



JULY 2018

FACT SHEET

The Economic Value of Truckee Meadows Community College

Truckee Meadows Community College (TMCC) 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) 2016-17.

IMPACTS CREATED BY TMCC IN FY 2016-17

ADDED INCOME	JOBS
\$67.5 million	1,876
Operations spending impact	
\$24.3 million	504
Student spending impact	
\$393.1 million	5,152
Alumni impact	
\$484.9 million	7,531
Total impact	

IMPACT ON THE BUSINESS COMMUNITY

During the analysis year, TMCC and its students added **\$484.9 million** in income to the Washoe County economy, approximately equal to **2.0%** of the county's total gross regional product (GRP). TMCC's impact supported **7,531** jobs in FY 2016-17. For perspective, this means that one out of every **38** jobs in Washoe County is supported by the activities of TMCC and its students. The economic impacts of TMCC break down as follows:

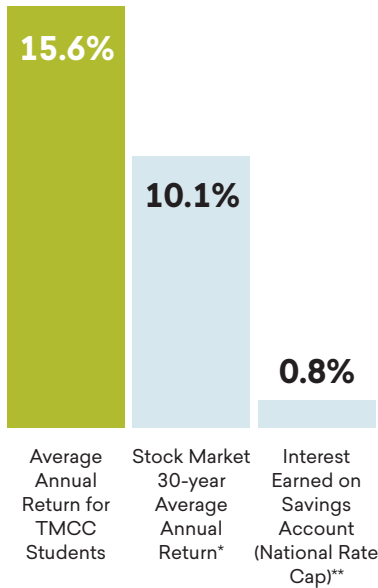
Operations spending impact

- TMCC employed 1,585 full-time and part-time employees in FY 2016-17. Payroll amounted to \$45.1 million, much of which was spent in Washoe County to purchase groceries, clothing, and other household goods and services. The college spent another \$23.1 million to support its day-to-day operations.
- The net impact of college payroll and expenses in Washoe County during the analysis year was approximately **\$67.5 million** in income.

Student spending impact

- Around 21% of credit students attending TMCC originated from outside the county. Some of these students relocated to Washoe County. In addition, a number of students would have left the county if not for TMCC. These relocated and retained students spent money on groceries, transportation, rent, and so on at county businesses.
- The expenditures of relocated and retained students during the analysis year added approximately **\$24.3 million** in income to the Washoe County economy.

STUDENT RATE OF RETURN



* Forbes' S&P 500, 1987-2016.

** FDIC.gov, 7-2017.

Alumni impact

- Over the years, students have studied at TMCC and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in Washoe County.
- The impact of former students currently employed in the county workforce amounted to **\$393.1 million** in added income during the analysis year.

RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS, AND SOCIETY

Student perspective

- TMCC's FY 2016-17 students paid a total present value of **\$24.7 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$77.9 million** in money that they would have earned had they been working instead of learning.
- In return for the monies invested in the college, students will receive a present value of **\$431.4 million** in increased earnings over their working lives. This translates to a return of **\$4.20** in higher future earnings for every dollar that students invest in their education. The average annual return for students is **15.6%**.

Taxpayer perspective

- In FY 2016-17, state taxpayers in Nevada paid **\$32.4 million** to support the operations of TMCC. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$125.1 million** in benefits to taxpayers. Savings to the public sector add another **\$16.3 million** in benefits due to a reduced demand for government-funded services in Nevada.
- Dividing benefits to taxpayers by the associated costs yields a 4.4 benefit-cost ratio, i.e., every dollar in costs returns **\$4.40** in benefits. The average annual return on investment for taxpayers is **14.4%**.

Social perspective

- The economic base in Nevada will grow by **\$1.8 billion** over the course of the students' working lives. Society will also benefit from **\$43.1 million** in present value social savings related to reduced crime, lower unemployment, and increased health and well-being across the state.
- For every dollar that society spent on TMCC FY 2016-17 educations, society will receive a cumulative value of **\$12.20** in benefits, for as long as the FY 2016-17 student population at TMCC remains active in the state workforce.

