



PARADISE VALLEY
COMMUNITY COLLEGE
A MARICOPA COMMUNITY COLLEGE

Executive Summary

PUBLISHED AUGUST 2025

The Economic Value of Paradise Valley Community College



Reflects FY 2023-24





PARADISE VALLEY COMMUNITY COLLEGE (PVCC) creates value in many ways. The college plays a key role in helping students increase their employability and achieve their individual potential. The college draws students to the county, generating new dollars and opportunities for Maricopa County. PVCC provides students with the education, training, and skills they need to have fulfilling and prosperous careers. Furthermore, PVCC is a place for students to meet new people, increase their self-confidence, and promote their overall health and well-being.

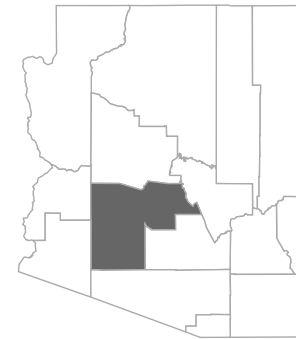
PVCC influences both the lives of its students and the county economy. The college supports a variety of industries in Maricopa County, serves county businesses, and benefits society as a whole in Arizona from an expanded economy and improved quality of life. Additionally, the benefits created by PVCC extend to the state and local government through increased tax revenues and public sector savings.

This study measures the economic impacts created by PVCC on the business community and the benefits the college generates in return for the investments made by its key stakeholder groups—students, taxpayers, and society. The following two analyses are presented:

 **Economic impact analysis**

 **Investment analysis**

All results reflect employee, student, and financial data, provided by Maricopa County Community College District (MCCCD), for fiscal year (FY) 2023-24. Impacts on the Maricopa County economy are reported under the economic impact analysis and are measured in terms of added income. The returns on investment to students, taxpayers, and society in Arizona are reported under the investment analysis.



**Maricopa County,
Arizona**

PVCC influences both the **lives of its students** and the **county economy**.

Economic impact analysis



PVCC promotes economic growth in Maricopa County through its direct expenditures and the resulting expenditures of students and county businesses. The college serves as an employer and buyer of goods and services for its day-to-day and construction operations. The college's activities attract students from outside Maricopa County, whose expenditures benefit county vendors. In addition, PVCC is one of the primary sources of higher education to Maricopa County residents and a supplier of trained workers to county industries, enhancing overall productivity in the county workforce.

Operations spending impact



PVCC adds economic value to Maricopa County as an employer of county residents and a large-scale buyer of goods and services. In FY 2023-24, the college employed 723 full-time and part-time faculty and staff, 97% of whom lived in Maricopa County. Total payroll at PVCC was \$38.6 million, much of which was spent in the county on groceries, mortgage and rent payments, dining out, and other household expenses. In addition, the college spent \$17.9 million on expenses related to facilities, supplies, and professional services.

PVCC's operations spending added \$50.0 million in income to the county during the analysis year. This figure represents the college's payroll, the multiplier effects generated by the in-county spending of the college and its employees, and a downward adjustment to account for funding that the college received from county sources. The \$50.0 million in added income is equivalent to supporting 795 jobs in the county.

Student spending impact



Around 12% of students attending PVCC originated from outside the county in FY 2023-24, and some of these students relocated to Maricopa County to attend PVCC. These students may not have come to the county if the college did not exist. In addition, some in-county students, referred to as retained students, would have left Maricopa County if not for the existence of PVCC. While attending the college, these relocated and retained students spent money on groceries, accommodation, transportation, and other household expenses. This spending generated \$52.2 million in added income for the county economy in FY 2023-24, which supported 623 jobs in Maricopa County.

Impacts created by
PVCC in FY 2023-24



Operations spending impact

\$50.0 million

+



Student spending impact

\$52.2 million

+



Alumni impact

\$457.2 million



Total economic impact

\$559.5 million

OR



Jobs supported

7,017



Alumni impact



The education and training PVCC provides for county residents has the greatest impact. Since the establishment of the college, students have studied at PVCC and entered the county workforce with greater knowledge and new skills. Today, thousands of former PVCC students are employed in Maricopa County. As a result of their education from PVCC, the students receive higher earnings and increase the productivity of the businesses that employ them. In FY 2023-24, PVCC alumni generated \$457.2 million in added income for the county economy, which is equivalent to supporting 5,600 jobs.

Total impact

PVCC added \$559.5 million in income to the Maricopa County economy during the analysis year, equal to the sum of the operations spending impact, the student spending impact, and the alumni impact.

PVCC's total impact can also be expressed in terms of jobs supported. The \$559.5 million impact supported 7,017 county jobs, using the jobs-to-sales ratios specific to each industry in the county. This means that one out of every 460 jobs in Maricopa County is supported by the activities of PVCC and its students. In addition, the \$559.5 million, or 7,017 supported jobs, stemmed from different industry sectors. For instance, among non-education industry sectors, the spending of PVCC and its students and the activities of its alumni in the Arts, Entertainment, & Recreation industry sector supported 895 jobs in FY 2023-24. If the college did not exist, these impacts would not have been generated in Maricopa County.

PVCC impacts by industry (jobs supported)



The **\$559.5 million** total impact supported **7,017 regional jobs**.





Investment analysis

An investment analysis evaluates the costs associated with a proposed venture against its expected benefits. The analysis presented here evaluates PVCC as an investment from the perspectives of students, taxpayers, and society in Arizona. As with the economic impact analysis, this analysis considers only FY 2023-24 activities.

Student perspective



In FY 2023-24, PVCC served 9,614 credit and 572 non-credit students. In order to attend the college, the students paid for tuition, fees, books, and supplies. They also took out loans and will incur interest on those loans. Additionally, students gave up money they would have otherwise earned had they been working instead of attending college. The total investment made by PVCC's students in FY 2023-24 amounted to a present value of \$32.6 million, equal to \$12.1 million in out-of-pocket expenses (including future principal and interest on student loans) and \$20.6 million in forgone time and money.

In return for their investment, PVCC's students will receive a stream of higher future earnings that will continue to grow throughout their working lives. For example, the average PVCC associate degree graduate from FY 2023-24 will see annual earnings that are \$9,800 higher than a person with a high school diploma or equivalent working in Arizona. Over a working lifetime, the benefits of an associate degree over a high school diploma will amount to an undiscounted value of \$392,000 in higher earnings per graduate. The present value of the cumulative higher future earnings that PVCC's FY 2023-24 students will receive over their working careers is \$152.0 million.

The students' benefit-cost ratio is 4.7. In other words, for every dollar students invest in PVCC in the form of out-of-pocket expenses and forgone time and money, they will receive a cumulative value of \$4.70 in higher future earnings. Annually, the students'

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



Average annual return for PVCC students
17.0%



Stock market 30-year average annual return
10.1%

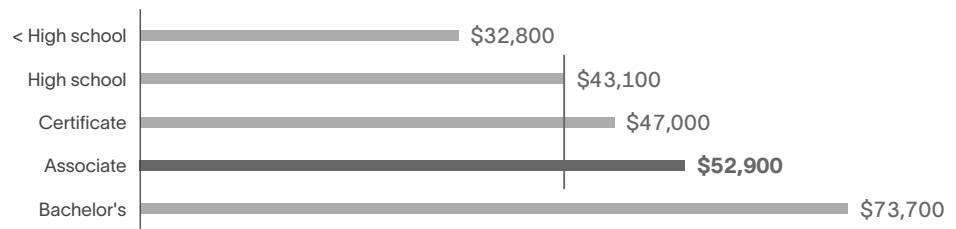


Interest earned on savings account (national deposit rate)
0.5%

Source: Forbes' S&P 500, 1994-2023; FDIC.gov, March 2023.

Average earnings by education level at career midpoint

The average associate degree graduate from PVCC will see an increase in earnings of **\$9,800** each year compared to a person with a high school diploma or equivalent working in Arizona.



Source: Lightcast employment data

investment in PVCC has an average annual internal rate of return of 17.0%, which is impressive compared to the U.S. stock market's 30-year average rate of return of 10.1%.

Taxpayer perspective



PVCC generates more in tax revenue than it receives. These benefits to taxpayers consist primarily of taxes that the state and local government will collect from the added revenue created in the state. As PVCC students will earn more, they will make higher tax payments throughout their working lives. Students' employers will also make higher tax payments as they increase their output and purchases of goods and services. By the end of the FY 2023-24 students' working lives, the state and local government will have collected a present value of \$53.9 million in added taxes.

Benefits to taxpayers will also consist of savings generated by the improved lifestyles of PVCC students and the corresponding reduced government services. Education is statistically correlated with a variety of lifestyle changes. The education that PVCC students receive will generate savings in three main categories: 1) health care, 2) justice system, and 3) income assistance. Improved health will lower students' demand for national health care services. In addition, costs related to the justice system will decrease. PVCC students will be more employable, so their reduced demand for income assistance such as welfare and unemployment benefits will benefit taxpayers. Altogether, the present value of the benefits associated with an education from PVCC will generate \$4.4 million in savings to state and local taxpayers.

Total taxpayer benefits amount to \$58.3 million, the present value sum of the added tax revenue and public sector savings. Taxpayer costs are \$45.6 million, equal to the amount of state and local government funding PVCC received in FY 2023-24. These benefits and costs yield a benefit-cost ratio of 1.3. This means that for every dollar of public money invested in PVCC in FY 2023-24, taxpayers will receive a cumulative present value of \$1.30 over the course of the students' working lives. The average annual internal rate of return for taxpayers is 2.2%, which compares favorably to other long-term investments in the public sector.

For every dollar of public money invested in PVCC, taxpayers will receive a cumulative value of **\$1.30** over the course of the students' working lives.

Social perspective



Society as a whole in Arizona benefits from the presence of PVCC in two major ways. Primarily, society benefits from an increased economic base in the state. This is attributed to the added income from students' increased lifetime earnings (added student income) and increased business output (added business income), which raise economic prosperity in Arizona.

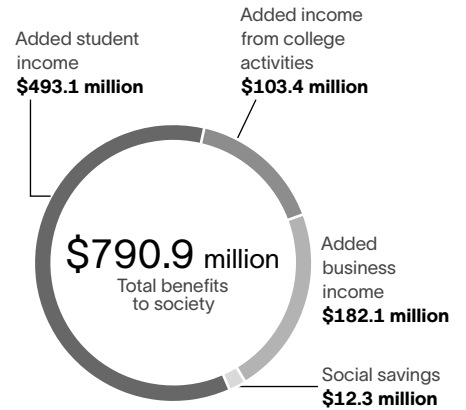
Benefits to society also consist of the savings generated by the improved lifestyles of PVCC students. As discussed in the previous section, education is statistically correlated with a variety of lifestyle changes that generate social savings. Note that these costs are avoided by the consumers but are distinct from the costs avoided by the taxpayers outlined above. Health care savings include avoided medical costs

associated with smoking, obesity, substance abuse, and depression. Justice system savings include avoided costs to the government and society due to less judicial activity. Income assistance savings include reduced welfare and unemployment claims.

Altogether, the social benefits of PVCC equal a present value of \$790.9 million. These benefits include \$493.1 million in added student income, \$182.1 million in added business income, \$103.4 million in added income from college activities, as well as \$12.3 million in social savings related to health, the justice system, and income assistance in Arizona. People in Arizona invested a present value total of \$81.2 million in PVCC in FY 2023-24. The cost includes all the college and student costs.

The benefit-cost ratio for society is 9.7, equal to the \$790.9 million in benefits divided by the \$81.2 million in costs. In other words, for every dollar invested in PVCC, people in Arizona will receive a cumulative value of \$9.70 in benefits. The benefits of this investment will occur for as long as PVCC's FY 2023-24 students remain employed in the state workforce.

Social benefits in Arizona from PVCC






Source: Lightcast impact model

Summary of investment analysis results

The results of the analysis demonstrate that PVCC is a strong investment for all three major stakeholder groups—students, taxpayers, and society. As shown, students receive a great return for their investments in an education from PVCC. At the same time, taxpayers' investment in PVCC returns more to government budgets than it costs and creates a wide range of social benefits throughout Arizona.

Summary of investment analysis results

 Student perspective		 Taxpayer perspective		 Social perspective	
Present value benefits	\$152.0 million	Present value benefits	\$58.3 million	Present value benefits	\$790.9 million
Present value costs	\$32.6 million	Present value costs	\$45.6 million	Present value costs	\$81.2 million
Net present value	\$119.4 million	Net present value	\$12.7 million	Net present value	\$709.7 million
Benefit-cost ratio	4.7	Benefit-cost ratio	1.3	Benefit-cost ratio	9.7
Rate of return	17.0%	Rate of return	2.2%	Rate of return	n/a*

* The rate of return is not reported for the social perspective because the beneficiaries are not necessarily the same as the original investors.

Conclusion

*The results of this study demonstrate that PVCC creates value from **multiple perspectives**.*

The college benefits county businesses by increasing consumer spending in the county and supplying a steady flow of qualified, trained workers to the workforce. PVCC enriches the lives of students by raising their lifetime earnings and helping them achieve their individual potential. The college benefits state and local taxpayers through increased tax receipts and a reduced demand for government-supported social services. Finally, PVCC benefits society as a whole in Arizona by creating a more prosperous economy and generating a variety of savings through the improved lifestyles of students.

About the study

Data and assumptions used in the study are based on several sources, including the FY 2023-24 academic and financial reports provided by MCCCCD, industry and employment data from the U.S. Bureau of Labor Statistics and U.S. Census Bureau, outputs of Lightcast's Multi-Regional Social Accounting Matrix model, and a variety of studies and surveys relating education to social behavior. The study applies a conservative methodology and follows standard practice using only the most recognized indicators of economic impact and investment effectiveness. For a full description of the data and approach used in the study, please contact MCCCCD for a copy of the district main report.



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