



Return on Investment study highlights considerable impact of Washington's two-year colleges

Across the country, states are adapting to tough economic conditions by trimming higher education budgets. And even though most lawmakers recognize the important role community and technical colleges play in the development of regional economies, two-year schools continue to face massive cuts.¹ To make sure that the state of Washington continues to recognize and understand the positive fiscal contribution of its colleges the Trustees Association commissioned a study to evaluate how much students and taxpayers benefit from the community and technical college system.

Communicating the payoff of two-year colleges

Communication is critical—that's the message from Kathy Goebel, associate director of the Washington State Board for Community & Technical Colleges (SBCTC), when it comes to community colleges garnering support from state and regional business leaders. Goebel and her colleagues are often asked about the benefits of the state's two-year college system, and in the past they usually responded with student success stories. The SBCTC and its partner organization, the Trustees Association of Community and Technical Colleges (TACTC), decided a dollar-and-cents assessment of specific regional programs and the statewide system as a whole would be a much more effective alternative, especially while the state is trying to evaluate what training areas have the most value.

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—Kathy Goebel, associate director of the Washington State Board of Community & Technical Colleges

To make the issue more pressing, the state's community and technical colleges are experiencing unprecedented enrollment growth, but because of Washington's struggling economy, the SBCTC and TACTC anticipated a contentious 2009 state legislative session and significant budget cuts.² Their goal was to provide a detailed cost/benefit analysis of the colleges to create a message that would resonate with the legislature and thereby lessen or negate cuts.

"Rather than anecdotal evidence about student success, they (the trustees and state board) wanted to communicate the value of community colleges from a student and taxpayer perspective, both regionally and statewide," Goebel says. "We can now concretely prove that state funding of two-year colleges is a profitable investment—for the students, the state's revenues, and the economy."

The importance of 'real numbers'

The two groups commissioned EMSI to conduct the analysis a few months before the state legislature convened. While timing was important, SBCTC and TACTC wanted decision makers to appreciate the implications of the study, so they worked closely with EMSI to ensure the proper economic model was used to measure net gains by taxpayer and student investments in education. According to Goebel, "It was helpful to use real numbers that make sense to not only legislators, but also community leaders. By and large, we're trying to win over business leaders and communities as well ... to create a broader support base."

Result: Students see 43% annual return on investment

The report broke down the state into eight regions and highlighted the top in-demand programs for each area. It then showed the short- and long-term return on investment for taxpayers and the students enrolled in those programs. To

¹ "[Community-College Enrollments are up, but Institutions Struggle to Pay for them](#)," *Chronicle for Higher Education*, January 23, 2009

² The state's 34 two-year colleges had nearly 134,000 quarterly full-time students as of February, 2009—an increase of more than 9,000 from the previous fall. For more: http://www.sbctc.ctc.edu/general/n_index.aspx



illustrate, the report highlighted the fact that 95 of the 110 enrollees in Snohomish County nursing programs in 2006 stayed in the area to work and the net short-run student payoff was \$2.1 million. Says Goebel, “We can take information to Everett Community College, which is in Snohomish County, and say, ‘Here’s what we know. This is how you can market it.’”

Some of the significant findings of the study on Washington’s professional and technical programs include:

- Washington community and technical college students, on average, see a **43% annual return on their investment**, which amounts to an extra **\$5,500 per year**.
- Taxpayers see a real-money return of **7% on their investment** in the state’s two-year colleges.
- On a state level, students will collectively produce an extra **\$321 million in tax revenue** as a direct result of their participation in higher education.
- Taxpayers on average can expect to recapture their initial investment in the state’s community and technical colleges in **10.9 years**, while students will do so in **1.4 years**.

After the study was released in January, 2009, Goebel and Cindy Hough of the Trustees Association shared the findings with the nine-member state board appointed by the governor and approximately 160 participants at the college trustees conference. “They were just very, very impressed with the level of work,” Goebel says. The study was also hand delivered to the state’s congressional offices and to state legislative leaders.

At the same time the trustees were debriefed, public relations officers at two-year colleges across Washington were also given the information. The State Board’s communications office is helping prepare a slideshow presentation template for each college to ensure the study is customized and released to community leaders and media outlets in the eight regions. According to Goebel, “The study certainly supports us, and it’s a good tool to use as we go into these conversations with the legislature.”

In the Media

Read the full study:

http://www.sbctc.ctc.edu/docs/investment_innov_impact/investment_innovation_impact.pdf

About EMSI

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