



# The Economic Value of Cincinnati State Technical and Community College

## FACT SHEET

**CINCINNATI** State Technical and Community College (Cincinnati State) 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) 2015-16.



### Economic impact analysis

In FY 2015-16, Cincinnati State added **\$657.2 million** in income to the Cincinnati State Great Metropolitan Service Area<sup>1</sup> economy, a value approximately equal to **0.5%** of the region's total gross regional product (GRP). Expressed in terms of jobs, Cincinnati State's impact supported **10,303** regional jobs. For perspective, the activities of Cincinnati State and its students support one out of every **134** jobs in the Cincinnati State Great Metropolitan Service Area.

#### OPERATIONS SPENDING IMPACT

- Cincinnati State employed 1,050 full-time and part-time faculty and staff. Payroll amounted to \$52.9 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 \$22.9 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$75 million** in income to the regional economy.

#### STUDENT SPENDING IMPACT

- Around 15% of students attending Cincinnati State originated from outside the region. Some of these students relocated to the Cincinnati State Great Metropolitan Service Area. In addition, some in-region students would have left Cincinnati State Great Metropolitan Service Area for other educational opportunities if not for Cincinnati State. These relocated and retained students spent money on groceries, mortgage and rent payments, and so on at regional businesses.

<sup>1</sup> For the purposes of this analysis, the Cincinnati State Great Metropolitan Service Area is comprised of Dearborn, Franklin, and Ohio Counties in Indiana; Boone, Bracken, Campbell, Gallatin, Grant, Kenton, and Pendleton Counties in Kentucky; and Brown, Butler, Clermont, Clinton, Hamilton, and Warren, Counties in Ohio.

IMPACTS CREATED BY CINCINNATI  
STATE IN FY 2015-16



**\$75 million**

Operations Spending Impact



**\$10.3 million**

Student Spending Impact



**\$571.9 million**

Alumni Impact



**\$657.2 million**

TOTAL IMPACT

- OR -

**10,303**

JOBS SUPPORTED



- The expenditures of relocated and retained students in FY 2015-16 added **\$10.3 million** in income to the Cincinnati State Great Metropolitan Service Area economy.

#### ALUMNI IMPACT

- Over the years, students have studied at Cincinnati State and entered or re-entered the workforce with newly-acquired knowledge and skills. It is estimated that **85%** of Cincinnati State's alumni remain in the regional economy. Today, thousands of these former students are employed in the Cincinnati State Great Metropolitan Service Area.
- The net impact of Cincinnati State's former students currently employed in the regional workforce amounted to **\$571.9 million** in added income in FY 2015-16.



### Investment analysis

#### STUDENT PERSPECTIVE

- Cincinnati State's FY 2015-16 students paid a present value of **\$32.1 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forewent **\$77.8 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$575.5 million** in increased earnings over their working lives. This translates to a return of **\$5.20** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **18.7%**.

#### TAXPAYER PERSPECTIVE

- Taxpayers provided Cincinnati State with **\$33.1 million** of funding in FY 2015-16. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$150.6 million**. A reduced demand for government-funded services in Ohio will add another **\$10.2 million** in benefits to taxpayers.
- For every dollar of public money invested in Cincinnati State, taxpayers will receive **\$4.90** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **11.5%**.

#### SOCIAL PERSPECTIVE

- In FY 2015-16, Ohio invested **\$170.1 million** to fully support Cincinnati State. In turn, the Ohio economy will grow by **\$2.2 billion**, over the course of students' working lives. Society will also benefit from **\$30.6 million** of public and private sector savings.
- For every dollar invested in Cincinnati State educations in FY 2015-16, people in Ohio will receive **\$12.90** in return, for as long as Cincinnati State's FY 2015-16 students remain active in the state workforce.

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



**18.7%**

Average annual return for Cincinnati State students



**10.1%**

Stock market 30-year average annual return



**0.8%**

Interest earned on savings account (National Rate Cap)

Source: Forbes' S&P 500, 1987-2016. FDIC.gov, 7-2016.



**FOR EVERY \$1...**



**Students gain**

**\$5.20**

in lifetime earnings



**Taxpayers gain**

**\$4.90**

in added tax revenue and public sector savings



**Society gains**

**\$12.90**

in added state revenue and social savings

