



The Economic Value of Columbia Gorge Community College

Columbia Gorge Community College (CGCC) creates a significant positive impact on the business community and generates a return on investment to its major stakeholder groups—students, taxpayers, and society. Using a two-pronged approach that involves an economic impact analysis and an investment analysis, this study calculates the benefits received by each of these groups. Results of the analysis reflect fiscal year (FY) 2021-22.

Economic impact analysis

In FY 2021-22, CGCC added **\$45 million** in income to the CGCC Service Region* economy, a value approximately equal to **1.4%** of the region's total gross regional product (GRP). Expressed in terms of jobs, CGCC's impact supported **645 jobs**. For perspective, the activities of CGCC and its students support **one out of every 53 jobs** in the CGCC Service Region.

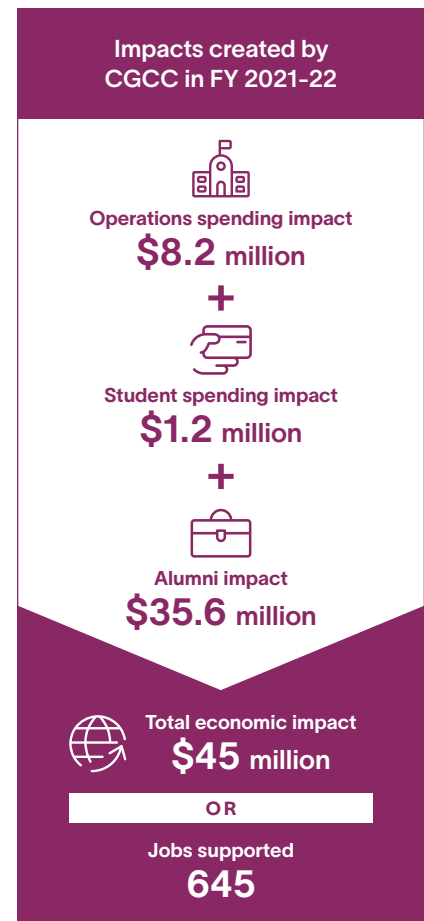
Operations spending impact

- CGCC employed 150 full-time and part-time faculty and staff. Payroll amounted to \$7.4 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 \$5 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$8.2 million** in income to the regional economy in FY 2021-22.

Student spending impact

- Around 10% of students attending CGCC originated from outside the region. Some of these students relocated to the CGCC Service Region. In addition, some in-region students, referred to as retained students, would have left the

* For the purposes of this analysis, the CGCC Service Region is comprised of Hood River and Wasco Counties.

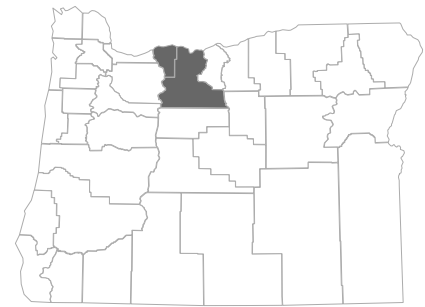


CGCC Service Region for other educational opportunities if not for CGCC. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.

- The expenditures of relocated and retained students in FY 2021-22 added **\$1.2 million** in income to the CGCC Service Region economy.

Alumni impact

- Over the years, students have studied at CGCC and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in the CGCC Service Region.
- The net impact of CGCC's former students currently employed in the regional workforce amounted to **\$35.6 million** in added income in FY 2021-22.



The CGCC Service Region, Oregon

Investment analysis

Student perspective

- CGCC's FY 2021-22 students paid a present value of **\$1.8 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$488.1 thousand** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of **\$18.7 million** in increased earnings over their working lives. This translates to a return of **\$8.10** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **24.8%**.

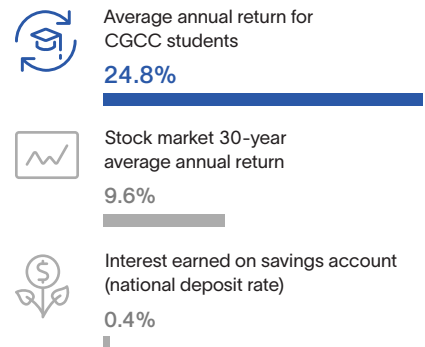
Taxpayer perspective

- Taxpayers provided CGCC with **\$11.1 million** of funding in FY 2021-22. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$6.2 million**. A reduced demand for government-funded services in Oregon will add another **\$763.3 thousand** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$7.0 million**, the present value sum of the added tax revenue and public sector savings.

Social perspective


- In FY 2021-22, Oregon invested **\$13.3 million** to support CGCC. In turn, the Oregon economy will grow by **\$64.7 million**, over the course of students' working lives. Society will also benefit from **\$1.7 million** of public and private sector savings.
- For every dollar invested in CGCC in FY 2021-22, people in Oregon will receive **\$5.00** in return, for as long as CGCC's FY 2021-22 students remain active in the state workforce.

Students see a high rate of return for their investment in CGCC




Source: Forbes' S&P 500, 1992-2021. FDIC.gov, 2-2022.

For every \$1...



Students gain in lifetime earnings


\$8.10



Society gains in added income and social savings

\$5.00

In total...



Taxpayers gain in added tax revenue and public sector savings

\$7.0 million