



# The Economic Value of Austin Community College District **FACT SHEET**

**A**USTIN Community College District (ACC) 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.



## Economic impact analysis

In FY 2016-17, ACC added **\$2.1 billion** in income to the Six-County ACC Service Area<sup>1</sup> economy, a value approximately equal to **1.5%** of the region's total gross regional product (GRP). Expressed in terms of jobs, ACC's impact supported **30,606** regional jobs. For perspective, the activities of ACC and its students support **one out of every 48** jobs in the Six-County ACC Service Area.

### OPERATIONS SPENDING IMPACT

- ACC employed 6,083 full-time and part-time faculty and staff. Payroll amounted to \$217.8 million, much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$86.8 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$268.1 million** in income to the regional economy in FY 2016-17.

### CONSTRUCTION SPENDING IMPACT

- ACC commissioned contractors to build or renovate its facilities, generating a short-term infusion of spending and jobs in the regional economy.
- The net impact of ACC's construction spending in FY 2016-17 was **\$39.4 million** in added income for the Six-County ACC Service Area.

### STUDENT SPENDING IMPACT

- Around 26% of credit students attending ACC originated from outside the region. Some of these students relocated to the Six-County ACC Service Area. In addition, some in-region students would have left Six-County ACC Service Area for other educational opportunities if not for ACC. These

IMPACTS CREATED BY ACC  
IN FY 2016-17



**\$268.1 million**  
Operations Spending Impact



**\$39.4 million**  
Construction Spending Impact



**\$243 million**  
Student Spending Impact



**\$1.6 billion**  
Alumni Impact



**\$2.1 billion**  
TOTAL IMPACT

- OR -

**30,606**  
JOBS SUPPORTED

<sup>1</sup> The Six-County ACC Service Area was designated in 2015 and is comprised of the following counties: Bastrop, Blanco, Caldwell, Hays, Travis, and Williamson.



relocated and retained students spent money on groceries, mortgage and rent payments, and other regional expenses at regional businesses.

- The expenditures of relocated and retained students in FY 2016-17 added **\$243 million** in income to the Six-County ACC Service Area economy.

## ALUMNI IMPACT

- Over the years, students have studied at ACC and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, hundreds of thousands of these former students are employed in the Six-County ACC Service Area.
- The net impact of ACC's former students currently employed in the regional workforce amounted to **\$1.6 billion** in added income in FY 2016-17.



## Investment analysis

### STUDENT PERSPECTIVE

- ACC's FY 2016-17 students paid a present value of **\$82.9 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$236.9 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$1.6 billion** in increased earnings over their working lives. This translates to a return of **\$5.00** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **20.0%**.

### TAXPAYER PERSPECTIVE

- Taxpayers provided ACC with **\$250.3 million** of funding in FY 2016-17. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$598.1 million**. A reduced demand for government-funded services in Texas will add another **\$29.9 million** in benefits to taxpayers.
- For every dollar of public money invested in ACC, taxpayers will receive **\$2.50** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **6.6%**.

### SOCIAL PERSPECTIVE

- In FY 2016-17, Texas invested **\$687.9 million** to support ACC. In turn, the Texas economy will grow by **\$9.8 billion**, over the course of students' working lives. Society will also benefit from **\$76.6 million** of public and private sector savings.
- For every dollar invested in ACC in FY 2016-17, people in Texas will receive **\$14.40** in return, for as long as ACC's FY 2016-17 students remain active in the state workforce.

### STUDENTS SEE A HIGH RATE OF RETURN FOR THEIR INVESTMENT IN ACC



**20.0%**

Average annual return for ACC students



**10.1%**

Stock market 30-year average annual return



**0.8%**

Interest earned on savings account (National Rate Cap)

Source: Forbes' S&P 500, 1987-2018. FDIC.gov, 6-2019.



**FOR EVERY \$1...**



**Students gain**

**\$5.00**

in lifetime earnings



**Taxpayers gain**

**\$2.50**

in added tax revenue and public sector savings



**Society gains**

**\$14.40**

in added income and social savings

