



FACT SHEET

The Economic Value of Alamo Colleges District

The Alamo Colleges District (the Alamo Colleges) 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.

IMPACTS CREATED BY THE ALAMO COLLEGES DISTRICT IN FY 2016-17

ADDED INCOME	JOBS
\$370.2 million	7,733
Operations spending impact	
\$22.6 million	344
Construction spending impact	
\$170.6 million	2,542
Student spending impact	
\$2.0 billion	30,551
Alumni impact	
\$2.6 billion	41,170
Total impact	

IMPACT ON THE BUSINESS COMMUNITY

During the analysis year, the Alamo Colleges and their students added **\$2.6 billion** in income to the Alamo Colleges Service Area^{*} economy, approximately equal to **2.0%** of the region’s total gross regional product (GRP). The Alamo Colleges District’s impact supported **41,170** jobs in FY 2016-17. For perspective, this means that one out of every **35** jobs in the Alamo Colleges Service Area is supported by the activities of the Alamo Colleges and their students. The economic impacts of the Alamo Colleges break down as follows:

Operations spending impact

- The Alamo Colleges District employed 5,687 full-time and part-time employees in FY 2016-17. Payroll amounted to **\$240.6 million**, much of which was spent in the Alamo Colleges Service Area to purchase groceries, clothing, and other household goods and services. The colleges spent another \$194.9 million to support their day-to-day operations.
- The net impact of the district’s payroll and expenses in the Alamo Colleges Service Area during the analysis year was approximately **\$370.2 million** in income.

Construction spending impact

- The Alamo Colleges commissioned contractors to build or renovate their facilities during the analysis year, generating a short-term infusion of spending and jobs in the regional economy. The net impact of the the Alamo Colleges’ construction spending in FY 2016-17 was **\$22.6 million** in added income for the Alamo Colleges Service Area.

* The Alamo Colleges Service Area is comprised of Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Kerr, and Wilson Counties.

- In 2017, the district was approved for a \$450 million bond, which will be used to build new facilities, expand and renovate existing facilities, and improve technology across the district. Though this construction will take place from FY 2018 to FY 2023 and is not included in this analysis, it will continue to be another means through which the Alamo Colleges District creates an impact on the regional economy.

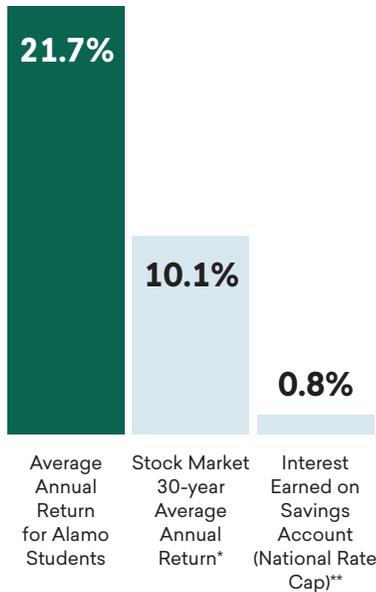
Student spending impact

- Around 13% of credit students attending the Alamo Colleges originated from outside the region. Some of these students relocated to the Alamo Colleges Service Area. In addition, a number of students would have left the region if not for the Alamo Colleges. These relocated and retained students spent money on groceries, transportation, rent, and so on at regional businesses.
- The expenditures of relocated and retained students during the analysis year added approximately **\$170.6 million** in income to the Alamo Colleges Service Area economy.

Alumni impact

- Over the years, students have studied at the Alamo Colleges and entered or re-entered the workforce with newly-acquired skills. Today, hundreds of thousands of these former students are employed in the Alamo Colleges Service Area.
- The impact of former students currently employed in the regional workforce amounted to **\$2.0 billion** in added income during the analysis year.

STUDENT RATE OF RETURN



* Forbes' S&P 500, 1987-2016.

** FDIC.gov, 7-2017.

RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS, AND SOCIETY

Student perspective

- The Alamo Colleges' FY 2016-17 students paid a total present value of **\$109.2 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$255.2 million** in money that they would have earned had they been working instead of learning. Many students received grant aid, which lowered their out-of-pocket cost of attendance.
- In return for the monies invested in the colleges, students will receive a present value of **\$2.6 billion** in increased earnings over their working lives. This translates to a return of **\$7.00** in higher future earnings for every dollar that students invest in their education. The average annual return for students is **21.7%**.

For every **\$1** spent by...

STUDENTS
\$7.00

Gained in lifetime earnings
for STUDENTS

TAXPAYERS
\$3.70

Gained in added tax revenue and
public sector savings for TAXPAYERS

SOCIETY
\$22.40

Gained in added state revenue and
social savings for SOCIETY

Taxpayer perspective

- In FY 2016-17, state and local taxpayers in Texas paid **\$296.3 million** to support the operations of the Alamo Colleges. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$1.0 billion** in benefits to taxpayers. Savings to the public sector add another **\$62.3 million** in benefits due to a reduced demand for government-funded services in Texas.
- Dividing benefits to taxpayers by the associated costs yields a **3.7** benefit-cost ratio, i.e., every dollar in costs returns \$3.70 in benefits. The average annual return on investment for taxpayers is **10.2%**.

Social perspective

- The economic base in Texas will grow by **\$17.5 billion** over the course of the students' working lives. Society will also benefit from **\$225.1 million** in present value social savings related to reduced crime, lower unemployment, and increased health and well-being across the state.
- For every dollar that society spent on FY 2016-17 Alamo educations, society will receive a cumulative value of **\$22.40** in benefits, for as long as the FY 2016-17 student population at the Alamo Colleges remains active in the state workforce.

