

THE ECONOMIC VALUE OF CENTRAL PIEDMONT COMMUNITY COLLEGE **FACT SHEET**

When Central Piedmont Community College developed and introduced its new strategic plan in 2018–19, it made “Telling Our Story” one of its five strategic goals. “Telling Our Story” means informing our community of how the college is an asset for people of all ages and how the college makes a positive impact in Charlotte-Mecklenburg. This includes the economic impact the college and its alumni make on an annual basis. To help measure its economic influence, the college worked with Emsi (EconomicModeling.com) to conduct a comprehensive impact analysis. This is a summary of the Emsi study.

Central Piedmont Community 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 calculated the benefits received by each of these groups. Results of the analysis reflect fiscal year (FY) 2017–18.

ECONOMIC IMPACT ANALYSIS

In FY 2017-18, Central Piedmont added \$1.2 billion in income to the Mecklenburg County economy, a value approximately equal to 1.0 percent of the county’s total gross regional product (GRP). Expressed in terms of jobs, Central Piedmont’s impact supported 14,128 jobs. For perspective, the activities of Central Piedmont and its students support one out of every 65 jobs in Mecklenburg County.

OPERATIONS SPENDING IMPACT

- Central Piedmont employed 2,778 full-time and part-time faculty and staff. College payroll amounted to \$117.1 million, much of which was spent in the county for groceries, mortgage, rent payments, dining out, and other household expenses. The college spent another \$70.7 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college’s operations spending added \$155.4 million in income to the county economy in FY 2017–18.

CONSTRUCTION SPENDING IMPACT

- Central Piedmont commissioned contractors to build or renovate its facilities, generating a short-term infusion of spending and jobs in the county economy.
- The net impact of Central Piedmont’s construction spending in FY 2017–18 was \$36.5 million in added income for Mecklenburg County.

IMPACTS CREATED BY
CENTRAL PIEDMONT
FY 2017–18



\$155.4 MILLION

Operations Spending Impact



\$36.5 MILLION

Construction Spending Impact



\$42.1 MILLION

Student Spending Impact



\$919.5 MILLION

Alumni Impact



\$1.2 BILLION
TOTAL IMPACT

or

14,128
JOBS SUPPORTED

STUDENT SPENDING IMPACT

- Around 70 percent of students attending Central Piedmont resided in Mecklenburg County in FY 2017–18. Some of these students would have left the county for other educational opportunities if not for Central Piedmont. These retained students spent money on groceries, mortgage, and rent payments and other living expenses at county businesses.
- The expenditures of retained students in FY 2017–18 added \$42.1 million in income to the Mecklenburg County economy.

ALUMNI IMPACT

- Over the years, students have studied at Central Piedmont and entered or re-entered the workforce with newly acquired knowledge and skills. Today, hundreds of thousands of these former students are employed in Mecklenburg County.
- The net impact of Central Piedmont's former students currently employed in the county's workforce amounted to \$919.5 million in added income in FY 2017–18.

INVESTMENT ANALYSIS

STUDENT PERSPECTIVE

- Central Piedmont's FY 2017–18 students paid a present value of \$50.4 million to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent \$155.6 million in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive \$664.7 million in increased earnings over their working lives. This translates to a return of \$3.20 in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is 15.5 percent.

TAXPAYER PERSPECTIVE

- Taxpayers provided Central Piedmont with \$176 million of funding in FY 2017–18. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to \$271.6 million. A reduced demand for government-funded services in North Carolina will add another \$20.8 million in benefits to taxpayers.
- For every dollar of public money invested in Central Piedmont, taxpayers will receive \$1.70 in return, over the course of students' working lives. The average annual rate of return for taxpayers is 4.5 percent.

SOCIAL PERSPECTIVE

- In FY 2017–18, North Carolina invested \$432.9 million to support Central Piedmont. In turn, the North Carolina economy will grow by \$3.1 billion, over the course of students' working lives. Society will also benefit from \$62.2 million of public and private sector savings.
- For every dollar invested in Central Piedmont in FY 2017–18, people in North Carolina will receive \$7.30 in return, for as long as Central Piedmont's FY 2017–18 students remain active in the state workforce.

STUDENTS SEE A HIGHER RETURN FOR THEIR INVESTMENT IN CENTRAL PIEDMONT



15.5%

Average annual return for Central Piedmont 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 INVESTED



Students gain

\$3.20

in lifetime earnings



Taxpayers gain

\$1.70

in added tax revenue and public sector savings



Society gains

\$7.30

in added income and social savings