

FACT SHEET: ECONOMIC IMPACT OF DEL MAR COLLEGE

What role does the Del Mar College (DMC) play in the local economy? Business sales in Greater Corpus Christi Economic Region are \$1,029.6 million larger, and labor income is \$373.7 million larger due to the past and present operations of DMC. The benefits of a robust local economy translate into job and investment opportunities, increased business revenues, greater availability of public funds, and an eased tax burden.

DMC stimulates the local economy

- DMC had an operating budget of \$58.8 million in fiscal 2000, and spent \$41.0 million (70%) of this on wages, salaries and supply purchases in Greater Corpus Christi Economic Region.
- DMC employs 681 full-time and 560 part-time faculty and staff. DMC paid faculty and staff wages of \$31.0 million in fiscal 2000.
- For every \$1 DMC pays in wages and salaries, there is another \$0.41 in wages and salaries generated off campus in the Greater Corpus Christi Economic Region economy — this is the commonly known multiplier effect.
- DMC activities encourage new business, assist existing business, and create long-term economic growth. The college enhances worker skills and provides customized training to local business and industry. It is estimated that the present-day Greater Corpus Christi Economic Region workforce embodies over 5.0 million credit and non-credit hours of past and present DMC training.
- DMC skills embodied in the present-day workforce increase the output of industries in the Greater Corpus Christi Economic Region economy where the former students are employed by \$491.28 million. Associated multiplier effects (sometimes called indirect effects) in other industries increase sales by \$499.71 million.
- DMC skills from current and former students increase wages and salaries in Greater Corpus Christi Economic Region by \$175.5 million directly, and by another \$154.3 million indirectly in fiscal 2000.

DMC leverages taxpayer dollars

- State and local government allocated \$43.4 million in support of DMC in fiscal 2000. For every dollar appropriated by state and county government, DMC's spending alone generated \$1.01 in wages and salaries in Greater Corpus Christi Economic Region.

- For every dollar appropriated by the state and county government in fiscal 2000, student earnings will increase by an average of \$0.61 per year, every year through the rest of their working lives. Likewise, for every state dollar appropriated, Greater Corpus Christi Economic Region will see social savings of \$0.18 per year, every year (i.e., reduced incarceration and health care expenditures, reduced expenditures on unemployment and welfare, and reduced absenteeism).

DMC generates a return on government investment

- State and local government support for DMC in fiscal 2000 will be fully recovered in 9.8 years, in the form of higher tax receipts (from increased student wages) and avoided costs (e.g., from reduced public expenditures on incarceration).
- Accounting for increased tax receipts and avoided costs; state and local government will see a rate of return of 12.7% on their fiscal 2000 support for DMC.

DMC increases individuals' earning potential

- 23,166 credit and non-credit students attended the College in fiscal 2000, 62% were employed full- or part-time while attending.
- 92% of the students stay in the region and contribute to the local economy after they leave the college.
- Studies demonstrate that education increases lifetime earnings. The average annual earnings of students with a 1-year certificate is \$23,454, or 80.9% more than someone without a high school degree or GED, and 16.0% more than a student with just a high school diploma. The average earnings of someone with an Associate Degree is \$27,583, or 112.7% more than someone without a high school degree or GED, and 36.5% more than a student with just a high school diploma or GED.
- After leaving the college, the average DMC student will spend 37.8 years in the workforce. The student who leaves with a two-year college degree will earn \$278,882 more than someone with just a high school degree or GED.
- Over their next 37.8 years in the workforce, the average DMC student's lifetime earnings will increase \$26 for every education dollar invested (in the form of tuition, fees, books, and forgone earnings from employment).
- Students enjoy an attractive 31.7% rate of return on their DMC educational investment, and recover all costs (including wages foregone while attending DMC) in 4.9 years.