



FACT SHEET

The Economic Value of Prince George's Community College | December 2016

Prince George's Community College (PGCC) 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 to each of these groups. Results of the analysis reflect Fiscal Year (FY) 2015-16.

IMPACT ON BUSINESS COMMUNITY

IMPACTS CREATED BY PGCC IN FY 2015-16

ADDED INCOME	JOBS
\$88.8 million	2,285
Operations spending impact	
\$15.8 million	466
Student spending impact	
\$492.9 million	6,115
Alumni impact	
\$597.5 million	8,866
Total impact	

During the analysis year, PGCC and its students added **\$597.5 million** in income to the Prince George's County economy, approximately equal to **1.6%** of the county's total Gross Regional Product. By comparison, this impact from the college is slightly larger than the entire Utilities industry in the county. The economic impacts of PGCC break down as follows:

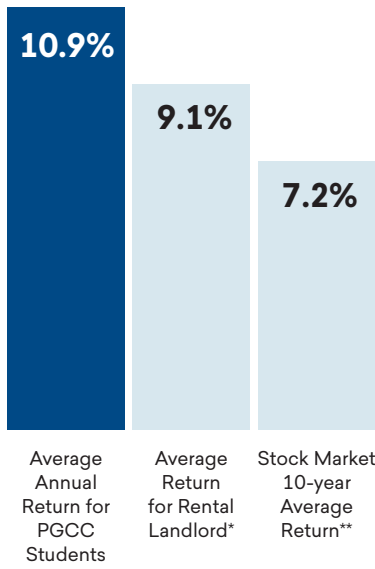
Operations spending impact

- PGCC employed 2,175 full-time and part-time employees in FY 2015-16. Payroll amounted to **\$83.6 million**, much of which was spent in Prince George's County to purchase groceries, clothing, and other household goods and services. The college spent another **\$45.3 million** to support its day-to-day operations.
- The net impact of college payroll and expenses in Prince George's County during the analysis year was approximately **\$88.8 million** in income.

Impact of student spending

- Around **4%** of students attending PGCC originated from outside the county. Some of these students relocated to Prince George's County. In addition, a number of students would have left the county if not for PGCC. These relocator and retained students spent money on groceries, transportation, rent, and so on at county businesses.
- The expenditures of relocator and retained students during the analysis year added approximately **\$15.8 million** in income to the Prince George's County economy.

STUDENT RATE OF RETURN



* RealtyTrac's Q3, 2014
 ** Forbes' S&P 500, 1994-2014.

Alumni impact

- Over the years, students have studied at PGCC and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in Prince George's County.
- The accumulated contribution of former students currently employed in the county workforce amounted to **\$492.9 million** in added income during the analysis year.

RETURN ON INVESTMENT TO STUDENTS, TAXPAYERS, AND SOCIETY

Student perspective

- PGCC's FY 2015-16 students paid a total of **\$33.7 million** to cover the cost of tuition, fees, and supplies. They also forwent **\$167.9 million** in money that they would have earned had they been working instead of learning.
- In return for the monies invested in the college, students will receive a present value of **\$450.4 million** in increased earnings over their working lives. This translates to a return of **\$2.20** in higher future earnings for every \$1 that students invest in their education. The average annual return for students is **10.9%**.

Taxpayer perspective

- In FY 2015-16, state and local taxpayers in Maryland paid **\$83.3 million** to support the operations of PGCC. The net present value of the added tax revenue stemming from the students' higher lifetime earnings and the increased output of businesses amounts to **\$117.6 million** in benefits to taxpayers. Savings to the public sector add another **\$24.7 million** in benefits due to a reduced demand for government-funded services in Maryland.
- Dividing benefits to taxpayers by the associated costs yields a **1.7** benefit-cost ratio, i.e., every \$1 in costs returns \$1.70 in benefits. The average annual return on investment for taxpayers is **5.4%**.

Social perspective

- The economic base in Maryland will grow by **\$1.4 billion** over the course of the students' working lives. Society will also benefit from **\$56 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 PGCC educations during the analysis year, society will receive a cumulative value of **\$4.90** in benefits, for as long as the FY 2015-16 student population at PGCC remains active in the state workforce.

