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Oregon community colleges drive \$9.6 billion economic impact and foster job growth, reveals new data

SALEM, Ore. – The Oregon Community College Association (OCCA) has released new data that underscores the profound influence that Oregon's community colleges wield over the state's economy. The comprehensive analysis, conducted by independent labor market analytics firm Lightcast and commissioned by OCCA and the state's 17 community colleges, highlights the substantial contributions of Oregon's community colleges, which collectively generate an impressive \$9.6 billion annual economic impact while supporting 1 out of every 22 jobs in the state.

The focus of the report, spanning Fiscal Year (FY) 2021-2022, demonstrates that this impact corresponded to 3.3% of Oregon's gross state product, reinforcing the colleges' pivotal role in driving the economic engine of the region. This influence radiates across the state, sustaining an impressive 117,970 jobs.

Notably, the financial support extended to Oregon's community colleges in FY 2021-22 totaled \$834.3 million, a strategic investment by taxpayers. This investment is poised to yield substantial returns, including heightened tax revenue stemming from students' augmented lifetime earnings and increased business output, a cumulative effect amounting to an estimated \$1 billion. Moreover, the substantial decrease in the public's reliance on government-funded services within Oregon is anticipated to confer an additional \$89 million in benefits to taxpayers.

The comprehensive report was crafted by Lightcast, drawing from a myriad of sources including academic and financial reports from state community colleges, as well as pertinent industry and employment data meticulously collated from authoritative bodies such as the U.S. Bureau of Labor Statistics and Census Bureau.

"A core mission of Oregon community colleges is to empower individuals with the skills imperative for constructing the foundation of our state's economy," said Karen Smith, Interim Executive Director of OCCA. "The robust dataset presented in this report unequivocally attests to the colleges' relentless pursuit of excellence in fulfilling this mission and demonstrates the impact community colleges have on their local communities. The findings of this analysis undeniably demonstrate that Oregon's community colleges are a compelling investment for the triad of major stakeholders — students, taxpayers, and society at large."

Students are poised to reap a 21% return on their educational investment in an Oregon community college. Simultaneously, taxpayers' funding allocations not only exhibit a positive balance when juxtaposed with budgetary spending, but they also reverberate in the form of diverse societal benefits that resonate throughout Oregon.



Other key points from the report include:

- Reduced demand for government-funded services in Oregon because of public sector savings from community colleges' impact increases the annual benefit to taxpayers to \$89 million.
- For every dollar of public money invested in Oregon's community colleges, taxpayers will receive \$1.30 in return, over the course of students' working lives. The average annual rate of return for taxpayers is 1.9%.
- An Oregon community college graduate earns \$9,100 more annually than someone with just a high school diploma.
- Oregon community college students earn an average return on their educational investment of 21%, and students gain a return of \$5.20 in higher future earnings for every dollar they invest in their community college education.
- Oregon community colleges' operations spending added \$769.8 million to the state's economy, supporting 9,894 jobs. That's comparable to the ability to purchase 16,352 new cars.
- Their construction spending provided \$28.4 million in added income for Oregon, while student spending added \$177.5 million. That's enough to buy 14,341 families a year's worth of groceries.
- Over the years, students have studied at Oregon's 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 Oregon. The net impact of the colleges' former students currently employed in the state workforce amounted to \$8.6 billion in added income in FY 2021-22. That's an economic boost similar to hosting the Super Bowl 24 times.

For an in-depth look at the economic impact of Oregon's community colleges, please visit <https://www.occa17.com/economic-impact/>. Please contact individual colleges for their local economic impact.

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The Oregon Community College Association (OCCA) represents the 17 publicly chartered community colleges and their locally elected board members in Oregon. Founded in 1962, OCCA's purpose is to support the colleges before policy-makers and partners whose actions affect the well-being of community colleges across the state.