

California Community Colleges Immense Economic and Social Benefits Highlighted in New Study



California Community Colleges
Chancellor's Office

Community College System Supports 1.5 million California Jobs; Increases Students' Earnings

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SACRAMENTO, Calif. —California's community colleges generate \$128.2 billion in economic activity, an amount equal to approximately 4.2% of California's total gross state product, according to a new study that examined a wide range of factors such as payroll, job creation and alumni's improved standard of living.

"This study validates the clear fact that California's community colleges are an investment playing a critical role in driving the state's economy and making a difference in millions of lives daily," said California Community Colleges Chancellor Eloy Ortiz Oakley.

He noted the [report's](#) estimates that for every \$1 invested in the community college system, students gain \$5 in earnings, and taxpayers see a net benefit of \$2 in added tax revenue stemming from students' higher lifetime earnings and increased output by businesses.

The average community college graduate with an associate degree will see an increase in earnings of \$11,100 annually, when compared to a person with a high school diploma or equivalent.

"Millions of former community college students have secured the education and workforce training needed to earn higher incomes and an improved standard of living while businesses in virtually every industry sector are becoming more profitable thanks to the skills obtained by community college alumni," said Board of Governors of the California Community Colleges President Pamela Haynes.

Among the report's highlights:

- The California Community Colleges, which include 73 districts and 116 colleges, is among the state's largest employers with 91,328 full-time and part-time faculty and staff.
- Payroll alone amounted to \$8.5 billion, with colleges spending an additional \$4.2 billion on day-to-day expenses. This initial round of spending creates more spending across other businesses throughout the state economy through what is commonly known as the multiplier effect.
- The California Community Colleges supported nearly 1.5 million jobs – or one of every 16 jobs in the state – when combining the impact of payroll, operating expenses and construction costs with spending by students, faculty and staff.
- The sum of the social benefits of California community colleges equal a present-day value of \$265.9 billion when combining savings related to health, crime and income assistance (\$3.3 billion) with students' increased future income (\$179 billion), added business income (\$64.4 billion) and additional income from college activities (\$19.2 billion).

The 101-page study produced by Emsi Burning Glass, titled *The Economic Value of the California Community College System*, incorporated an array of data including 2018-19

academic and financial reports from the college system, industry and employment data from the [Bureau of Labor Statistics](#) and [Census Bureau](#). The economic modeling considers the added income created in the California economy as a result of increased consumer spending and the added knowledge, skills and abilities of students; and a variety of published materials relating education to social behavior.