Impact on Business Community

During the analysis year, HC and its students added $334 million in added income to the Hartnell College District economy, approximately equal to 2.3% of the region’s total GRP. By comparison, this impact from the college is larger than the impact of the entire regional Utilities industry. The economic impacts of HC break down as follows:

Operations spending impact

- HC employed 530 full-time and part-time employees in FY 2014-15. Payroll amounted to $36.9 million, much of which was spent in the Hartnell College District to purchase groceries, clothing, and other household goods and services. The college spent another $40.1 million to support its day-to-day operations.
- The net impact of college payroll and expenses in the Hartnell College District during the analysis year was approximately $44.3 million in added income.

Impact of student spending

- Local students desiring higher education would have left the region if not for HC. These retained students spent money on groceries, transportation, rent, and so on at region businesses.
- The expenditures of these retained students during the analysis year added approximately $1 million in added income to the Hartnell College District economy.

Alumni impact

- Over the years, students have studied at HC and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in the Hartnell College District.
- The accumulated contribution of former students currently employed in the regional workforce amounted to $288.7 million in added income during the analysis year.

Impacts Created by HC in FY 2014-15

<table>
<thead>
<tr>
<th>Added Income</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations spending impact</td>
<td>$44.3 million</td>
</tr>
<tr>
<td>Student spending impact</td>
<td>$1 million</td>
</tr>
<tr>
<td>Alumni impact</td>
<td>$288.7 million</td>
</tr>
<tr>
<td>Total impact</td>
<td>$334 million</td>
</tr>
</tbody>
</table>
**Student perspective**

- HC’s FY 2014-15 students paid a total of $14.5 million to cover the cost of tuition, fees, and supplies. They also forwent $123.4 million in money that they would have earned had they been working instead of learning.

- In return for the monies invested in the college, students will receive a present value of $490.7 million in increased earnings over their working lives. This translates to a return of $3.60 in higher future earnings for every $1 that students invest in their education. The average annual return for students is 14.2%.

**Taxpayer perspective**

- In FY 2014-15, state and local taxpayers in California paid $43.6 million to support the operations of HC. The net present value of the added tax revenue stemming from the students’ higher lifetime earnings and the increased output of businesses amounts to $175.8 million in benefits to taxpayers. Savings to the public sector add another $19.6 million in benefits due to a reduced demand for government-funded services in California.

- Dividing benefits to taxpayers by the associated costs yields a 4.5 benefit-cost ratio, i.e., every $1 in costs returns $4.50 in benefits. The average annual return on investment for taxpayers is 12.3%.

**Social perspective**

- The economic base in California will grow by $2.2 billion over the course of the students’ working lives. Society will also benefit from $41.5 million in present value social savings related to reduced crime, lower unemployment, and increased health and well-being across the state.

- For every dollar that society spent on HC educations during the analysis year, society will receive a cumulative value of $10.40 in benefits, for as long as the FY 2014-15 student population at HC remains active in the state workforce.