

# The Economic Value of The State University of New York Community Colleges



The State University of New York (SUNY)<sup>1</sup> Community Colleges create a significant positive impact on the business community and generate a return on investment to their 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) 2022-23.<sup>2</sup>



## Economic impact analysis

In FY 2022-23, SUNY Community Colleges added **\$16.9 billion** in income to the New York economy, a value approximately equal to **0.9%** of the state's total gross state product (GSP). Expressed in terms of jobs, the colleges' impact supported **171,444 jobs**. For perspective, the activities of the colleges and their students support **one out of every 78 jobs** in New York.

- 1 SUNY Community Colleges consist of 30 institutions. See Appendix 1 in the main report for the list of the colleges.
- 2 Due to data availability, the following colleges submitted institution data reflecting fiscal year 2021-22: Columbia-Greene Community College and SUNY Westchester Community College.

## Operations spending impact

- SUNY Community Colleges employed 22,049 full-time and part-time faculty and staff. Payroll amounted to \$1.4 billion, much of which was spent in the state for groceries, mortgage and rent payments, dining out, and other household expenses. The colleges spent another \$627.2 million on expenses related to facilities, supplies, and professional services (excluding construction).
- The net impact of the colleges' operations added **\$1.5 billion** in income to the state economy in FY 2022-23.

## Construction spending impact

- SUNY Community Colleges invest in capital projects each year to maintain facilities, create additional capacities, and meet their growing educational demands, generating a short-term infusion of spending and jobs in the state economy.
- The net impact of the colleges' construction spending in FY 2022-23 was **\$28.5 million** in added income for New York.

## Student spending impact

- Around 3% of students attending SUNY Community Colleges originated from outside the state. Some of these students relocated to New York. In addition, some in-state students, referred to as retained students, would have left New York for other educational opportunities if not for the colleges. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at state businesses.
- The expenditures of relocated and retained students in FY 2022-23 added **\$217.2 million** in income to the New York economy.

## Alumni impact

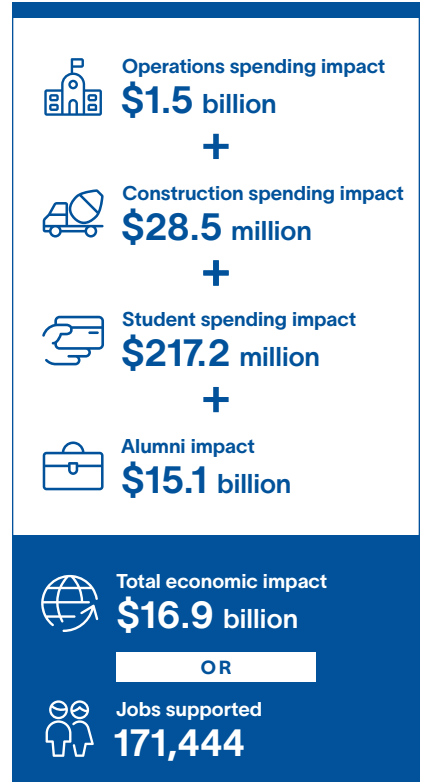
- Over the years, students have studied at SUNY Community Colleges and entered or re-entered the workforce with newly acquired knowledge and skills. Today, hundreds of thousands of these former students are employed in New York.
- The net impact of the colleges' former students currently employed in the state workforce amounted to **\$15.1 billion** in added income in FY 2022-23.

## Investment analysis

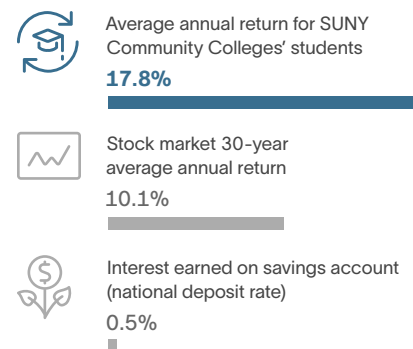
### Student perspective

- The colleges' FY 2022-23 students paid a present value of **\$614.3 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent a value of **\$320.3 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 **\$4.8 billion** in increased earnings over their working lives. This translates to a return of **\$5.10** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **17.8%**.

### Impacts created by SUNY Community Colleges in FY 2022-23



### Students see a high rate of return for their investment in SUNY Community Colleges



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

### Taxpayer perspective


- Taxpayers provided SUNY Community Colleges with **\$1.2 billion** of funding in FY 2022-23. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$1.9 billion**. A reduced demand for government-funded services in New York will add another **\$324.1 million** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$2.2 billion**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in SUNY Community Colleges, taxpayers will receive **\$1.80** in return over the course of students' working lives. The average annual rate of return for taxpayers is **4.1%**.

### Social perspective

- In FY 2022-23, New York invested **\$2.6 billion** to support SUNY Community Colleges. In turn, the New York economy will grow by **\$21.6 billion**, over the course of students' working lives. Society will also benefit from **\$638.0 million** of public and private sector savings.
- For every dollar invested in SUNY Community Colleges in FY 2022-23, people in New York will receive **\$8.40** in return, for as long as the colleges' FY 2022-23 students remain active in the state workforce.

For every \$1...

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 **Students** gain in lifetime earnings  
**\$5.10**

 **Taxpayers** gain in added tax revenue and public sector savings  
**\$1.80**

 **Society** gains in added income and social savings  
**\$8.40**

