



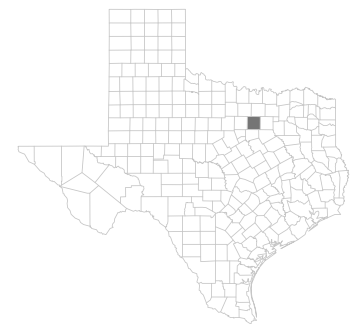
# The Economic Value of Tarrant County College District



**T**ARRANT COUNTY COLLEGE DISTRICT (TCCD) creates value in many ways. The district plays a key role in helping students increase their employability and achieve their individual potential. The district draws students to the county, generating new dollars and opportunities for Tarrant County. TCCD provides students with the education, training, and skills they need to have fulfilling and prosperous careers. Furthermore, TCCD is a place for students to meet new people, increase their self-confidence, and promote their overall health and well-being.

TCCD influences both the lives of its students and the county economy. The district supports a variety of industries in Tarrant County, serves county businesses, and benefits society as a whole in Texas from an expanded economy and improved quality of life. Additionally, the benefits created by TCCD extend to the state and local government through increased tax revenues and public sector savings.

This study measures the economic impacts created by TCCD on the business community and the benefits the district generates in return for the investments made by its key stakeholder groups—students, taxpayers, and society. The following two analyses are presented:



TARRANT COUNTY, TX

TCCD influences both the **lives of its students** and the **county economy**.

## Economic impact analysis

## Investment analysis

All results reflect employee, student, and financial data, provided by the district, for fiscal year (FY) 2021-22. Impacts on the Tarrant County economy are reported under the economic impact analysis and are measured in terms of added income. The returns on investment to students, taxpayers, and society in Texas are reported under the investment analysis.

# Economic impact analysis



TCCD promotes economic growth in Tarrant County through its direct expenditures and the resulting expenditures of students and county businesses. The district serves as an employer and buyer of goods and services for its day-to-day and construction operations. The district's activities attract students from outside Tarrant County, whose expenditures benefit county vendors. In addition, TCCD is a primary source of higher education to Tarrant County residents and a supplier of trained workers to county industries, enhancing overall productivity in the county workforce.

## Operations spending impact



TCCD adds economic value to Tarrant County as an employer of county residents and a large-scale buyer of goods and services. In FY 2021-22, the district employed 3,472 full-time and part-time faculty and staff, 72% of whom lived in Tarrant County. Total payroll at TCCD was \$228.1 million, much of which was spent in the county for groceries, mortgage and rent payments, dining out, and other household expenses. In addition, the district spent \$233.2 million on day-to-day expenses related to facilities, supplies, and professional services (excluding construction expenditures).

TCCD's day-to-day operations spending added \$267.2 million in income to the county during the analysis year. This figure represents the district's payroll, the multiplier effects generated by the in-county spending of the district and its employees, and a downward adjustment to account for funding that the district received from county sources. The \$267.2 million in added income is equivalent to supporting 3,605 jobs in the county.

## Construction spending impact



TCCD invests in construction each year to maintain its facilities, create additional capacities, and meet its growing educational demands. While the amount varies from year to year, these quick infusions of income and jobs have a substantial impact on the county economy. In FY 2021-22, TCCD's construction spending generated \$46.1 million in added income, which is equivalent to supporting 615 jobs.

## Student spending impact



Around 12% of credit students attending TCCD originated from outside the county in FY 2021-22, and some of these students relocated to Tarrant County to attend TCCD. These students may not have come to the county if the district did

### Impacts created by TCCD in FY 2021-22



Operations spending impact

**\$267.2 million**

+



Construction spending impact

**\$46.1 million**

+



Student spending impact

**\$93.1 million**

+



Alumni impact

**\$1.7 billion**



Total economic impact

**\$2.1 billion**

OR

Jobs supported

**26,222**





not exist. In addition, some in-county students, referred to as retained students, would have left Tarrant County if not for the existence of TCCD. While attending the district, these relocated and retained students spent money on groceries, accommodation, transportation, and other household expenses. This spending generated \$93.1 million in added income for the county economy in FY 2021-22, which supported 1,495 jobs in Tarrant County.

### Alumni impact



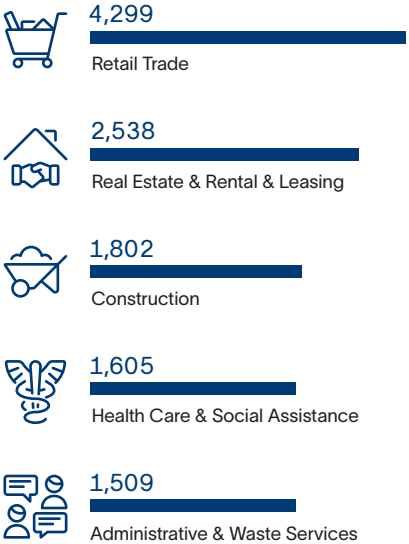
The education and training TCCD provides for county residents has the greatest impact. Since the establishment of the district, students have studied at TCCD and entered the county workforce with greater knowledge and new skills. Today, hundreds of thousands of former TCCD students are employed in Tarrant County. As a result of their education from TCCD, the students receive higher earnings and increase the productivity of the businesses that employ them. In FY 2021-22, TCCD alumni generated \$1.7 billion in added income for the county economy, which is equivalent to supporting 20,507 jobs.

### Total impact

TCCD added \$2.1 billion in income to the Tarrant County economy during the analysis year, equal to the sum of the operations and construction spending impacts; the student spending impact; and the alumni impact. For context, the \$2.1 billion impact was equal to approximately 1.4% of the total gross regional product (GRP) of Tarrant County. This contribution that the district provided on its own is larger than the entire Utilities industry in the county.

TCCD's total impact can also be expressed in terms of jobs supported. The \$2.1 billion impact supported 26,222 county jobs, using the jobs-to-sales ratios specific to each industry in the county. This means that one out of every 54 jobs in Tarrant County is supported by the activities of TCCD and its students. In addition, the \$2.1 billion, or 26,222 supported jobs, stemmed from different industry sectors. For instance, among non-education industry sectors, the spending of TCCD and its students and the activities of its alumni in the Real Estate & Rental & Leasing industry sector supported 2,538 jobs in FY 2021-22. If the district did not exist, these impacts would not have been generated in Tarrant County.

#### TCCD impacts by industry (jobs supported)



**One out of every 54 jobs** in Tarrant County is supported by the activities of TCCD and its students.



An investment analysis evaluates the costs associated with a proposed venture against its expected benefits. If the benefits outweigh the costs, then the investment is financially worthwhile. The analysis presented here evaluates TCCD as an investment from the perspectives of students, taxpayers, and society in Texas.

## Student perspective



In FY 2021-22, TCCD served 59,720 credit and 15,691 non-credit students. In order to attend TCCD, the students paid for tuition, fees, books, and supplies. They also took out loans and will incur interest on those loans. Additionally, students gave up money they would have otherwise earned had they been working instead of attending college. The total investment made by TCCD's students in FY 2021-22 amounted to a present value of \$133.3 million, equal to \$77.8 million in out-of-pocket expenses (including future principal and interest on student loans) and \$55.5 million in forgone time and money.

In return for their investment, TCCD's students will receive a stream of higher future earnings that will continue to grow throughout their working lives. For example, the average TCCD associate degree graduate from FY 2021-22 will see annual earnings that are \$9,200 higher than a person with a high school diploma or equivalent working in Texas. Over a working lifetime, the benefits of the associate degree over a high school diploma will amount to an undiscounted value of \$377.2 thousand in higher earnings per graduate. The present value of the cumulative higher future earnings that TCCD's FY 2021-22 students will receive over their working careers is \$1.2 billion.

The students' benefit-cost ratio is 9.2. In other words, for every dollar students invest in TCCD in the form of out-of-pocket expenses and forgone time and money, they will receive a cumulative value of \$9.20 in higher future earnings. Annually, the students' investment in TCCD has an average annual internal rate of return of 30.0%, which is impressive compared to the U.S. stock market's 30-year average rate of return of 9.6%.

### Students see a high rate of return for their investment in the TCCD



Average annual return for TCCD students  
**30.0%**



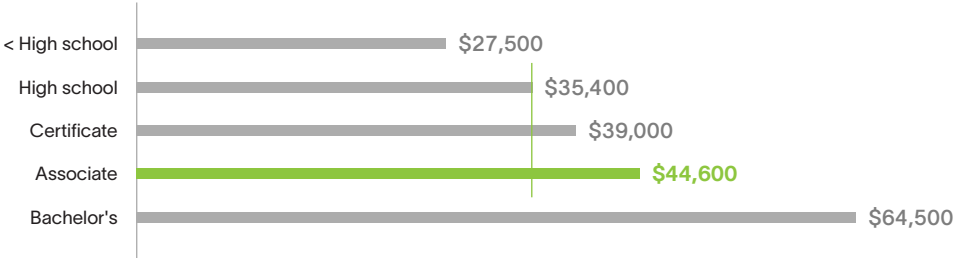
Stock market 30-year average annual return  
**9.6%**



Interest earned on savings account (National Rate Cap)  
**0.4%**

Source: Forbes' S&P 500, 1992-2021. FDIC.gov, 2-2022.

The average associate degree graduate from TCCD will see an increase in earnings of **\$9,200** each year compared to a person with a high school diploma or equivalent working in Texas.



Source: Lightcast employment data.

## Taxpayer perspective



TCCD generates more in tax revenue than it receives. These benefits to taxpayers consist primarily of taxes that the state and local government will collect from the added revenue created in the state. As TCCD students will earn more, they will make higher tax payments throughout their working lives. Students' employers will also make higher tax payments as they increase their output and purchases of goods and services. By the end of the FY 2021-22 students' working lives, the state and local government will have collected a present value of \$453.6 million in added taxes.

Benefits to taxpayers will also consist of savings generated by the improved lifestyles of TCCD students and the corresponding reduced government services. Education is statistically correlated with a variety of lifestyle changes. The education that TCCD students receive will generate savings in three main categories: 1) healthcare, 2) justice system, and 3) income assistance. Improved health will lower students' demand for national health care services. In addition, costs related to the justice system will decrease. TCCD students will be more employable, so their reduced demand for income assistance such as welfare and unemployment benefits will benefit taxpayers. For a list of study references, contact the district for a copy of the main report. Altogether, the present value of the benefits associated with an education from TCCD will generate \$40.2 million in savings to state and local taxpayers.

Total taxpayer benefits amount to \$493.8 million, the present value sum of the added taxes and public sector savings. Taxpayer costs are \$370.3 million, equal to the amount of state and local government funding TCCD received in FY 2021-22. These benefits and costs yield a benefit-cost ratio of 1.3. This means that for every dollar of public money invested in TCCD in FY 2021-22, taxpayers will receive a cumulative present value of \$1.30 over the course of the students' working lives. The average annual internal rate of return for taxpayers is 1.8%, which compares favorably to other long-term investments in the public sector.

For every dollar of public money invested in TCCD, taxpayers will receive a cumulative value of **\$1.30** over the course of the students' working lives.

## Social perspective



Society as a whole in Texas benefits from the presence of TCCD in two major ways. Primarily, society benefits from an increased economic base in the state. This is attributed to the added income from students' increased lifetime earnings (added student income) and increased business output (added business income), which raise economic prosperity in Texas.

Benefits to society also consist of the savings generated by the improved lifestyles of TCCD students. As discussed in the previous section, education is statistically correlated with a variety of lifestyle changes that generate social savings. Note that



these costs are avoided by the consumers but are distinct from the costs avoided by the taxpayers outlined above. Healthcare savings include avoided medical costs associated with smoking, alcohol dependence, obesity, drug abuse, and depression. Justice system savings include avoided costs to the government and society due to less judicial activity. Income assistance savings include reduced welfare and unemployment claims. For a list of study references, contact the district for a copy of the main report.

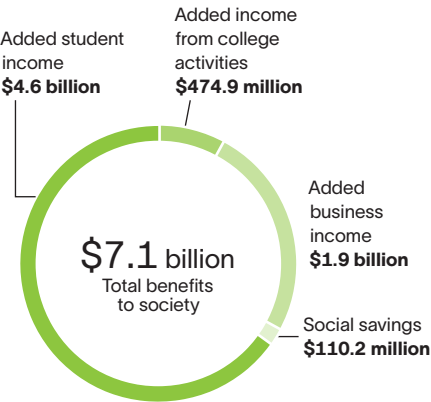
Altogether, the social benefits of TCCD equal a present value of \$7.1 billion. These benefits include \$4.6 billion in added student income, \$1.9 billion in added business income, \$474.9 million in added income from district activities, as well as \$110.2 million in social savings related to health, the justice system, and income assistance in Texas. People in Texas invested a present value total of \$642.8 million in TCCD in FY 2021-22. The cost includes all the district and student costs.

The benefit-cost ratio for society is 11.0, equal to the \$7.1 billion in benefits divided by the \$642.8 million in costs. In other words, for every dollar invested in TCCD, people in Texas will receive a cumulative value of \$11.00 in benefits. The benefits of this investment will occur for as long as TCCD's FY 2021-22 students remain employed in the state workforce.

### Summary of investment analysis results

The results of the analysis demonstrate that TCCD is a strong investment for all three major stakeholder groups—students, taxpayers, and society. As shown, students receive a great return for their investments in an education from TCCD. At the same time, taxpayers’ investment in TCCD returns more to government budgets than it costs and creates a wide range of social benefits throughout Texas.

Social benefits in Texas from TCCD



Source: Lightcast impact model.

Student perspective		Taxpayer perspective		Social perspective	
Present value benefits		Present value benefits		Present value benefits	
\$1.2 billion		\$493.8 million		\$7.1 billion	
Present value costs		Present value costs		Present value costs	
\$133.3 million		\$370.3 million		\$642.8 million	
Net present value		Net present value		Net present value	
\$1.1 billion		\$123.5 million		\$6.4 billion	
Benefit-cost ratio	Rate of return	Benefit-cost ratio	Rate of return	Benefit-cost ratio	Rate of return
9.2	30.0%	1.3	1.8%	11.0	n/a*

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

# Conclusion

The results of this study demonstrate that TCCD creates value from multiple perspectives. The district benefits county businesses by increasing consumer spending in the county and supplying a steady flow of qualified, trained workers to the workforce. TCCD enriches the lives of students by raising their lifetime earnings and helping them achieve their individual potential. The district benefits state and local taxpayers through increased tax receipts and a reduced demand for government-supported social services. Finally, TCCD benefits society as a whole in Texas by creating a more prosperous economy and generating a variety of savings through the improved lifestyles of students.



## About the study

Data and assumptions used in the study are based on several sources, including the FY 2021-22 academic and financial reports from TCCD, industry and employment data from the U.S. Bureau of Labor Statistics and U.S. Census Bureau, outputs of Lightcast's Multi-Regional Social Accounting Matrix model, and a variety of studies and surveys relating education to social behavior. The study applies a conservative methodology and follows standard practice using only the most recognized indicators of economic impact and investment effectiveness. For a full description of the data and approach used in the study, please contact the district for a copy of the main report.

The results of this study demonstrate that TCCD creates value from **multiple perspectives**.



Lightcast provides colleges and universities with labor market data that help create better outcomes for students, businesses, and communities. Our data, which cover more than 99% of the U.S. workforce, are compiled from a wide variety of government sources, job postings, and online profiles and résumés. Hundreds of institutions use Lightcast to align programs with regional needs, drive enrollment, connect students with in-demand careers, track their alumni's employment outcomes, and demonstrate their institution's economic impact on their region. Visit [lightcast.io/solutions/education](https://lightcast.io/solutions/education) to learn more or connect with us.