

The Economic Value of Norco College's Career and Technical Education

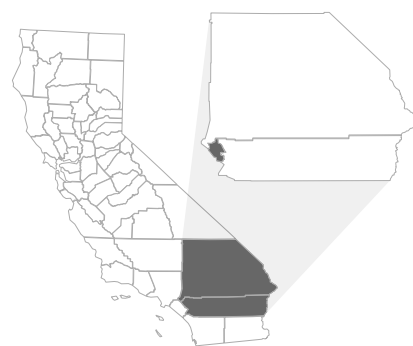


Norco College's Career and Technical Education (NC's CTE) creates a significant positive impact on the business community and generates a return on investment to its major stakeholder groups—students, taxpayers, and society. Using a two-pronged approach that involves an economic impact analysis and an investment analysis, this study calculates the benefits received by each of these groups. Results of the analysis reflect fiscal year (FY) 2023–24.



Economic impact analysis

In FY 2023–24, NC's CTE added **\$72.4 million** in income to the NC Service Area¹ economy. Expressed in terms of jobs, NC's CTE impact supported **653 jobs**.



The NC Service Area
(in San Bernardino and
Riverside Counties, CA)

¹ For the purposes of this analysis, the NC Service Area is comprised of the following 12 zip codes in Riverside and San Bernardino Counties: 91708, 91752, 92503, 92505, 92860, 92877, 92878, 92879, 92880, 92881, 92882, and 92883.



Operations spending impact

- NC employed 77 full-time and part-time CTE faculty and staff.² Payroll amounted to \$30.3 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 \$18.4 million on its expenses related to CTE facilities, supplies, and professional services.³
- The net impact of the college's CTE operations spending added **\$34.3 million** in income to the regional economy in FY 2023-24.

Student spending impact

- Around 40% of CTE students attending NC originated from outside the region. Some of these CTE students relocated to the NC Service Area. In addition, some in-region CTE students, referred to as retained CTE students, would have left the NC Service Area for other educational opportunities if not for NC's CTE. These relocated and retained CTE students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.
- The expenditures of relocated and retained CTE students in FY 2023-24 added **\$10.0 million** in income to the NC Service Area economy.

Alumni impact

- Over the years, CTE students have studied at NC and entered or re-entered the workforce with newly acquired knowledge and skills. Today, thousands of these former CTE students are employed in the NC Service Area.
- The net impact of NC's former CTE students currently employed in the regional workforce amounted to **\$28.1 million** in added income in FY 2023-24.

Investment analysis

Student perspective

- NC's 2023-24 CTE students paid a present value of **\$6.0 million** to cover the cost of tuition, fees, and supplies. They also forwent a value of **\$16.0 million** in time and money had they been working instead of attending college.
- In return for their investment, CTE students will receive a cumulative present value of **\$168.1 million** in increased earnings over their working lives. This translates to a return of **\$7.60** in higher future earnings for every dollar CTE students invest in their education. CTE students' average annual rate of return is **22.4%**.

Taxpayer perspective

- Taxpayers provided NC's CTE with **\$38.2 million** of funding in FY 2023-24. In return, they will benefit from added tax revenue, stemming from CTE students' higher

Impacts created by NC's CTE in FY 2023-24



Operations spending impact

\$34.3 million

+



Student spending impact

\$10.0 million

+



Alumni impact

\$28.1 million



Total economic impact

\$72.4 million

OR



Jobs supported

653

² Due to data limitations, the number of CTE faculty and staff was estimated by Lightcast using a proportion based on CTE credits.

³ Due to data limitations, CTE revenue and expenditure data were estimated by Lightcast using a proportion based on CTE credits.

CTE students see a high rate of return for their investment in NC's CTE



Average annual return
for NC CTE students

22.4%



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




lifetime earnings and increased business output, amounting to **\$61.8 million**. A reduced demand for government-funded services in California will add another **\$11.8 million** in benefits to taxpayers.

- Total taxpayer benefits amount to **\$73.6 million**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in NC's CTE, taxpayers will receive **\$1.90** in return over the course of CTE students' working lives. The average annual rate of return for taxpayers is **4.1%**.


Social perspective

- In FY 2023-24, California invested **\$68.9 million** to support NC's CTE. In turn, the California economy will grow by **\$805.1 million**, over the course of CTE students' working lives. Society will also benefit from **\$17.2 million** of public and private sector savings.
- For every dollar invested in NC's CTE in FY 2023-24, people in California will receive **\$11.90** in return, for as long as NC's FY 2023-24 CTE students remain active in the state workforce.


For every \$1...



CTE students gain in lifetime earnings
\$7.60




Taxpayers gain in added tax revenue and public sector savings
\$1.90



Society gains in added income and social savings
\$11.90

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