



The Economic Value of Wharton County Junior College

Wharton County Junior College (WCJC) 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) 2022-23.

Economic impact analysis

In FY 2022-23, WCJC added **\$122.4 million** in income to the Wharton County Junior College Service Area* economy. Expressed in terms of jobs, WCJC's impact supported **1,825 jobs**.

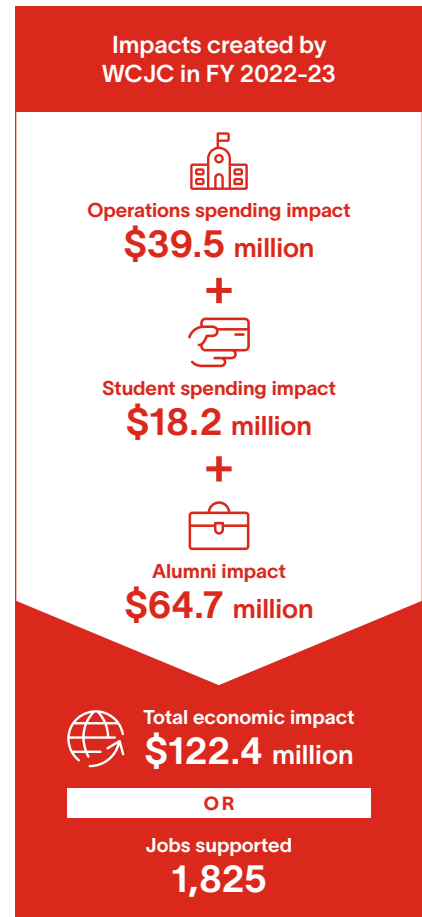
Operations spending impact

- WCJC employed 546 full-time and part-time faculty and staff. Payroll amounted to \$30.2 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 \$22.7 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$39.5 million** in income to the regional economy in FY 2022-23.

Student spending impact

- Around 57% of students attending WCJC originated from outside the region. The majority of these students relocated to the Wharton County Junior College Service Area. In addition, some in-region students, referred to as retained students, would have left the Wharton County Junior College Service Area for other educational opportunities if not for WCJC. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.

* For the purposes of this analysis, the Wharton County Junior College Service Area is comprised of Austin, Colorado, Fort Bend, Jackson, Matagorda, and Wharton Counties.



- The expenditures of relocated and retained students in FY 2022-23 added **\$18.2 million** in income to the Wharton County Junior College Service Area economy.

Alumni impact

- Over the years, students have studied at WCJC and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in the Wharton County Junior College Service Area.
- The net impact of WCJC's former students currently employed in the regional workforce amounted to **\$64.7 million** in added income in FY 2022-23.

Investment analysis

Student perspective

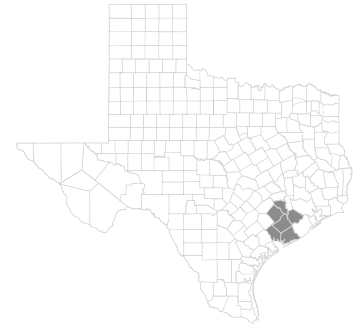
- WCJC's FY 2022-23 students paid a present value of **\$20.1 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent a value of **\$18.4 million** in time and money had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of **\$200.6 million** in increased earnings over their working lives. This translates to a return of **\$5.20** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **19.0%**.

Taxpayer perspective

- Taxpayers provided WCJC with **\$19.9 million** of funding in FY 2022-23. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$73.5 million**. A reduced demand for government-funded services in Texas will add another **\$6.8 million** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$80.2 million**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in WCJC, taxpayers will receive **\$4.00** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **9.2%**.

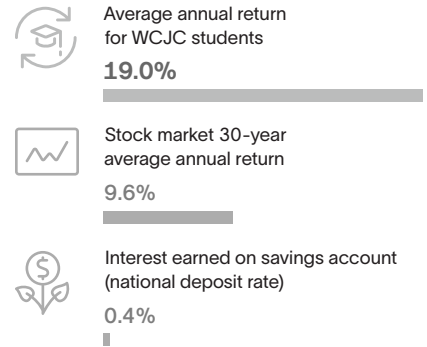
Social perspective

- In FY 2022-23, Texas invested **\$77.9 million** to support WCJC. In turn, the Texas economy will grow by **\$1.1 billion**, over the course of students' working lives. Society will also benefit from **\$19.2 million** of public and private sector savings.
- For every dollar invested in WCJC in FY 2022-23, people in Texas will receive **\$14.80** in return, for as long as WCJC's FY 2022-23 students remain active in the state workforce.






The Wharton County Junior College Service Area

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



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

For every \$1...

	<p>Students gain in lifetime earnings</p> <p>\$5.20</p>
	<p>Taxpayers gain in added tax revenue and public sector savings</p> <p>\$4.00</p>
	<p>Society gains in added income and social savings</p> <p>\$14.80</p>