

Overview Fact Sheet

Cedar Valley 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.

INVESTMENT ANALYSIS

Student Perspective

- CVC served **10,672** credit students and **4,340** non-credit students in the 2008-09 reporting year.
- Education increases lifetime income. The average income at the career midpoint of someone with an associate's degree in the CVC Service Area is **\$48,800**, 36% more than a student with a high school diploma.

Students enjoy a 14.7% rate of return on their investment in CVC.

- Throughout his or her working career, the average CVC student's discounted lifetime income increases by **\$4.40** for every dollar invested in CVC.
- Students enjoy an attractive **14.7%** average rate of return on their CVC educational investment, recovering all costs (including tuition, fees, and forgone wages) in 9.8 years.

Social Perspective

- Higher earnings of CVC students and associated increases in state income expand the tax base in Texas by about **\$41.3 million** each year.
- Texas will see avoided social costs amounting to **\$2.1 million** per year due to CVC students, including savings associated with improved health, reduced crime, and reduced welfare and unemployment.

Taxpayer Perspective

- State and local governments allocated approximately **\$21.8 million** in support of CVC in FY 2008-09.
- For every dollar of this support, taxpayers see a cumulative return of **\$1.80** over the course of students'

working careers (in the form of higher tax receipts and avoided costs).

- State and local governments see a rate of return of **6.5%** on their support for CVC. This return compares very favorably with private sector rates of return on similar long-term investments.

ECONOMIC GROWTH ANALYSIS

College Operations Effect

- The CVC Service Area economy annually receives roughly **\$17 million** in income due to CVC operations. This is a conservative figure adjusted to account for monies that leave the economy or are withdrawn from the economy in support of the college.

Added income attributable to the accumulation of CVC skills amounts to \$107.2 million each year.

Productivity Effect

- The current CVC Service Area economy embodies an estimated **922,900** credits that have accumulated over the past 30-year period as thousands of former CVC students (completers and non-completers) enter the workforce year after year.
- CVC skills translate to higher earnings for students and increased output of businesses. The added income attributable to the accumulation of CVC credits in the workforce amounts to **\$107.2 million** each year.

Total Effect

- Altogether, the average annual added income due to the activities of CVC and its former students equals **\$124.2 million**. This is approximately equal to **1.3%** of the total CVC Service Area economy.