



The Economic Value of Fayetteville Technical Community College

FACT SHEET

FAYETTEVILLE Technical Community College (FTCC) 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, FTCC added **\$749 million** in income to the Cumberland County economy, a value approximately equal to **3.5%** of the county's total gross regional product (GRP). Expressed in terms of jobs, FTCC's impact supported **9,989** county jobs. For perspective, the activities of FTCC and its students support one out of every **20** jobs in Cumberland County.

OPERATIONS SPENDING IMPACT

- FTCC employed 1,477 full-time and part-time faculty and staff. Payroll amounted to \$61 million, much of which was spent in the county for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$41.1 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$77.6 million** in income to the county economy.

CONSTRUCTION SPENDING IMPACT

- FTCC commissioned contractors to renovate its facilities, generating a short-term infusion of spending and jobs in the county economy.
- The net impact of FTCC's construction spending in FY 2016-17 was **\$930.7 thousand** in added income for Cumberland County.

STUDENT SPENDING IMPACT

- Around 28% of students attending FTCC originated from outside the county. Some of these students relocated to Cumberland County. In addition, some in-county students would have left Cumberland County for other educational opportunities if not for FTCC. These relocated and retained students spent money on groceries, mortgage and rent payments, and so on at county businesses.

IMPACTS CREATED BY FTCC
IN FY 2016-17



\$77.6 million
Operations Spending Impact



\$930.7 thousand
Construction Spending Impact



\$55.3 million
Student Spending Impact



\$615.2 million
Alumni Impact



\$749 million
TOTAL IMPACT

- OR -

9,989
JOBS SUPPORTED



- The expenditures of relocated and retained students in FY 2016-17 added **\$55.3 million** in income to the Cumberland County economy.

ALUMNI IMPACT

- Over the years, students have studied at FTCC and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, hundreds of thousands of these former students are employed in Cumberland County.
- The net impact of FTCC's former students currently employed in the county workforce amounted to **\$615.2 million** in added income in FY 2016-17.



Investment analysis

STUDENT PERSPECTIVE

- FTCC's FY 2016-17 students paid a present value of **\$23.7 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$150.8 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$669.6 million** in increased earnings over their working lives. This translates to a return of **\$3.80** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **20.1%**.

TAXPAYER PERSPECTIVE

- Taxpayers provided FTCC with **\$62.1 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 **\$243.7 million**. A reduced demand for government-funded services in North Carolina will add another **\$11.3 million** in benefits to taxpayers.
- For every dollar of public money invested in FTCC, taxpayers will receive **\$4.10** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **16.9%**.

SOCIAL PERSPECTIVE

- In FY 2016-17, North Carolina invested **\$269.6 million** to fully support FTCC. In turn, the North Carolina economy will grow by **\$2.9 billion**, over the course of students' working lives. Society will also benefit from **\$27.4 million** of public and private sector savings.
- For every dollar invested in FTCC educations in FY 2016-17, people in North Carolina will receive **\$10.90** in return, for as long as FTCC's FY 2016-17 students remain active in the state workforce.

STUDENTS SEE A HIGH RATE OF RETURN FOR THEIR INVESTMENT IN FTCC



20.1%

Average annual return for FTCC 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, 1987-2016. FDIC.gov, 7-2016.



FOR EVERY \$1...



Students gain

\$3.80

in lifetime earnings



Taxpayers gain

\$4.10

in added tax revenue and public sector savings



Society gains

\$10.90

in added state revenue and social savings

