The economic value of Long Beach City College

ANALYSIS OF THE ECONOMIC IMPACT AND RETURN ON INVESTMENT OF EDUCATION
Emi & Community Colleges

18+ years working with higher education institutions

2,000+ economic impact studies completed

1.2M students used Emsi’s career pathways tool last year

9 of 10 2019 Aspen Prize finalists are Emsi customers
What is an **ECONOMIC IMPACT ANALYSIS**?
Measures how an event or institution affects the local economy

What is an **INVESTMENT ANALYSIS**?
A comparison of the costs and benefits to determine the return on investment
About the Los Angeles - Orange County MSA

Average Earnings by Education Level

- < HS: $24,700
- HS: $31,300
- Certificate: $36,200
- Associate: $41,600
- Bachelor's: $61,200

$1 trillion
Total Gross Regional Product (GRP)

8,967,003
Total Jobs
LBCC in FY 2018-19

Credit students served: 33,644
Non-credit students served: 1,865

Total payroll/benefits: $152.7 million
Employees: 1,997

Total tuition revenue: $13.1 million
Students from outside the region: 2%
Overview of results

$1.6$ billion
Total income added to the region

0.1%
Of region’s GRP

17,118
Total jobs supported in the region

8.3
Benefit-cost ratio for students

1.9
Benefit-cost ratio for taxpayers

13.3
Benefit-cost ratio for society
**ECONOMIC IMPACT ANALYSIS**

**Operations Spending Impact**
*College payroll and other spending + ripple effects*

- **$213.7 million**
  - Added regional income

**Construction Spending Impact**
*College construction expenditures + ripple effects*

- **$15.6 million**
  - Added regional income

**OR**

- **2,442**
  - Jobs supported in the region

**OR**

- **190**
  - Jobs supported in the region

All results measured in income, not sales. Results are net of counterfactual scenarios.
ECONOMIC IMPACT ANALYSIS

**Student Spending Impact**

Relocated/retained student spending + ripple effects

- $69.8 million
- Added regional income

**Alumni Impact**

Higher alumni earnings and increased business profit + ripple effects

- $1.3 billion
- Added regional income

**Jobs supported in the region**

- 1,204
- 13,282

All results measured in income, not sales. Results are net of counterfactual scenarios.
ECONOMIC IMPACT ANALYSIS

Total Impact

$1.6 billion
Total income added in the region

0.1%
Of region’s GRP

17,118
Total jobs supported in the region

Impacts by industry (jobs supported)

- Health Care & Social Assistance: 3,990
- Professional & Technical Services: 1,593
- Accommodation & Food Services: 1,159
- Other Services (except Public Administration): 1,235
- Government, Non-Education: 957
- All Other: 8,183
## Investment Analysis

### Student Perspective
- **Benefit**: Higher future earnings
- **Cost**: Tuition, supplies, opportunity cost
- **Benefit/cost ratio**: 8.3
- **Rate of return**: 25.3%

### Taxpayer Perspective
- **Benefit**: Future tax revenue, government savings
- **Cost**: State and local funding
- **Benefit/cost ratio**: 1.9
- **Rate of return**: 4.8%

### Social Perspective
- **Benefit**: Future earnings, tax revenue, private savings
- **Cost**: All college and student costs
- **Benefit/cost ratio**: 13.3
- **Rate of return**: n/a

Future benefits are discounted to the present.

*The rate of return is not reported for the social perspective because the beneficiaries are not necessarily the same as the original investors.*
Next Steps

Send the executive summary to state legislators.

Share industry impacts with local business partners.

Use social media to broadcast student returns to prospective students and parents.

Use campus fliers, newsletters, & websites to publish results.

Share results with state & local media.

Leverage impacts for proposals, grant writing, & strategic planning.

HOW CAN EMSI HELP?

Emsi's press packet

Ongoing presentations from your Emsi economist

Email/call us anytime
Share your results

Combine your results with other institutional highlights to create a fact sheet.

Create a web page that includes written highlights, animations, and videos.

Include your results in your periodic publications.
Share your results

Create a press release or hold a press conference to share results with your state and local media.

Use social media to share your investment results with prospective students.

Use your study to help secure additional funding.

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**Emsi’s Capital Analysis Justifies Funding for New UT Martin STEM Facility**

**OCTOBER 24, 2016 BY MATTHEW HYNDMAN**

**Summary:**
In a time of serious need, the University of Tennessee at Martin (UT Martin) used Emsi’s Economic Impact and Capital Analysis studies to demonstrate the ROI that would come from building a proposed STEM facility. The results, in part, led to a boost in state funding—reducing the university’s share of facility construction costs from 25% to 10%.

**Key takeaways:**
- UT Martin leveraged Emsi’s Economic Impact and Capital Analysis studies to communicate the institution’s value and make the case for additional state funding to build a new STEM facility—now known as the Lester Engineering and Science Building.
- Among other things, the study found that building the new facility would generate $90 plus jobs.
- The Capital Analysis helped justify a state budget amendment increasing state funding of the $65 million project.

Led by its current Interim Chancellor, Dr. Robert Smith—a longtime acquaintance of Emsi from his time at Slippery Rock University in Pennsylvania—UT Martin came to Emsi last year needing support for a critical project. Limited by inadequate space and antiquated laboratory facilities, UT Martin needed to prove that the proposed construction of a new STEM facility would be a smart and profitable investment for the state.

After working with Emsi several years ago, Smith knew that Emsi could provide him with the analysis he needed to advance UT Martin’s cause. Emsi’s consultants worked closely with the UT Martin team to develop a customized report based on the Economic Impact Study and the Capital Analysis. The report would show the broad-reaching value of UT Martin and detail the potential ROI of building the new STEM facility.
The results of this study were prepared by Emsi.

For a copy of the report, please contact LBCC.