

The Economic Value of Spokane Colleges



Community Colleges of Spokane* 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.



District 17, Washington

* The Community Colleges of Spokane consists of Spokane Community College and Spokane Falls Community College.



Economic impact analysis

In FY 2022-23, Spokane Colleges added \$1.26 billion in income to the District 17** economy, a value approximately equal to 3.2% of the region's total gross regional product (GRP). Expressed in terms of jobs, Spokane Colleges' impact supported 15,529 jobs. For perspective, the activities of the colleges and their students support one out of every 26 jobs in District 17.

Operations spending impact

- Spokane Colleges employed 1,708 full-time and part-time faculty and staff. Payroll amounted to \$109.3 million, much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. The colleges spent another \$101.5 million on expenses related to facilities, supplies, and professional services.
- The net impact of the colleges' operations added \$182.4 million in income to the regional economy in FY 2022-23.

Student spending impact

- Around 28% of students attending Spokane Colleges originated from outside the region. Some of these students relocated to District 17. In addition, some in-region students, referred to as retained students, would have left District 17 for other educational opportunities if not for Spokane Colleges. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.
- The expenditures of relocated and retained students in FY 2022-23 added \$50.8 million in income to the District 17 economy.

Alumni impact

- Over the years, students have studied at Spokane Colleges and entered or re-entered the workforce with newly acquired knowledge and skills. Today, hundreds of thousands of these former students are employed in District 17.
- The net impact of Spokane Colleges' former students currently employed in the regional workforce amounted to \$1.0 billion in added income in FY 2022-23.

Impacts created by
Spokane Colleges in FY 2022-23



Operations spending impact

\$182.4 million



Student spending impact

\$50.8 million



Alumni impact

\$1.0 billion



Total economic impact

\$1.26 billion

OR



Jobs supported

15,529

** For the purposes of this analysis, District 17 comprises Ferry, Lincoln, Pend Oreille, Spokane, Stevens, and Whitman Counties.



Investment analysis

Student perspective

- Spokane Colleges' FY 2022-23 students paid a present value of \$39.0 million to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent a value of \$72.1 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 \$413.6 million in increased earnings over their working lives. This translates to a return of \$3.70 in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is 16.2%.

Taxpayer perspective

- Taxpayers provided Spokane Colleges with \$148.9 million of funding in FY 2022-23. In return, they will benefit from added tax revenue, stemming from students' higher life-time earnings and increased business output, amounting to \$113.1 million. A reduced demand for government-funded services in Washington will add another \$20.0 million in benefits to taxpayers.
- Total taxpayer benefits amount to \$133.1 million, the present value sum of the added tax revenue and public sector savings.

Social perspective

- In FY 2022-23, Washington invested \$297.2 million to support Spokane Colleges. In turn, the Washington economy will grow by \$1.8 billion, over the course of students' working lives. Society will also benefit from \$36.2 million of public and private sector savings.
- For every dollar invested in Spokane Colleges in FY 2022-23, people in Washington will receive \$6.30 in return, for as long as Spokane Colleges' FY 2022-23 students remain active in the state workforce.

Students see a high rate of return for their investment in Spokane Colleges



Average annual return for Spokane Colleges' students
16.2%



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
\$3.70



Society gains in added income and social savings
\$6.30



Taxpayers gain in added tax revenue and public sector savings
\$133.1 million