



# The Economic Value of Mt. San Antonio College FACT SHEET

**M**T. San Antonio College (Mt. SAC) 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) 2018-19.



## Economic impact analysis

In FY 2018-19, Mt. SAC added **\$1.3 billion** in income to the Mt. SAC District economy, a value approximately equal to **2.3%** of the region's total gross regional product (GRP). Expressed in terms of jobs, Mt. SAC's impact supported **15,018 jobs**. For perspective, the activities of Mt. SAC and its students support **one out of every 33 jobs** in the Mt. SAC District.

### OPERATIONS SPENDING IMPACT

- Mt. SAC employed 3,469 full-time and part-time faculty and staff. Payroll amounted to \$233 million, much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$99.1 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$248.6 million** in income to the regional economy in FY 2018-19.

### CONSTRUCTION SPENDING IMPACT

- Mt. SAC invests in construction each year to maintain its facilities, create additional capacities, and meet its growing educational demands, generating a short-term infusion of spending and jobs in the regional economy.
- The net impact of Mt. SAC's construction spending in FY 2018-19 was **\$16.3 million** in added income for the Mt. SAC District.

### STUDENT SPENDING IMPACT

- Some in-region students, referred to as retained students, would have left the Mt. SAC District for other educational opportunities if not for Mt. SAC.

\* For the purposes of this analysis, the Mt. SAC District is comprised of the following zip codes in Los Angeles County: 91010, 91702, 91706, 91722, 91723, 91724, 91740, 91741, 91744, 91746, 91745, 91748, 91750, 91765, 91766, 91767, 91768, 91773, 91789, and 91790.

IMPACTS CREATED  
BY MT. SAC IN FY 2018-19



**\$248.6 million**  
Operations Spending Impact



**\$16.3 million**  
Construction Spending Impact



**\$29.8 million**  
Student Spending Impact



**\$964.7 million**  
Alumni Impact



**\$1.3 billion**  
**TOTAL IMPACT**

- OR -

**15,018**  
**JOBS SUPPORTED**



These retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.

- The expenditures of retained students in FY 2018-19 added **\$29.8 million** in income to the Mt. SAC District economy.

#### ALUMNI IMPACT

- Over the years, students have studied at Mt. SAC and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, hundreds of thousands of these former students are employed in the Mt. SAC District.
- The net impact of Mt. SAC's former students currently employed in the regional workforce amounted to **\$964.7 million** in added income in FY 2018-19.



## Investment analysis

#### STUDENT PERSPECTIVE

- Mt. SAC's FY 2018-19 students paid a present value of **\$58 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$216.6 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$1.6 billion** in increased earnings over their working lives. This translates to a return of **\$6.00** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **21.6%**.

#### TAXPAYER PERSPECTIVE

- Taxpayers provided Mt. SAC with **\$262.4 million** of funding in FY 2018-19. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$454.2 million**. A reduced demand for government-funded services in California will add another **\$108.8 million** in benefits to taxpayers.
- For every dollar of public money invested in Mt. SAC, taxpayers will receive **\$2.10** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **5.7%**.

#### SOCIAL PERSPECTIVE

- In FY 2018-19, California invested **\$632.2 million** to support Mt. SAC. In turn, the California economy will grow by **\$7.1 billion**, over the course of students' working lives. Society will also benefit from **\$167.8 million** of public and private sector savings.
- For every dollar invested in Mt. SAC in FY 2018-19, people in California will receive **\$11.40** in return, for as long as Mt. SAC's FY 2018-19 students remain active in the state workforce.

STUDENTS SEE A HIGH  
RATE OF RETURN FOR THEIR  
INVESTMENT IN MT. SAC



**21.6%**

Average annual return for  
Mt. SAC students



**9.9%**

Stock market 30-year  
average annual return



**0.8%**

Interest earned on savings account  
(National Rate Cap)

Source: Forbes' S&P 500, 1989-2018. FDIC.gov, 6-2019.



**FOR EVERY \$1...**



**Students gain**

**\$6.00**

in lifetime earnings



**Taxpayers gain**

**\$2.10**

in added tax revenue and  
public sector savings



**Society gains**

**\$11.40**

in added income and  
social savings

