



The Economic Value of Southwest Virginia Community College **FACT SHEET**



Current annual economic impact analysis

In FY 2018-19, SWCC added **\$165.6 million** in income to the SWCC Service Area^{*} economy, a value approximately equal to **4.9%** of the region's total gross regional product (GRP). Expressed in terms of jobs, SWCC's impact supported **2,832 jobs**. For perspective, the activities of SWCC and its students support **one out of every 15 jobs** in the SWCC Service Area.

OPERATIONS SPENDING IMPACT

- SWCC employed 375 full-time and part-time faculty and staff. Payroll amounted to \$12.7 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 \$8.2 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$15.7 million** in income to the regional economy in FY 2018-19.

STUDENT SPENDING IMPACT

- Some in-region students, referred to as retained students, would have left the SWCC Service Area for other educational opportunities if not for SWCC. 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 **\$748.4 thousand** in income to the SWCC Service Area economy.

ALUMNI IMPACT

- Over the years, students have studied at SWCC and entered or re-entered the workforce with newly acquired knowledge and skills. Today, thousands of these former students are employed in the SWCC Service Area.
- The net impact of SWCC's former students currently employed in the regional workforce amounted to **\$149.2 million** in added income in FY 2018-19.

* For the purposes of this analysis, the SWCC Service Area is comprised of Dickenson, Buchanan, Russell, and Tazewell Counties.

IMPACTS CREATED
BY SWCC IN FY 2018-19



\$15.7 million
Operations Spending Impact



\$748.4 thousand
Student Spending Impact



\$149.2 million
Alumni Impact



\$165.6 million
TOTAL IMPACT

- OR -

2,832
JOBS SUPPORTED





Projected athletics program economic impact analysis



IMPACTS CREATED BY SWCC'S ATHLETICS PROGRAM IN FY 2019-20



\$509.6 thousand
Student Athlete Spending Impact



\$81 thousand
Visitor Spending Impact



\$590.7 thousand
TOTAL IMPACT*

- OR -

14
JOBS SUPPORTED

STUDENT ATHLETE SPENDING IMPACT

- SWCC creates opportunities for student athletes, some of whom relocate to the SWCC Service Area to attend SWCC. Other student athletes are retained in the SWCC Service Area because of the college's athletics program.
- It is estimated that student athletes' spending in FY 2019-20 will generate **\$509.6 thousand** in income for the SWCC Service Area economy.

VISITOR SPENDING IMPACT

- Out-of-region visitors attracted to the SWCC Service Area for athletic events at SWCC bring new dollars to the economy through their spending at hotels, restaurants, gas stations, and other regional businesses.
- The spending from these visitors is estimated to add at least **\$81 thousand** in income for the SWCC Service Area economy in FY 2019-20.

*This impact should not be added to the total impact in FY 2018-19, as the two economic impacts reflect different years of activity.





Investment analysis

STUDENT PERSPECTIVE

- SWCC's FY 2018-19 students paid **\$4.3 million** to cover the cost of tuition, fees, and supplies. They also forwent **\$13.7 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$79.7 million** in increased earnings over their working lives. This translates to a return of **\$4.40** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **16.5%**.

TAXPAYER PERSPECTIVE

- Taxpayers provided SWCC with **\$8.8 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 **\$18.3 million**. A reduced demand for government-funded services in Virginia will add another **\$1.7 million** in benefits to taxpayers.
- For every dollar of public money invested in SWCC, taxpayers will receive **\$2.30** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **6.1%**.

SOCIAL PERSPECTIVE

- In FY 2018-19, Virginia invested **\$36 million** to support SWCC. In turn, the Virginia economy will grow by **\$218.5 million**, over the course of students' working lives. Society will also benefit from **\$6 million** of public and private sector savings.
- For every dollar invested in SWCC in FY 2018-19, people in Virginia will receive **\$6.20** in return, for as long as SWCC's FY 2018-19 students remain active in the state workforce.

STUDENTS SEE A HIGH RATE OF RETURN FOR THEIR INVESTMENT IN SWCC



16.5%

Average annual return for SWCC 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

\$4.40

in lifetime earnings



Taxpayers gain

\$2.30

in added tax revenue and public sector savings



Society gains

\$6.20

in added income and social savings

