

The Economic Value of Clatsop Community College

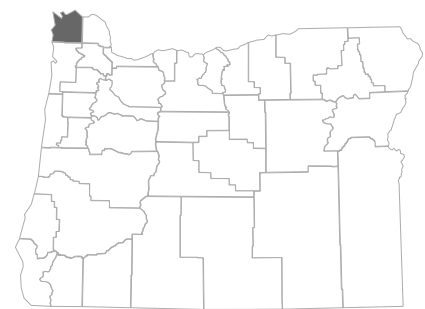




C LATSOP COMMUNITY COLLEGE (CCC) creates value in many ways. The college plays a key role in helping students increase their employability and achieve their individual potential. The college draws students to the county, generating new dollars and opportunities for Clatsop County. CCC provides students with the education, training, and skills they need to have fulfilling and prosperous careers. Furthermore, CCC is a place for students to meet new people, increase their self-confidence, and promote their overall health and well-being.

CCC influences both the lives of its students and the county economy. The college supports a variety of industries in Clatsop County, serves businesses in the county, and benefits society as a whole in Oregon from an expanded economy and improved quality of life. Additionally, the benefits created by CCC extend to the state and local government through increased tax revenues and public sector savings.

This study measures the economic impacts created by CCC on the business community and the benefits the college generates in return for the investments made by its key stakeholder groups—students, taxpayers, and society. The following two analyses are presented:



Clatsop County, Oregon

CCC influences both the **lives of its students** and the **county economy**.



Economic impact analysis



Investment analysis

All results reflect employee, student, and financial data, provided by the college, for fiscal year (FY) 2023-24. Impacts on the Clatsop County economy are reported under the economic impact analysis and are measured in terms of added income. The returns on investment to students, taxpayers, and society in Oregon are reported under the investment analysis.

Economic impact analysis



CCC promotes economic growth in Clatsop County through its direct expenditures and the resulting expenditures of students and businesses in the county. The college serves as an employer and buyer of goods and services for its day-to-day operations. The college's activities attract students from outside Clatsop County, whose expenditures benefit county vendors. In addition, CCC is one of the primary sources of higher education to Clatsop County residents and a supplier of trained workers to county industries, enhancing overall productivity in the county workforce.

Operations spending impact



CCC adds economic value to Clatsop County as an employer of county residents and a large-scale buyer of goods and services. In FY 2023-24, the college employed 151 full-time and part-time faculty and staff, 80% of whom lived in Clatsop County. Total payroll at CCC was \$14.0 million, much of which was spent in the county on groceries, mortgage and rent payments, dining out, and other household expenses. In addition, the college spent \$5.7 million on expenses related to facilities, supplies, and professional services.

CCC's operations spending added **\$12.7 million** in income to the county during the analysis year. This figure represents the college's payroll, the multiplier effects generated by the in-county spending of the college and its employees, and a downward adjustment to account for funding that the college received from county sources. The \$12.7 million in added income is equivalent to supporting **134 jobs** in the county.

Student spending impact



Around 7% of students attending CCC originated from outside the county in FY 2023-24, and some of these students relocated to Clatsop County to attend CCC.* These students may not have come to the county if the college did not exist. In addition, some in-county students, referred to as retained students, would have left Clatsop County if not for the existence of CCC. While attending the college, these relocated and retained students spent money on groceries, accommodation, transportation, and other household expenses. This spending generated **\$1.8 million** in added income for the county economy in FY 2023-24, which supported **27 jobs** in Clatsop County.

* Since this data was unavailable for CCC students for the year of analysis, data on student origin and in-term residence reflect FY 2025-26.

Impacts created by CCC in FY 2023-24



Operations spending impact

\$12.7 million

+



Student spending impact

\$1.8 million

+



Alumni impact

\$104.3 million



Total economic impact

\$118.8 million

OR



Jobs supported

1,450



Alumni impact



The education and training CCC provides for county residents has the greatest impact. Since the establishment of the college, students have studied at CCC and entered the county workforce with greater knowledge and new skills. Today, thousands of former CCC students are employed in Clatsop County. As a result of their education from CCC, the students receive higher earnings and increase the productivity of the businesses that employ them. In FY 2023-24, CCC alumni generated **\$104.3 million** in added income for the county economy, which is equivalent to supporting **1,289 jobs**.

Total impact

CCC added **\$118.8 million** in income to the Clatsop County economy during the analysis year, equal to the sum of the operations spending impact, the student spending impact, and the alumni impact. For context, the \$118.8 million impact was equal to approximately **4.8%** of the total gross regional product (GRP) of Clatsop County. This contribution that the college provided on its own is larger than the entire Real Estate & Rental & Leasing industry in the county.

CCC's total impact can also be expressed in terms of jobs supported. The \$118.8 million impact supported **1,450 county jobs**, using the jobs-to-sales ratios specific to each industry in the county. This means that one out of every 19 jobs in Clatsop County is supported by the activities of CCC and its students. In addition, the \$118.8 million, or 1,450 supported jobs, stemmed from different industry sectors. For instance, among non-education industry sectors, the spending of CCC and its students and the activities of its alumni in the Health Care & Social Assistance industry sector supported 241 jobs in FY 2023-24. If the college did not exist, these impacts would not have been generated in Clatsop County.

CCC impacts by industry (jobs supported)



One out of every 19 jobs in Clatsop County is supported by the activities of CCC and its students.

Investment analysis



An investment analysis evaluates the costs associated with a proposed venture against its expected benefits. The analysis presented here evaluates CCC as an investment from the perspectives of students, taxpayers, and society in Oregon. As with the economic impact analysis, this analysis considers only FY 2023-24 activities.

Student perspective



In FY 2023-24, CCC served 1,218 credit and 1,234 non-credit students. In order to attend the college, the students paid for tuition, fees, books, and supplies. They also took out loans and will incur interest on those loans. Additionally, students gave up money they would have otherwise earned had they been working instead of attending college. The total investment made by CCC's students in FY 2023-24 amounted to a present value of \$4.9 million, equal to \$3.0 million in out-of-pocket expenses (including future principal and interest on student loans) and \$2.0 million in forgone time and money.

In return for their investment, CCC's students will receive a stream of higher future earnings that will continue to grow throughout their working lives. For example, the average CCC associate degree graduate from FY 2023-24 will see annual earnings that are \$7,600 higher than a person with a high school diploma or equivalent working in Oregon. Over a working lifetime, the benefits of an associate degree over a high school diploma will amount to an undiscounted value of \$288,800 in higher earnings per graduate. The present value of the cumulative higher future earnings that CCC's FY 2023-24 students will receive over their working careers is \$25.9 million.

The students' benefit-cost ratio is 5.2. In other words, for every dollar students invest in CCC in the form of out-of-pocket expenses and forgone time and money, they will receive a cumulative value of \$5.20 in higher future earnings. Annually, the students' investment in CCC has an average annual internal rate of return of 19.9%, which is impressive compared to the U.S. stock market's 30-year average rate of return of 10.9%.

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



Average annual return for CCC students

19.9%



Stock market 30-year average annual return

10.9%



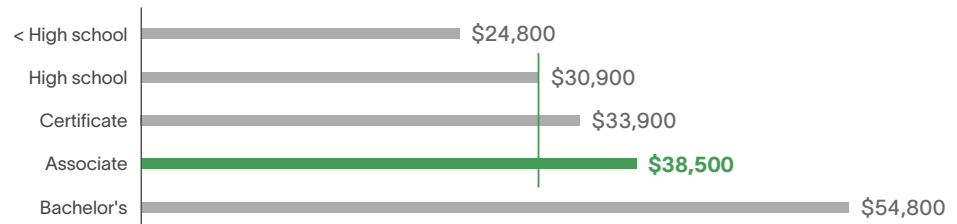
Interest earned on savings account (national deposit rate)

0.5%

Source: Forbes' S&P 500, 1994-2025; FDIC.gov, January 2024

Average earnings by education level at career midpoint

The average associate degree graduate from CCC will see an increase in earnings of **\$7,600** each year compared to a person with a high school diploma or equivalent working in Oregon.



Source: Lightcast employment data



Taxpayer perspective



Taxpayers invested \$13.6 million in the college in FY 2023-24, equal to the amount of state and local government funding. In return, the college generates substantial benefits for taxpayers. These benefits to taxpayers consist primarily of taxes that the state and local government will collect from the added revenue created in the state. As CCC students will earn more, they will make higher tax payments throughout their working lives. Students' employers will also make higher tax payments as they increase their output and purchases of goods and services. By the end of the FY 2023-24 students' working lives, the state and local government will have collected a present value of \$9.4 million in added taxes.

Benefits to taxpayers will also consist of savings generated by the improved lifestyles of CCC students and the corresponding reduced government services. Education is statistically correlated with a variety of lifestyle changes. The education that CCC students receive will generate savings in three main categories: 1) health care, 2) justice system, and 3) income assistance. Improved health will lower students' demand for national health care services. In addition, costs related to the justice system will decrease. CCC students will be more employable, so their reduced demand for income assistance such as welfare and unemployment benefits will benefit taxpayers. For a list of study references, contact the college for a copy of the main report. Altogether, the present value of the benefits associated with an education from CCC will generate \$1.0 million in savings to state and local taxpayers. Total taxpayer benefits amount to \$10.4 million, the present value sum of the added tax revenue and public sector savings.

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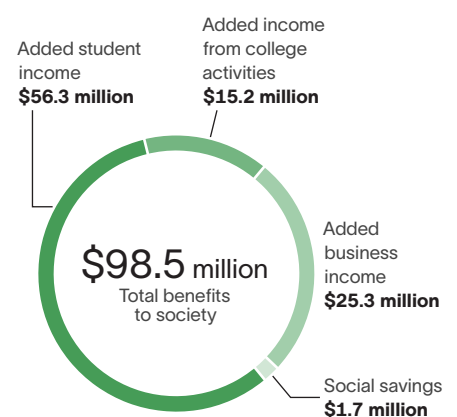
Social perspective



Society as a whole in Oregon benefits from the presence of CCC in two major ways. Primarily, society benefits from an increased economic base in the state. This is attributed to the added income from students' increased lifetime earnings (added student income) and increased business output (added business income), which raise economic prosperity in Oregon.

Benefits to society also consist of the savings generated by the improved lifestyles of CCC students. As discussed in the previous section, education is statistically correlated with a variety of lifestyle changes that generate social savings. Note that these costs are avoided by the consumers but are distinct from the costs avoided by the taxpayers outlined above. Health care savings include avoided medical costs associated with smoking, obesity, substance abuse, and depression. Justice system savings include avoided costs to the government and society due to less judicial activity. Income assistance savings include reduced welfare and unemployment claims. For a list of study references, contact the college for a copy of the main report.

Social benefits in Oregon from CCC



Source: Lightcast impact model



Altogether, the social benefits of CCC equal a present value of \$98.5 million. These benefits include \$56.3 million in added student income, \$25.3 million in added business income, \$15.2 million in added income from college activities, as well as \$1.7 million in social savings related to health, the justice system, and income assistance in Oregon. People in Oregon invested a present value total of \$22.7 million in CCC in FY 2023-24. The cost includes all the college and student costs.

The benefit-cost ratio for society is 4.3, equal to the \$98.5 million in benefits divided by the \$22.7 million in costs. In other words, for every dollar invested in CCC, people in Oregon will receive a cumulative value of \$4.30 in benefits. The benefits of this investment will occur for as long as CCC's FY 2023-24 students remain employed in the state workforce.



Summary of investment analysis results

The results of the analysis demonstrate that CCC is a strong investment for students and society. As shown, students receive a great return for their investments in an education from the college. From the taxpayer perspective, the benefits generated by the college and its students recover a significant portion of the costs borne by taxpayers and create a wide range of social benefits throughout Oregon.

Summary of investment analysis results

Student perspective	
Present value benefits	
\$25.9 million	
Present value costs	
\$4.9 million	
Net present value	
\$20.9 million	
Benefit-cost ratio	Rate of return
5.2	19.9%

Taxpayer perspective	
Present value benefits	
\$10.4 million	
Present value costs	
\$22.7 million	
Net present value	
\$75.8 million	
Benefit-cost ratio	Rate of return
4.3	n/a*

* The rate of return is not reported for the social perspective because the beneficiaries are not necessarily the same as the original investors.

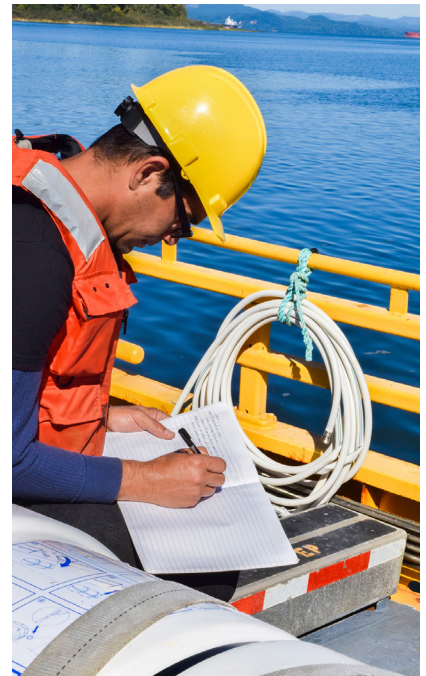
Conclusion

*The results of this study demonstrate that CCC creates value from **multiple perspectives**.*

The college benefits businesses in the county by increasing consumer spending in the county and supplying a steady flow of qualified, trained workers to the workforce. CCC enriches the lives of students by raising their lifetime earnings and helping them achieve their individual potential. The college benefits state and local taxpayers through increased tax receipts and a reduced demand for government-supported social services. Finally, CCC benefits society as a whole in Oregon by creating a more prosperous economy and generating a variety of savings through the improved lifestyles of students.

About the study

Data and assumptions used in the study are based on several sources, including the FY 2023-24 academic and financial reports from CCC, industry and employment data from the U.S. Bureau of Labor Statistics and U.S. Census Bureau, outputs of Lightcast's Multi-Regional Social Accounting Matrix model, and a variety of studies and surveys relating education to social behavior. The study applies a conservative methodology and follows standard practice using only the most recognized indicators of economic impact and investment effectiveness. For a full description of the data and approach used in the study, please contact the college for a copy of the main report.



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