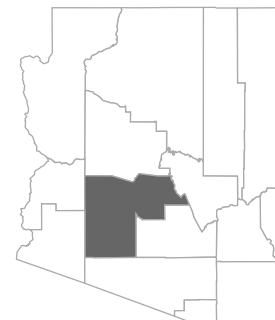




The Economic Value of Paradise Valley Community College



Paradise Valley Community College (PVCC) 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) 2023-24.



Maricopa County,
Arizona



Economic impact analysis

In FY 2023-24, PVCC added **\$559.5 million** in income to the Maricopa County economy. Expressed in terms of jobs, PVCC's impact supported **7,017 jobs**.

Operations spending impact

- PVCC employed 723 full-time and part-time faculty and staff. Payroll amounted to \$38.6 million, much of which was spent in the county on groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$17.9 million on its expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$50.0 million** in income to the county economy in FY 2023-24.

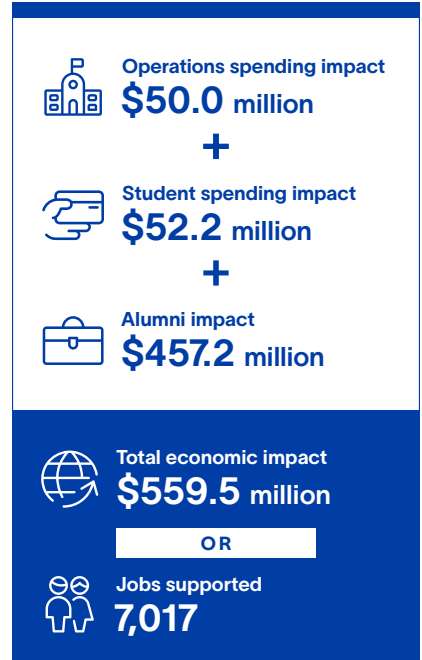
Student spending impact

- Around 12% of students attending PVCC originated from outside the county. Some of these students relocated to Maricopa County. In addition, some in-county students, referred to as retained students, would have left Maricopa County for other educational opportunities if not for PVCC. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at county businesses.
- The expenditures of relocated and retained students in FY 2023-24 added **\$52.2 million** in income to the Maricopa County economy.

Alumni impact

- Over the years, students have studied at PVCC and entered or re-entered the workforce with newly acquired knowledge and skills. Today, thousands of these former students are employed in Maricopa County.
- The net impact of PVCC's former students currently employed in the county workforce amounted to **\$457.2 million** in added income in FY 2023-24.

Impacts created by
PVCC in FY 2023-24





Investment analysis

Student perspective

- PVCC's FY 2023-24 students paid a present value of **\$12.1 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent a value of **\$20.6 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 **\$152.0 million** in increased earnings over their working lives. This translates to a return of **\$4.70** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **17.0%**.

Taxpayer perspective

- Taxpayers provided PVCC with **\$45.6 million** of funding in FY 2023-24. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$53.9 million**. A reduced demand for government-funded services in Arizona will add another **\$4.4 million** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$58.3 million**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in PVCC, taxpayers will receive **\$1.30** in return over the course of students' working lives. The average annual rate of return for taxpayers is **2.2%**.

Social perspective

- In FY 2023-24, Arizona invested **\$81.2 million** to support PVCC. In turn, the Arizona economy will grow by **\$778.6 million** over the course of students' working lives. Society will also benefit from **\$12.3 million** of public and private sector savings.
- For every dollar invested in PVCC in FY 2023-24, people in Arizona will receive **\$9.70** in return, for as long as PVCC's FY 2023-24 students remain active in the state workforce.

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.

For every \$1...



Students gain in lifetime earnings

\$4.70



Taxpayers gain in added tax revenue and public sector savings

\$1.30



Society gains in added income and social savings

\$9.70

