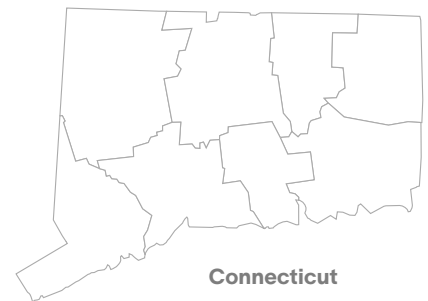


The Economic Value of Connecticut State Community College



Connecticut State Community College (CT 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) 2022-23.





Economic impact analysis

In FY 2022-23, CT State added **\$3.0 billion** in income to the Connecticut economy, a value approximately equal to **1.0%** of the state's total gross state product (GSP). Expressed in terms of jobs, CT State's impact supported **29,777 jobs**. For perspective, the activities of CT State and its students support **one out of every 82 jobs** in Connecticut.

Operations spending impact

- CT State employed 4,782 full-time and part-time faculty and staff. Payroll amounted to \$354.1 million, much of which was spent in the state for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$115.8 million on its expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$379.9 million** in income to the state economy in FY 2022-23.

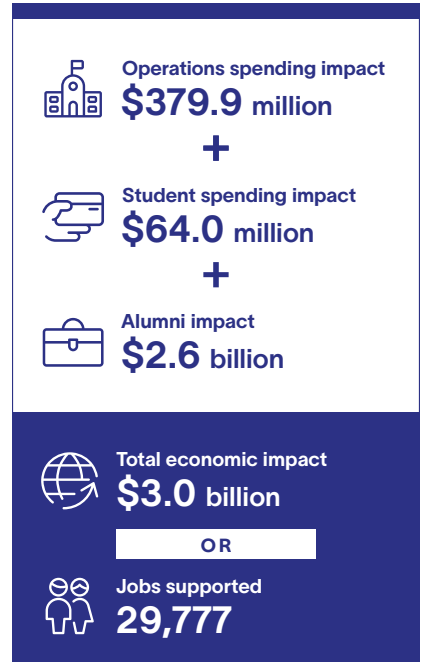
Student spending impact

- Around 2% of students attending CT State originated from outside the state. Some of these students relocated to Connecticut. In addition, some in-state students, referred to as retained students, would have left Connecticut for other educational opportunities if not for CT State. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at state businesses.
- The expenditures of relocated and retained students in FY 2022-23 added **\$64.0 million** in income to the Connecticut economy.

Alumni impact

- Around 2% of students attending CT State originated from outside the state. Some of these students relocated to Connecticut. In addition, some in-state students, referred to as retained students, would have left Connecticut for other educational opportunities if not for CT State. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at state businesses.
- The expenditures of relocated and retained students in FY 2022-23 added **\$64.0 million** in income to the Connecticut economy.

Impacts created by
CT State in FY 2022-23



Investment analysis

Student perspective

- CT State's FY 2022-23 students paid a present value of **\$82.5 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent a value of **\$95.1 million** in time and money had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of **\$985.0 million** in increased earnings over their working lives. This translates to a return of **\$5.50** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **20.3%**.

Taxpayer perspective

- Taxpayers provided CT State with **\$327.9 million** of funding in FY 2022-23. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$312.6 million**. A reduced demand for government-funded services in Connecticut will add another **\$35.3 million** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$347.8 million**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in CT State, taxpayers will receive **\$1.10** in return over the course of students' working lives. The average annual rate of return for taxpayers is **1.1%**.

Social perspective

- In FY 2022-23, Connecticut invested **\$585.2 million** to support CT State. In turn, the Connecticut economy will grow by **\$3.9 billion**, over the course of students' working lives. Society will also benefit from **\$67.5 million** of public and private sector savings.
- For every dollar invested in CT State in FY 2022-23, people in Connecticut will receive **\$6.80** in return, for as long as CT State's FY 2022-23 students remain active in the state workforce.

Students see a high rate of return for their investment in CT State



Average annual return for CT State students

20.3%



Stock market 30-year average annual return

10.1%



Interest earned on savings account (national deposit rate)

0.5%

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

For every \$1...



Students gain in lifetime earnings

\$5.50



Taxpayers gain in added tax revenue and public sector savings

\$1.10



Society gains in added income and social savings

\$6.80

