MARYLAND'S COMMUNITY COLLEGES

ECONOMIC IMPACT

Overview Fact Sheet

Maryland's Community Colleges play a significant role in the state economy and are a sound investment from multiple perspectives. Students benefit from improved lifestyles and increased earnings. Taxpayers benefit from a larger economy and lower social costs. Finally, the community as a whole benefits from increased job and investment opportunities, higher business revenues, greater availability of public funds, and an eased tax burden.

Helping State & Local Economy

- The Maryland economy receives roughly **$435.3 million** in income annually due to college operations and capital spending.

The state economy is $11.6 billion stronger.

- About 6% of students attending Maryland's Community Colleges come from outside the State, bringing with them monies that would not have otherwise entered the economy. The expenditures of out-of-state students generate roughly **$1.1 million** in income in the state economy.
- College activities encourage new business, assist existing business, and create long-term economic growth. The colleges enhance worker skills and provide customized training to business and industry. It is estimated that the Maryland workforce embodies about **34.5 million** credit hours of past and present college training.
- College skills embodied in the state workforce where former students are employed increase income by **$8.7 billion**. Associated indirect effects increase income by another **$2.4 billion**.
- Altogether, the Maryland economy annually receives roughly **$11.6 billion** in income due to past and present efforts of Maryland's Community Colleges.

Leveraging Taxpayer Dollars

- The state and local community will see avoided social costs amounting to **$17** per year for every credit earned by students, including savings associated with improved health, lower crime costs, and reduced welfare and unemployment. This translates to **$50.3 million** in avoided costs to the State of Maryland each year as long as students are in the workforce.
- Students benefit from higher earnings, thereby expanding the tax base and reducing the tax burden on state and local taxpayers. When aggregated together, students generate about **$513.7 million** annually in higher earnings due to their college education.
- Maryland's Community Colleges yield a return on government investment. State and local government allocated around **$518.9 million** in support of the colleges in fiscal year 2006. For every $1 of this support, taxpayers see a cumulative return of **$2.00** over the course of students' working careers (in the form of higher tax receipts and avoided social costs).
- State and local government see a rate of return of **10%** on their college support. This return compares very favorably with private sector rates of return on similar long-term investments.

Helping Students Earn More

- A total of **385,336** credit and non-credit students attended the colleges in AY 2006. About 94% of these students stay in the State initially after they leave college, contributing to the economy.

Students see their annual income increase by $174 per year for every credit completed.

- Education increases lifetime income. The average annual income of a student with a one-year certificate are **$40,300**, or **83%** more than someone without a high school diploma or GED, and **17%** more than a student with a high school diploma. The average income of someone with an associate's degree are **$47,900**, or **118%** more than someone without a high school diploma or GED, and **39%** more than a student with a high school diploma or GED.
- Students enjoy an average annual income increase of **$174** for every credit completed.
- Throughout his or her working career, the average student's discounted lifetime income (i.e., future values expressed in present value terms) increases by **$5.00** for every $1 invested (tuition, fees, books, and wages given up to attend).
- Students enjoy an attractive **21%** rate of return on their educational investment, recovering all costs (including wages foregone) in 7 years.