

The Economic Value of Yavapai College

Yavapai College (YC) 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) 2021-22.

Economic impact analysis

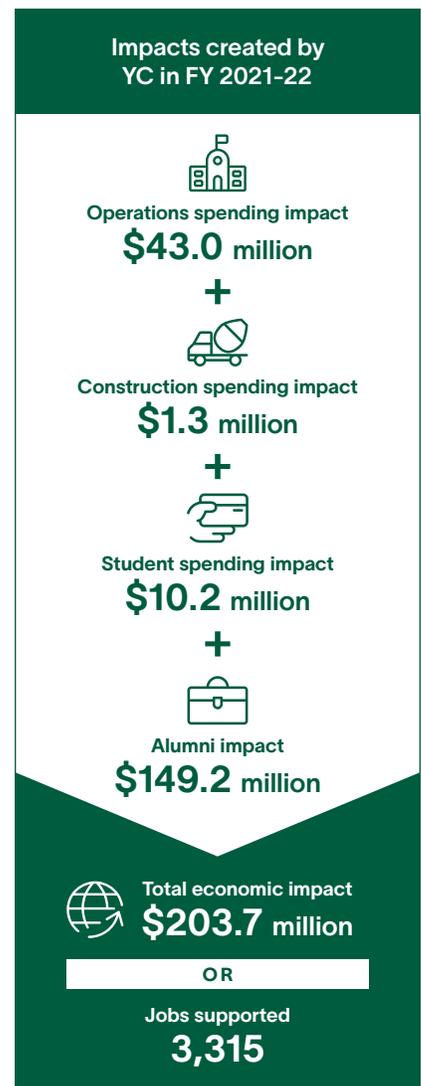
In FY 2021-22, YC added **\$203.7 million** in income to the Yavapai County economy, a value approximately equal to **2.2%** of the county's total gross regional product (GRP). Expressed in terms of jobs, YC's impact supported **3,315 jobs**. For perspective, the activities of YC and its students support **one out of every 33 jobs** in Yavapai County.

Operations spending impact

- YC employed 696 full-time and part-time faculty and staff. Payroll amounted to \$43.8 million, much of which was spent in the county for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$24.4 million on day-to-day expenses related to facilities, supplies, and professional services (excluding construction).
- The net impact of the college's operations spending added **\$43.0 million** in income to the county economy in FY 2021-22.

Construction spending impact

- YC 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 county economy.
- The net impact of YC's construction spending in FY 2021-22 was **\$1.3 million** in added income for Yavapai County.



Student spending impact

- Around 5% of credit students attending YC originated from outside the county. Most of these students relocated to Yavapai County. In addition, some in-county students, referred to as retained students, would have left Yavapai County for other educational opportunities if not for YC. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at county businesses.
- The expenditures of relocated and retained students in FY 2021-22 added **\$10.2 million** in income to the Yavapai County economy.

Alumni impact

- Over the years, students have studied at YC and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in Yavapai County.
- The net impact of YC's former students currently employed in the county workforce amounted to **\$149.2 million** in added income in FY 2021-22.

Investment analysis

Student perspective

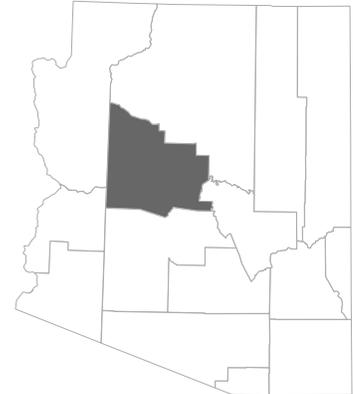
- YC's FY 2021-22 students paid a present value of **\$9.9 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$7.8 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of **\$137.2 million** in increased earnings over their working lives. This translates to a return of **\$7.80** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **29.9%**.

Taxpayer perspective

- Taxpayers provided YC with **\$57.5 million** of funding in FY 2021-22. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$36.0 million**. A reduced demand for government-funded services in Arizona will add another **\$3.9 million** in benefits to taxpayers. Total benefits to Arizona taxpayers amount to **\$39.9 million**.

Social perspective

- In FY 2021-22, Arizona invested **\$83.9 million** to support YC. In turn, the Arizona economy will grow by **\$532.6 million**, over the course of students' working lives. Society will also benefit from **\$10.1 million** of public and private sector savings.
- For every dollar invested in YC in FY 2021-22, people in Arizona will receive **\$6.50** in return, for as long as YC's FY 2021-22 students remain active in the state workforce.



Yavapai County, Arizona

Students see a high rate of return for their investment in YC



Average annual return for YC students
29.9%



Stock market 30-year average annual return
9.6%



Interest earned on savings account (national deposit rate)
0.4%

Source: Forbes' S&P 500, 1992-2021. FDIC.gov, 2-2022.

For every \$1...



Students gain in lifetime earnings
\$7.80



Society gains in added income and social savings
\$6.50

In total...



Taxpayers gain in added tax revenue and public sector savings
\$39.9 million

