



LOS ANGELES COMMUNITY COLLEGES

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The Los Angeles Community College District boosts the local economy and significantly increases the quality of life of area residents

Report Finds that the Regional Economy is \$9.1 Billion Stronger Because of the LACCD

Student Annual Incomes Increase by \$627-\$1,254 for Every LACCD Course Completed

LOS ANGELES – According to a report released by Economic Modeling Specialist Inc. (EMSI), the Los Angeles Community College District plays a significant role in the Los Angeles County economy by strengthening the regional workforce, reducing social costs to taxpayers, raising incomes, and improving the lives of LACCD students and their families.

The report, titled “Economic Contribution of the Los Angeles Community College District,” analyzes the impact that the nine LACCD colleges have on Los Angeles County. Released this fall, the report notes that the Los Angeles Community Colleges are responsible for pumping almost \$9.1 billion into the area economy each year due to past and present District efforts.

LACCD educational programs stimulate the economy by encouraging the creation of new businesses, assisting established enterprises, and developing long-term economic growth. According to the EMSI report, District colleges have added a total of nearly 18.9 million hours of training to the education of area workers.

A total of 208,497 students attended LACCD colleges in fiscal year 2007. Almost 95 percent of these students stay in the region after graduation and contribute directly to the Los Angeles economy. This LACCD-trained workforce increases County incomes by \$6.6 billion each year and generates another \$1.9 billion in indirect effects.

The report also documents the savings to state and local governments as a result of Los Angeles Community College District educational programs. For every hour of academic credit a student earns at an LACCD college, Los Angeles area taxpayers save roughly \$25 per year. These savings are associated with improved employee health, lower crime costs, and reduced welfare and unemployment. Overall, the State of California saves some \$38.5 million for every year that District students are in the workforce.

In addition, the EMSI report also notes that LACCD students benefit from higher earnings, which expand the tax base and alleviate the burden on state and local taxpayers. The average yearly income of a student who earns a one-year certificate from an LACCD college is \$41,400, which, according the report, is 83 percent more than the expected average earnings of a high school drop out and 17 percent more than that of a high school graduate. Because of this extra earning power, the class of 2007 alone will generate almost \$325.5 million a year in higher earnings as the result of the education they gained at District colleges.

And that average increases over time. By the midpoint their careers, students who earn an LACCD associate's degree will earn, on average, \$49,200, or 118 percent more than a non-high school grad and 39 percent more than someone with just a high school diploma.

Over their careers, LACCD students can expect to see an average annual income increase of \$209 for every credit hour of instruction they complete. That's an annual increase of \$627 for every three-unit class LACCD students complete or \$1,254 for every six-unit class. And at an out-of-pocket cost of only \$20 per unit, that equals a sizable 24 percent rate of return on their LACCD educational investment.

For more information about the report, go to <http://www.laccd.edu/>

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