

Fact Sheet

The Economic Value of Santa Rosa Junior College



Santa Rosa Junior College (SRJC) creates a significant positive impact on the business community and generates a return on investment to its major stakeholder groupsstudents, 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 the fiscal year (FY) 2023-24.



Economic impact analysis

In FY 2023-24, SRJC added \$1.8 billion in income to the Sonoma County economy, a value approximately equal to 5.3% of the county's total gross regional product (GRP). Expressed in terms of jobs, SRJC's impact supported 18,990 jobs. For perspective, the activities of SRJC and its students support one out of every 17 jobs in Sonoma County.



Operations spending impact

- SRJC employed 1,955 full-time and part-time faculty and staff. Payroll amounted to \$160.0 million, much of which was spent in the county on groceries, mortgage and rent payments, dining out, and other household expenses. The college spent an additional \$62.0 million on expenses related to facilities, supplies, and professional services (excluding construction).
- The net impact of the college's operations spending added **\$158.7 million** in income to the county economy in FY 2023-24.

Construction spending impact

- SRJC invests in capital projects 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 county economy.
- The net impact of SRJC's construction spending in FY 2023-24 was \$19.8 million in added income for Sonoma County.

Student spending impact

- Around 13% of students attending SRJC originated from outside the county. Some of these students relocated to Sonoma County. In addition, some in-county students, referred to as retained students, would have left Sonoma County for other educational opportunities if not for SRJC. 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 \$46.2 million in income to the Sonoma County economy.

Alumni impact

- Over the years, students have studied at SRJC and entered or re-entered the workforce with newly acquired knowledge and skills. Today, hundreds of thousands of these former students are employed in Sonoma County.
- The net impact of SRJC's former students currently employed in the county workforce amounted to \$1.6 billion in added income in FY 2023-24.

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Student perspective

- SRJC's FY 2023-24 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 a value of \$50.5 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 \$501.1 million in increased earnings over their working lives. This translates to a return of \$7.20 in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is 23.8%.

Impacts created by SRJC in FY 2023-24



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



Average annual return for SRJC students

23.8%



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



Taxpayer perspective

- Taxpayers provided SRJC with \$169.4 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 \$210.4 million. A reduction in demand for government-funded services in California will result in an additional \$29.6 million in benefits to taxpayers.
- Total taxpayer benefits amount to **\$240.0 million**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in SRJC, taxpayers will receive **\$1.40** in return over the course of students' working lives. The average annual rate of return for taxpayers is **2.7%**.

Social perspective

- In FY 2023-24, California invested \$317.7 million to support SRJC. In turn, the California economy will grow by \$2.8 billion over the course of students' working lives. Society will also benefit from \$42.4 million of public and private sector savings.
- For every \$1 invested in SRJC in FY 2023-24, people in California will receive \$8.90 in return, for as long as SRJC's FY 2023-24 students remain active in the state workforce.

For every \$1...



Students gain in lifetime earnings

\$7.20



Taxpayers gain in added tax revenue and public sector savings

\$1.40



Society gains in added income and social savings

\$8.90

