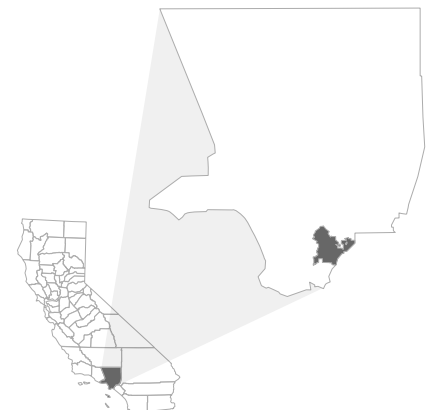
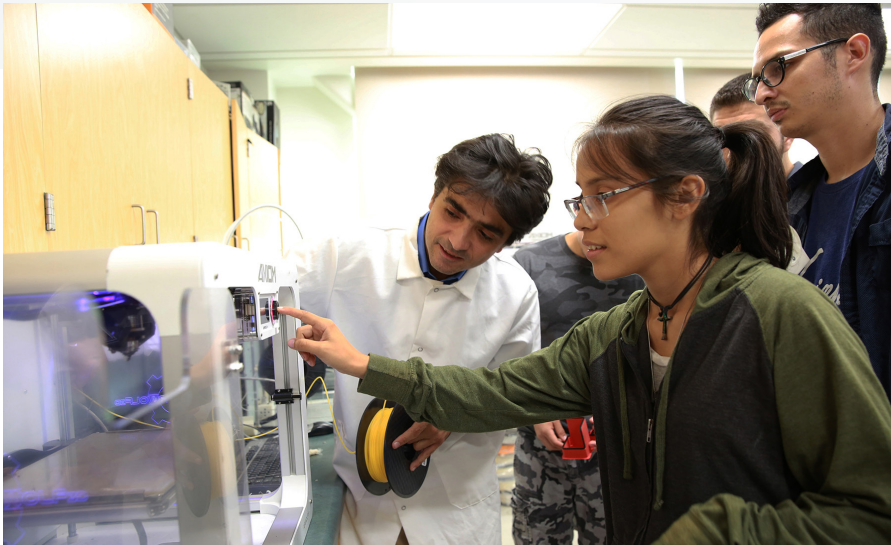


# The Economic Value of Cerritos Community College District

*COVID-19 disclaimer: The data used to generate the findings within this report reflect extraordinary circumstances caused by the national COVID-19 Pandemic. From a financial perspective, the colleges may have seen an increase in expenditures related to quickly transitioning to online or hybrid education and spending on equipment and staff related to the health and welfare of faculty and students. One-time funding may have been received by the colleges through the CARES Act which included the Higher Education Emergency Relief Fund grant. Additionally, students were directly impacted over this period. Rapid changes in the modality of the colleges' programs can have an impact on students' persistence and completion rates. Changes in income and employment can have adverse effects on a student's ability to maintain enrollment or their choice to enroll in college. Childcare availability, health, and safety considerations may have also had adverse effects on enrollment. Lastly, a number of economic indicators used within this report may be reflective of broader changes to the economy during this time, such as unemployment rates and changes in wages.*



**The Cerritos College  
Service Area, California**

Cerritos Community College District (Cerritos College) 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) 2021-22.

## Economic impact analysis

In FY 2021-22, Cerritos College added **\$537.4 million** in income to the Cerritos College Service Area<sup>\*</sup> economy, a value approximately equal to **2.0%** of the region's total gross regional product (GRP). Expressed in terms of jobs, Cerritos College's impact supported **5,599 jobs**. For perspective, the activities of Cerritos College and its students support **one out of every 42 jobs** in the Cerritos College Service Area.

### Operations spending impact

- Cerritos College employed 1,163 full-time and part-time faculty and staff. Payroll amounted to \$139.2 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 \$55.3 million day-to-day expenses related to facilities, supplies, and professional services (excluding construction).
- The net impact of the college's operations spending added **\$143.9 million** in income to the regional economy in FY 2021-22.

### Construction spending impact

- Cerritos College 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 Cerritos College's construction spending in FY 2021-22 was **\$4.3 million** in added income for the Cerritos College Service Area.

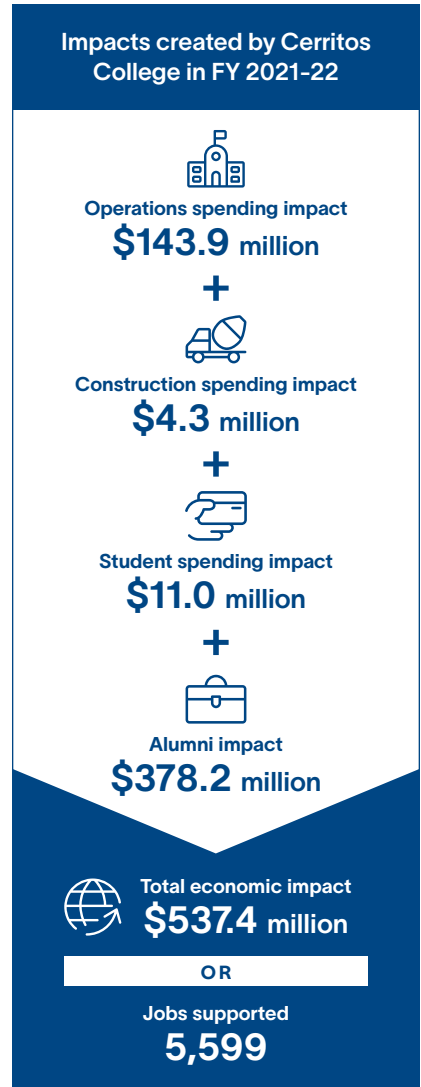
### Student spending impact

- Some in-region students, referred to as retained students, would have left the Cerritos College Service Area for other educational opportunities if not for Cerritos College. 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 2021-22 added **\$11.0 million** in income to the Cerritos College Service Area economy.

### Alumni impact

- Over the years, students have studied at Cerritos College and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in the Cerritos College Service Area.
- The net impact of Cerritos College's former students currently employed in the regional workforce amounted to **\$378.2 million** in added income in FY 2021-22.

\* For the purposes of this analysis, the Cerritos College Service Area is comprised of the following ZIP Codes in Los Angeles County: 90240, 90241, 90242, 90638, 90650, 90701, 90702, 90703, 90706, 90712, 90713, 90715, and 90716.



## Investment analysis

### Student perspective

- Cerritos College's FY 2021-22 students paid a present value of **\$17.3 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$66.4 million** in time and in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of **\$534.1 million** in increased earnings over their working lives. This translates to a return of **\$6.40** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **23.3%**.

### Taxpayer perspective

- Taxpayers provided Cerritos College with **\$151.5 million** of funding in FY 2021-22. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$208.3 million**. A reduced demand for government-funded services in California will add another **\$32.6 million** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$240.9 million**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in Cerritos College, taxpayers will receive **\$1.60** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **3.0%**.

### Social perspective

- In FY 2021-22, California invested **\$291.2 million** to support Cerritos College. In turn, the California economy will grow by **\$3 billion**, over the course of students' working lives. Society will also benefit from **\$47.2 million** of public and private sector savings.
- For every dollar invested in Cerritos College in FY 2021-22, people in California will receive **\$10.50** in return, for as long as Cerritos College's FY 2021-22 students remain active in the state workforce.

### Students see a high rate of return for their investment in Cerritos College



Average annual return for Cerritos College students

**23.3%**



Stock market 30-year average annual return

9.6%



Interest earned on savings account (national deposit cap)

0.4%

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

### For every \$1...



Students gain in lifetime earnings

**\$6.40**



Taxpayers gain in added tax revenue and public sector savings

**\$1.60**



Society gains in added income and social savings

**\$10.50**

