The Economic Value of Ohlone College

Ohlone College 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) 2019-20.

ECONOMIC IMPACT ANALYSIS

In FY 2019-20, Ohlone College added $315.2 million in income to the Ohlone Community College District* economy, a value approximately equal to 0.9% of the region’s total gross regional product (GRP). Expressed in terms of jobs, Ohlone College’s impact supported 2,689 jobs. For perspective, the activities of Ohlone College and its students support one out of every 82 jobs in the Ohlone Community College District.

OPERATIONS SPENDING IMPACT

- Ohlone College employed 635 full-time and part-time faculty and staff. Payroll amounted to $69.2 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 $21 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college’s operations spending added $70.6 million in income to the regional economy in FY 2019-20.

CONSTRUCTION SPENDING IMPACT

- Ohlone College invests in construction each year to maintain its facilities, create additional capacities, and meet its growing educational demands, generating a short-term infusion of spending and jobs in the regional economy.
- The net impact of Ohlone College’s construction spending in FY 2019-20 was $8.1 million in added income for the Ohlone Community College District.

STUDENT SPENDING IMPACT

- Around 45% of students attending Ohlone College originated from outside the region. Some of these students relocated to the Ohlone Community College District. In addition, some in-region students, referred to as retained

* For the purposes of this analysis, the Ohlone Community College District is comprised of the following ZIP codes in Alameda county: 94536, 94537, 94538, 94539, 94555, 94560, and 94587.
students, would have left the Ohlone Community College District for other educational opportunities if not for Ohlone College. 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 2019-20 added $5.1 million in income to the Ohlone Community College District economy.

ALUMNI IMPACT

- Over the years, students have studied at Ohlone College and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in the Ohlone Community College District.
- The net impact of Ohlone College’s former students currently employed in the regional workforce amounted to $231.4 million in added income in FY 2019-20.

INVESTMENT ANALYSIS

STUDENT PERSPECTIVE

- Ohlone College’s FY 2019-20 students paid a present value of $19.4 million to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent $98.8 million in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive $460.8 million in increased earnings over their working lives. This translates to a return of $3.90 in higher future earnings for every dollar students invest in their education. Students’ average annual rate of return is 16.9%.

TAXPAYER PERSPECTIVE

- Taxpayers provided Ohlone College with $64 million of funding in FY 2019-20. In return, they will benefit from added tax revenue, stemming from students’ higher lifetime earnings and increased business output, amounting to $154.1 million. A reduced demand for government-funded services in California will add another $11.4 million in benefits to taxpayers.
- For every dollar of public money invested in Ohlone College, taxpayers will receive $2.60 in return, over the course of students’ working lives. The average annual rate of return for taxpayers is 8.3%.

SOCIAL PERSPECTIVE

- In FY 2019-20, California invested $234.9 million to support Ohlone College. In turn, the California economy will grow by $1.9 billion, over the course of students’ working lives. Society will also benefit from $19 million of public and private sector savings.
- For every dollar invested in Ohlone College in FY 2019-20, people in California will receive $8.30 in return, for as long as Ohlone College’s FY 2019-20 students remain active in the state workforce.