

The Economic Value of Santa Ana College to Orange County



Santa Ana College (SAC) 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) 2023-24.



**Orange County,
California**



Economic impact analysis

In FY 2023-24, SAC added **\$1.6 billion** in income to the Orange County economy, a value approximately equal to **0.5%** of the county's total gross regional product (GRP). Expressed in terms of jobs, SAC's impact supported **16,729 jobs**.

Operations spending impact

- SAC employed 2,311 full-time and part-time faculty and staff. Payroll amounted to \$119.7 million, much of which was spent in the county on groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$54.0 million on its expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$154.2 million** in income to the county economy in FY 2023-24.

Student spending impact

- Around 34% of credit students attending SAC originated from outside the county. Some of these students relocated to Orange County. In addition, some in-county students, referred to as retained students, would have left Orange County for other educational opportunities if not for SAC. 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 2023-24 added **\$114.7 million** in income to the Orange County economy.

Alumni impact

- Over the years, students have studied at SAC and entered or re-entered the workforce with newly acquired knowledge and skills. Today, hundreds of thousands of these former students are employed in Orange County.
- The net impact of SAC's former students currently employed in the county workforce amounted to **\$1.3 billion** in added income in FY 2023-24.

Impacts created by SAC in FY 2023-24



Operations spending impact

\$154.2 million

+



Student spending impact

\$114.7 million

+



Alumni impact

\$1.3 billion



Total economic impact

\$1.6 billion

OR



Jobs supported

16,729



Investment analysis

Student perspective

- SAC's FY 2023-24 students paid a present value of **\$19.3 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent a value of **\$115.0 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 **\$829.9 million** in increased earnings over their working lives. This translates to a return of **\$6.20** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **24.6%**.

Taxpayer perspective

- Taxpayers provided SAC with **\$203.4 million** of funding in FY 2023-24. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$359.5 million**. A reduced demand for government-funded services in California will add another **\$67.7 million** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$427.2 million**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in SAC, taxpayers will receive **\$2.10** in return over the course of students' working lives. The average annual rate of return for taxpayers is **5.9%**.

Social perspective

- In FY 2023-24, California invested **\$301.6 million** to support SAC. In turn, the California economy will grow by **\$4.7 billion** over the course of students' working lives. Society will also benefit from **\$83.7 million** of public and private sector savings.
- For every dollar invested in SAC in FY 2023-24, people in California will receive **\$15.90** in return, for as long as SAC's FY 2023-24 students remain active in the state workforce.

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



Average annual return for SAC students

24.6%



Stock market 30-year average annual return

10.1%



Interest earned on savings account (national deposit rate)

0.5%

Source: Forbes' S&P 500, 1994-2023; FDIC.gov, March 2023.

For every \$1...



Students gain in lifetime earnings

\$6.20



Taxpayers gain in added tax revenue and public sector savings

\$2.10



Society gains in added income and social savings

\$15.90

