
CC Economic Impacts/Study/Grant for Targeted Programs

April 15, 2022

Submitted by the Center for Applied Research at Central Piedmont Community College on behalf of the Center for Applied Research, North Carolina Community College System Office, North Carolina Association of Community College Presidents, the Belk Center for Community College Leadership and Research at North Carolina State University, and the John M. Belk Endowment to the:

Joint Legislative Education Oversight Committee,

Senate Appropriations Committee on Education/ Higher Education,

House Appropriations Committee on Education,

And

Fiscal Research Division

As Required by Section 6.1(d) of Session Law 2021-180

Center for Applied Research

The Center for Applied Research (CFAR) functions as part of the Services Corporation at Central Piedmont Community College, a separate 501(c)3 of the college. CFAR provides affordable research, assessment, and evaluation services to community-based organizations in the region and around the nation.

Funds appropriated by this act for the 2021-2022 fiscal year were awarded to CFAR to partner with the System Office, the North Carolina Association of Community College Presidents, and the Belk Center for Community College Leadership and Research at North Carolina State University (Belk Center), the John M. Belk Endowment, and EMSI-Burning Glass to produce studies of the overall regional economic impacts of community colleges in the State.

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Introduction

Since June 2021, leaders involved with the North Carolina Community College System have worked together with Emsi-Burning Glass to produce economic impact studies that provide the economic impact, return on investment, and program-specific impact data for both the overall community college system and each of the 58 individual colleges.

The project consists of two in-depth studies, one that is a state-wide report of the system impact and the other that covers specific programs chosen by each respective institution. This data equips North Carolina's community colleges to make data-driven decisions in their communities and tell their story to local and statewide stakeholders.

Background

North Carolina's 58 community colleges are seen as the economic engines of the state and vital to developing the state's future talent and economy. They are also driving myFutureNC's goal to achieve 2 million North Carolinians with a postsecondary degree or high-quality credential by 2030.¹ However, the most recent aggregate economic impact study reported the 2012-2013 academic year. Considering the economic, demographic, and institutional shifts of the past decade, leaders wanted a new set of studies to capture the impact of colleges today.

In November 2021, the General Assembly passed **SL2021-180, SB105, Part VI. Community College System: CC Economic Impacts/Study Grant for Targeted Programs, Section 6.1.**² This legislation provides funding for a new statewide Economic Impact Study along with additional analysis of

¹ [myFutureNC](https://myfuturenc.org/)

² <https://www.ncleg.gov/Sessions/2021/Bills/Senate/PDF/S105v8.pdf>

selected programs with the greatest impact on a college service area or region of economic development.

Leaders from the North Carolina Community College System Office, the North Carolina Association of Community College Presidents, NC State’s Belk Center for Community College Leadership and Research, and the John M. Belk Endowment created a working group along with Center for Applied Research at Central Piedmont Community College, which received funds to oversee project coordination, and Emsi-Burning Glass³, an economic research and modeling company. This project was funded through a public-private partnership with funding coming from both the John M. Belk Endowment and the state of North Carolina in accordance with SL 2021-180, SB105, Section 6.1.(c).

Study Components

The project consisted of two components, 1) an overall Economic Impact Study (EIS) for each of the 58 colleges and for the state-wide aggregate report, and 2) a Program Specific Economic Impact Study (PSEIS) highlighting up to five programs from each of the 58 colleges as well as a system-level view of those programs most frequently selected by each college. The respective colleges selected programs based on the needs to train for high-demand jobs, to maximize the opportunity for students to earn wages, and to meet projected job growth. The programs that emerged most commonly statewide included Health Professions, Advanced Manufacturing and Engineering Technologies, Business, Construction Trades, and Computer and Information Sciences.

Economic Impact Study (EIS)	Program Specific Economic Impact Study (PSEIS)
<p>1) Economic impact analysis: identifies direct and indirect multiplier effects as college activities lead to spend in the community.</p> <p>2) Investment analysis: indicates strength of the college as an investment for students, taxpayers, and society.</p>	<p>1) Economic impact and earnings analysis: assesses the economic impact of a specific program on the region through added spending in the community, individual earnings and jobs</p> <p>2) Investment analysis: indicates strength of the college as an investment for students, taxpayers, and society.</p>

³ [Emsi Burning Glass – economicmodeling.com](https://www.emsiburningglass.com)
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Results and Reporting

North Carolina's 58 community colleges enrolled more than 683,000 students (303,049 credit and 379,962 non-credit students) in FY 2019-20. The system of colleges also employed more than 36,000 full- and part-time faculty and staff. The economic impact in the reports is calculated based on enrollment, employment, capital investment, and alumni impacts. Data was provided to Emsi Burning Glass by all 58 community colleges in the summer and fall of 2021.

For the statewide **Economic Impact Study (ESI)**, Emsi reported the following outcomes for FY 2019-20:

- \$19.3 billion in added income to the NC economy - approx. 3.4 percent of gross state product (GSP).
- 1 out of every 19 jobs (319,763 jobs) in the state is supported by the activities of the colleges and their students.
- NC community college students earned an avg. return on their college investment of 22.3 percent.
- Students who earn an associate degree from a North Carolina community college can expect wages of about \$30,900 a year within North Carolina, about \$6,900 more than someone with only a high school diploma.
- For every \$1 spent on North Carolina community colleges. . .
 - \$4.50 returns to students in lifetime earnings,
 - \$1.90 returns to taxpayers in added revenue and public sector savings, and
 - \$7.50 returns to society or our communities in added income and social savings.

All college presidents and data teams received their respective individual college reports along with the state reports in early 2022. Each report includes an executive summary, infographic, and main report. The System Office and other partners are sharing results at stakeholder events, including the State Board of Community College Strategic Planning meeting, the North Carolina Association of Community College Trustees Executive Committee meeting, and an upcoming presentation to the MyFutureNC Board.

Impacts Created by NC Community Colleges in FY 2019-20 Economic Impact Analysis

Impact as ...	Means	Added Annual Income
OPERATIONAL SPEND	As employers of state residents and large-scale buyers of goods and services	\$1.4 billion
CONSTRUCTION SPEND	As builders and and stewards of facilities to serve students and meet educational demands	\$93.2 million
STUDENT SPEND	As desired educational institutions and as consumers of goods, services, and housing.	\$588 million
ALUMNI ACTIVITY	As provider of skills and knowledge for students and employers driving increased earnings and productivity	\$17.1 billion
TOTAL		\$19.3 billion

Investment Analysis

Benefit-Cost Ratio to ...	Present Value Costs	Present Value Benefits	Returns
STUDENTS	2.4 billion	\$10.8 billion	Higher future earnings; avg. annual rate of return 22.3%; \$4.50 for every dollar invested
TAXPAYER	\$1.7 billion	\$3.3 billion	Tax revenues; avg. rate of return 5.3%; \$1.90 for every dollar invested
SOCIETY	\$4.7 billion	\$35.3 billion	Cumulative value generates \$7.50 in benefits for every dollar invested

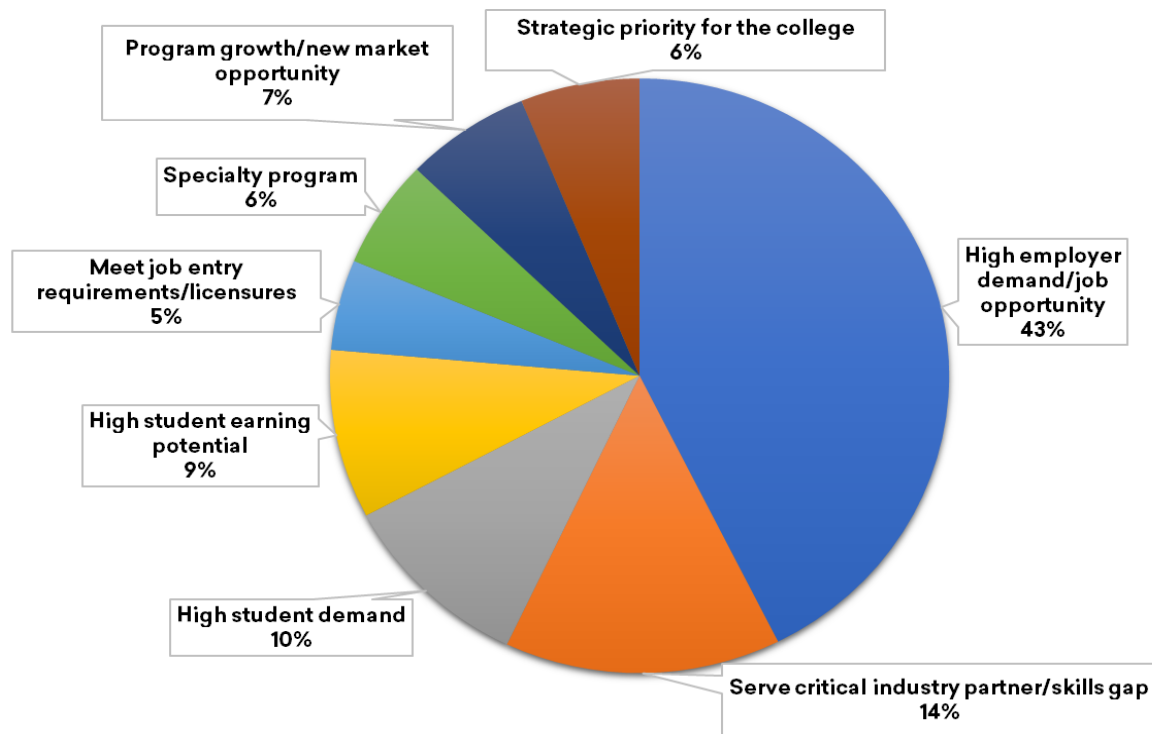
“... students receive a great return for their investments in a North Carolina Community College education. At the same time, taxpayers’ investment in North Carolina Community Colleges returns more to government budgets than it costs and creates a wide range of social benefits throughout North Carolina.”

- Emsi Burning Glass

For the statewide **Program-Specific Economic Impact Study Economic Impact Study**, Emsi reported on the impact of five program areas offered by North Carolina community colleges, the return on investment to the program area’s students, and the benefits generated for the state. Note that these program areas are defined as such for the purposes of this study. Not all of the colleges’ programs within these five program areas are included in this analysis.

Each of the colleges indicated its rationale for selecting five specific program areas in its Emsi analysis. While some colleges reported multiple reasons, the top reason at 43 percent was “High employer demand/job opportunity,” followed by “Serve critical industry partner/skills gap.” Utilizing localized up-to-date data will enable the highest value in programming and decision making based on local needs and strategic goals/objectives.

The next graph indicates the summary of the 58 colleges’ primary rationales by percentages for choosing specific programs.



The statewide summary below of the Emsi Program Specific Economic Impact Study details the five program areas and includes employers that have high demand by job postings.

1. Health Professions

Community colleges that selected this program enrolled 14,342 students, those who may become nurses, medical assistants, and employed in related occupations at employers such as Novant Health, UNC Health Care, Cross Country Healthcare, and LifePoint Health.

Health professions have a projected average job growth of 7 percent growth during the next 10 years for top relevant occupations in those colleges' region.

For every dollar a student invests in their education in the colleges' health professions program area, they will receive \$5.50 back over the course of their working lives.

2. Advanced Manufacturing and Engineering Technologies

Community colleges that selected this program enrolled 8,414 students, those who may work as mechatronics technicians and technologists, welders, and similar occupations in companies such as EMCOR Group, Siemens, MasTec, Cree and Mohawk Industries.

Occupations in this group have a projected average job growth of 6 percent during the next 10 years for top relevant occupations in those colleges' regions.

For every dollar a student invests in their education in the colleges' manufacturing and

engineering technologies program area, they will receive \$3.10 back over the course of their working lives.

3. Construction Trades

Community colleges that selected this program enrolled 2,854 students, those who may work as construction supervisors or supervisors of mechanics, installers or repairers, and in similar occupations for companies, including Jervis B. Webb Company, LiftOne, ADT Security Services, and Rivergate KW Residential.

Occupations in this group have a projected average job growth of 4.5 percent during the next 10 years for top relevant occupations in those colleges' regions.

For every dollar a student invests in their education in the colleges' construction trades program area, they will receive \$4.30 back over the course of their working lives.

4. Computer and Information Technology

Community colleges that selected this program enrolled 6,184 students, those who may work computer systems analysts, software developers, computer user support specialists, and similar occupations in companies, including Accenture, IBM, General Dynamics, and Franklin Energy.

Occupations in this group have a projected average job growth of 12.3 percent during the next 10 years for top relevant occupations in those colleges' regions.

For every dollar a student invests in their education in the colleges' computer and information technology program area, they will receive \$6.40 back over the course of their working lives.

5. Business

Community colleges that selected this program enrolled 8,725 students, those who may work as office and administrative support workers, project management specialists, business operations specialists, and similar occupations in companies, including Hendrick Automotive Group, iQor, and G4S Secure Solutions, and Windstream Communications.

Occupations in this group have a projected average job growth of 5.8 percent during the next 10 years for top relevant occupations in those colleges' regions.

For every dollar a student invests in their education in the colleges' business program area, they will receive \$6.50 back over the course of their working lives.

Full detail, along with source information, study parameters and methodologies, are available with this report or online through the North Carolina Community College System website and the project website - BigROIforNC.org.

Upcoming Grant Opportunity

Along with the investment in the studies themselves, and in accordance with SB105, Part VI., Section 6.1.(e), the state also provided \$2 million for the creation of a grant program to be administered by the State Board of Community Colleges for fiscal year 2022-2023.

According to the legislation, the grant is to “expand and target efforts in specific program areas that are proven to have greater economic impacts... The State Board shall prioritize award of the grant funds based on the findings of the studies required by this section and the potential for those programs to have the greatest impact on a geographical region or region of economic development.” The Request for Proposals was released on April 8, 2022. The System Office anticipates notifying colleges of their award status by July 1, 2022.

Communication

To support community colleges, the System Office, and other partners in sharing this information, a media toolkit has been developed and shared. This professional media tool kit includes a press release template, social media templates, and public relations consulting through the external public relations firm. In addition, college and System Office leaders participated in professional development programming from the Belk Center for Community College Leadership and Research. The webinars and training focused on ways to strategically use the studies and their findings. The Belk Center for Community College Leadership and Research also produced two videos designed for college leaders and their communications teams. (Find the [shortened version](#) and [full-length version](#) linked here.)

Project Evaluation and Playbook

As of April 15, 2022, important next steps for CFAR, Emsi, and the working group, will be to survey the colleges on the project and process in general, as well as various methods of data collection, communication tools, reporting, and assets. These evaluations will help build on the existing collaboration in the creation of an impact study playbook. The goal is to ensure that the processes for possible future studies are efficiently built upon the lessons learned from this project.

Detailed Data and Reference

The links and accompanying attachments to this document provide full reports and executive summaries. Full-length reports of the statewide studies (EIS and PSEIS) are publicly available on the [North Carolina Community College System website](#) and the newly created website branded for the Big ROI: The Economic Value and Impact of North Carolina’s 58 Community Colleges. Link: [BigROIforNC.org](#).