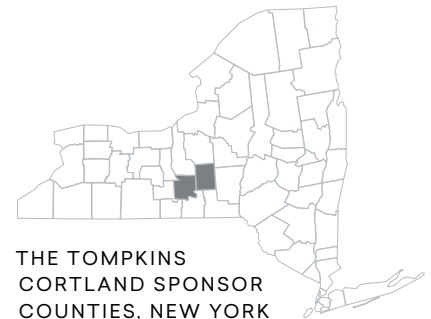


The Economic Value of Tompkins Cortland Community College

Tompkins Cortland Community College (Tompkins Cortland) 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) 2018-19.



ECONOMIC IMPACT ANALYSIS

In FY 2018-19, Tompkins Cortland added **\$88.6 million** in income to the Tompkins Cortland Sponsor Counties' economy, a value approximately equal to **1.1%** of the region's total gross regional product (GRP). Expressed in terms of jobs, Tompkins Cortland's impact supported **1,405 jobs**. For perspective, the activities of Tompkins Cortland and its students support **one out of every 65 jobs** in the Tompkins Cortland Sponsor Counties.

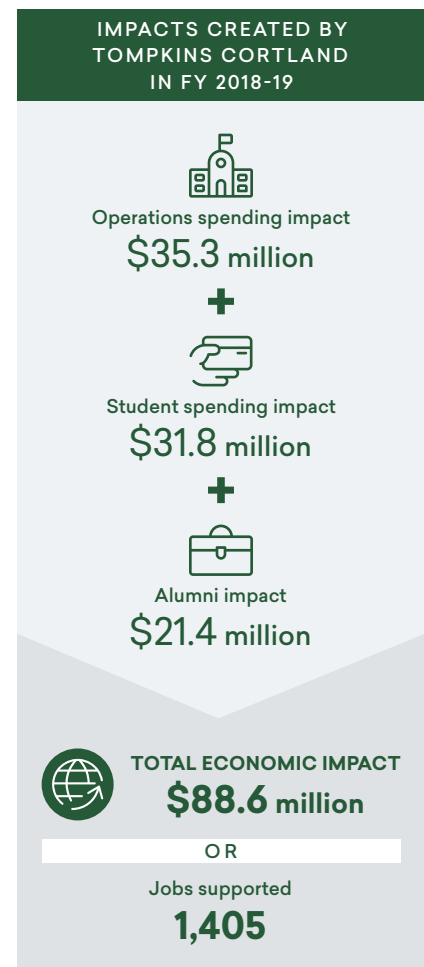
OPERATIONS SPENDING IMPACT

- Tompkins Cortland employed 454 full-time and part-time faculty and staff. Payroll amounted to \$28.3 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 \$18.9 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$35.3 million** in income to the regional economy in FY 2018-19.

STUDENT SPENDING IMPACT

- Around 54% of credit students attending Tompkins Cortland originated from outside the region. Some of these students relocated to the Tompkins Cortland Sponsor Counties. In addition, some in-region students, referred to as retained students, would have left the Tompkins Cortland Sponsor Counties for other educational opportunities if not for Tompkins Cortland. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.

* For the purposes of this analysis, the Tompkins Cortland Sponsor Counties is comprised of Tompkins and Cortland Counties.



- The expenditures of relocated and retained students in FY 2018-19 added **\$31.8 million** in income to the Tompkins Cortland Sponsor Counties economy.

ALUMNI IMPACT

- Over the years, students have studied at Tompkins Cortland and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in the Tompkins Cortland Sponsor Counties.
- The net impact of Tompkins Cortland's former students currently employed in the regional workforce amounted to **\$21.4 million** in added income in FY 2018-19.



INVESTMENT ANALYSIS

STUDENT PERSPECTIVE

- Tompkins Cortland's FY 2018-19 students paid a present value of **\$13.2 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$10 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$114.6 million** in increased earnings over their working lives. This translates to a return of **\$4.90** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **18.6%**.

TAXPAYER PERSPECTIVE

- Taxpayers provided Tompkins Cortland with **\$24.4 million** of funding in FY 2018-19. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$36.3 million**. A reduced demand for government-funded services in New York will add another **\$5.6 million** in benefits to taxpayers.
- For every dollar of public money invested in Tompkins Cortland, taxpayers will receive **\$1.70** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **4.5%**.

SOCIAL PERSPECTIVE

- In FY 2018-19, New York invested **\$61.6 million** to support Tompkins Cortland. In turn, the New York economy will grow by **\$390.2 million**, over the course of students' working lives. Society will also benefit from **\$10.2 million** of public and private sector savings.
- For every dollar invested in Tompkins Cortland in FY 2018-19, people in New York will receive **\$6.50** in return, for as long as Tompkins Cortland's FY 2018-19 students remain active in the state workforce.

STUDENTS SEE A HIGH RATE OF RETURN FOR THEIR INVESTMENT IN TOMPKINS CORTLAND



Average annual return for Tompkins Cortland students
18.6%



Stock market 30-year average annual return
9.9%



Interest earned on savings account (National Rate Cap)
0.8%

Source: Forbes' S&P 500, 1989-2018. FDIC.gov, 6-2019.

For every \$1...



Students gain in lifetime earnings
\$4.90



Taxpayers gain in added tax revenue and public sector savings
\$1.70



Society gains in added income and social savings
\$6.50