



OCTOBER 2019

# FACT SHEET

## The Economic Value of the Centennial Education Center

The Centennial Education Center (CEC) 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) 2018-19.

TABLE 1: IMPACTS CREATED BY CEC IN FY 2018-19

ADDED INCOME	JOBS
<b>\$13.3 million</b>	<b>324</b>
Operations spending impact	
<b>\$2.7 million</b>	<b>48</b>
Student spending impact	
<b>\$208.9 million</b>	<b>2,077</b>
Alumni impact	
<b>\$224.9 million</b>	<b>2,450</b>
Total impact	

### IMPACT ON THE BUSINESS COMMUNITY

In FY 2018-19, the CEC added **\$224.9 million** in income to the City of Santa Ana economy, a value approximately equal to **0.9%** of the city's total gross regional product (GRP). Expressed in terms of jobs, the CEC's impact supported **2,450 jobs**.

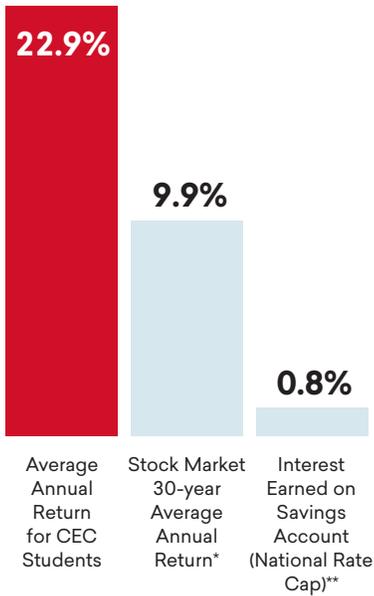
#### Operations spending impact

- The CEC employed 319 full-time and part-time faculty and staff. Payroll amounted to \$12.5 million, much of which was spent in the city for groceries, mortgage and rent payments, dining out, and other household expenses. The center spent another \$846.8 thousand on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the center's operations spending added **\$13.3 million** in income to the local economy in FY 2018-19.

#### Student spending impact

- Some in-city students would have left the City of Santa Ana for other educational opportunities if not for the CEC. These retained students spent money on groceries, mortgage and rent payments, and other living expenses at local businesses.
- The expenditures of retained students in FY 2018-19 added **\$2.7 million** in income to the City of Santa Ana economy.

## STUDENT RATE OF RETURN



\* Forbes' S&P 500, 1989-2018.

\*\* FDIC.gov, 6-2019.

## Alumni impact

- Over the years, students have studied at the CEC and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in the City of Santa Ana.
- The net impact of the CEC's former students currently employed in the local workforce amounted to **\$208.9 million** in added income in FY 2018-19.

## RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS, AND SOCIETY

### Student perspective

- The CEC's FY 2018-19 students paid a present value of **\$452.7 thousand** to cover the cost of books and supplies. They also forwent **\$34.1 million** in money that they would have earned had they been working instead of attending the center.
- In return for their investment, students will receive **\$124.4 million** in increased earnings over their working lives. This translates to a return of **\$3.60** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **22.9%**.

### Taxpayer perspective

- Taxpayers provided the CEC with **\$20.8 million** of funding in FY 2018-19. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$30.4 million**. A reduced demand for government-funded services in California will add another **\$10.7 million** in benefits to taxpayers.
- For every dollar of public money invested in the CEC, taxpayers will receive **\$2.00** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **7.7%**.

### Social perspective

- In FY 2018-19, California invested **\$47.9 million** to support the CEC. In turn, the California economy will grow by **\$486.2 million**, over the course of students' working lives. Society will also benefit from **\$14.1 million** of public and private sector savings.
- For every dollar invested in the CEC in FY 2018-19, people in California will receive **\$10.40** in return, for as long as the CEC's FY 2018-19 students remain active in the state workforce.

For every \$1 spent by...
<p><b>STUDENTS</b></p> <p><b>\$3.60</b></p> <p>Gained in lifetime earnings for STUDENTS</p>
<p><b>TAXPAYERS</b></p> <p><b>\$2.00</b></p> <p>Gained in added tax revenue and public sector savings for TAXPAYERS</p>
<p><b>SOCIETY</b></p> <p><b>\$10.40</b></p> <p>Gained in added state revenue and social savings for SOCIETY</p>