

The Los Angeles Community College District (“LACCD” or “District”) plays a significant role in the local economy and is 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.

The LACCD Helps State & Local Economy

- Altogether, the Los Angeles County economy annually receives roughly **\$9.1 billion** in income due to past and present efforts of the District.
- LACCD skills in the local workforce where former students are employed increase county income by **\$6.6 billion**. Associated indirect effects increase income by another **\$2.0 billion**.
- The Los Angeles County economy receives roughly **\$492.3 million** in regional income annually due to LACCD operations and capital spending.

The regional economy is \$9.1 billion stronger due to the District.

- About 3% of LACCD FTES are generated by students who come to the area from outside the county, bringing with them monies that would not have otherwise entered the local economy. The expenditures of the District’s out-of-region students generate roughly **\$25.9 million** in income in Los Angeles County.
- LACCD activities encourage new business, assist existing business, and create long-term economic growth. The District enhances worker skills and provides customized training to local business and industry. It is estimated that there are about **18.9 million** credit hours of past and present LACCD training currently active in the Los Angeles County workforce.

The LACCD Leverages Taxpayer Dollars

- The state and local community will see avoided social costs amounting to **\$25** per year for every credit earned by LACCD students, including savings associated with improved health, lower crime costs, and reduced welfare and unemployment. This translates to **\$38.5 million** in avoided costs to the State of California each year as long as students are in the workforce.
- Students benefit from higher earnings, thereby expanding the tax base and reducing the burden on state and local taxpayers. In the aggregate, the 2006-07 LACCD student population will generate about **\$324.5 million** annually in higher earnings due to their LACCD education.

- The District yields a return on government investment. State and local government allocated around **\$569.0 million** in support of the District in fiscal year 2007. For every \$1 of this support, taxpayers see a cumulative return of **\$2.30** 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 support for the District. This return compares very favorably with private sector rates of return on similar long-term investments.

The LACCD Helps Students Earn More

- A total of **208,497** credit and non-credit students attended the District in FY 2007. About 95% of these students stay in the region initially after they leave college, contributing to the local economy.

Students see their annual income increase by \$209 per year for every credit completed at LACCD colleges.

- Education increases lifetime income. The average annual income of a one-year certificate graduate at the midpoint of his or her career is **\$41,400**, or **83%** more than someone without a high school diploma, and **17%** more than a student with a high school diploma. The average income at the career midpoint of someone with an associate’s degree is **\$49,200**, or **118%** more than someone without a high school diploma, and **39%** more than a student with a high school diploma.
- LACCD students enjoy an average annual income increase of **\$209** for every credit completed.
- Throughout his or her working career, the average LACCD student’s discounted lifetime income (i.e., future values expressed in present value terms) increases by **\$7.60** for every \$1 invested (tuition, fees, books, and wages given up to attend).
- Students enjoy an attractive **24%** rate of return on their LACCD educational investment, recovering all costs (including wages foregone) in 6 years.