CCC Full-time positions	143			143
CCC Part-time positions	296			296
CCC positions	439			439
Additional jobs in the community as a result of CCC business activity (\$1,000,000 expenditures = 70 jobs)	527	13	9	549
Total job-creation impact of CCC	966	13	9	988
<u>Credit Base Expansion</u>				
CCC deposits and investments	\$8,532,423	\$50,089		\$8,582,512
CCC Employee deposits (6% of personal income based on Statistical Abstract of U.S.)	706,125			
Community credit base attributable to the CCC	<u>\$9,238,548</u>	<u>\$50,089</u>		<u>\$9,288,637</u>

	<u>In District</u>	<u>In State (Out of District)</u>	<u>Out of State</u>	<u>Total</u>
<u>Income Productivity of Graduates</u>				
Adult Basic Education and Beyond (778 graduates over 3 years) Difference between no GED and GED with 1/3rd of GED graduates going on to CCC credit courses	\$6,678,694	\$1,335,739	\$890,493	\$8,904,925
Certificate graduates (346 graduates over 14 years) Difference between HS and Certificate is \$8,391 per year based on match actual CCC graduates to AZ DES income data	\$10,881,211	\$2,176,242	\$1,450,828	\$14,508,281
Associate degree graduates (1,113 graduates over 14 years) Difference between HS and Certificate is \$8,551 per year based on match actual CCC graduates to AZ DES income data	\$31,753,673	\$6,350,735	\$4,233,823	\$42,338,230
Total income productivity of CCC graduates	<u>\$49,313,577</u>	<u>\$9,862,715</u>	<u>\$6,575,144</u>	<u>\$65,751,436</u>