PITT Community College

FACT SHEET
DECEMBER 2021

The Economic Value of Pitt Community College

Pitt Community College (PCC) creates a significant positive impact on the business community and generates a return on investment to its 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) 2019-20.

PITT COUNTY, NC

ECONOMIC IMPACT ANALYSIS

In FY 2019-20, PCC added **$228.1 million** in income to the Pitt County economy, a value approximately equal to **2.8%** of the county's total gross regional product (GRP). Expressed in terms of jobs, PCC's impact supported **4,084 jobs**. For perspective, the activities of PCC and its students support **one out of every 25 jobs** in Pitt County.

OPERATIONS SPENDING IMPACT

- PCC employed 1,060 full-time and part-time faculty and staff. Payroll amounted to $44 million, much of which was spent in the county for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another $30.3 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **$57.8 million** in income to the county economy in FY 2019-20.

STUDENT SPENDING IMPACT

- Around 40% of credit students attending PCC originated from outside the county. Some of these students relocated to Pitt County. In addition, some in-county students, referred to as retained students, would have left Pitt County for other educational opportunities if not for PCC. 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 2019-20 added **$10.8 million** in income to the Pitt County economy.

IMPACTS CREATED BY PCC IN FY 2019-20

Operations spending impact
$57.8 million

+

Student spending impact
$10.8 million

+

Alumni impact
$159.5 million

TOTAL ECONOMIC IMPACT
$228.1 million

OR

Jobs supported
4,084

ALUMNI IMPACT

- Over the years, students have studied at PCC and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in Pitt County.
- The net impact of PCC's former students currently employed in the county workforce amounted to **$159.5 million** in added income in FY 2019-20.

INVESTMENT ANALYSIS

STUDENT PERSPECTIVE

- PCC's FY 2019-20 students paid a present value of **$13.4 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **$65 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value **$331 million** in increased earnings over their working lives. This translates to a return of **$4.20** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **20.1%**.

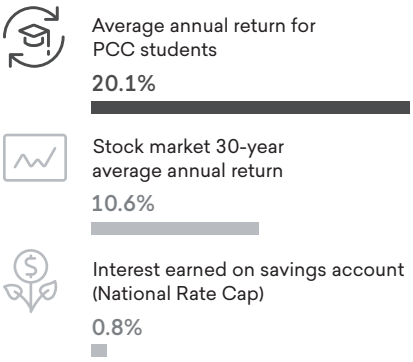
TAXPAYER PERSPECTIVE

- Taxpayers provided PCC with **$42.4 million** of funding in FY 2019-20. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **$92.8 million**. A reduced demand for government-funded services in North Carolina will add another **$7.6 million** in benefits to taxpayers.
- For every dollar of public money invested in PCC, taxpayers will receive **$2.40** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **7.1%**.

SOCIAL PERSPECTIVE

- In FY 2019-20, North Carolina invested **$148.3 million** to support PCC. In turn, the North Carolina economy will grow by **$1 billion**, over the course of students' working lives. Society will also benefit from **$22.3 million** of public and private sector savings.
- For every dollar invested in PCC in FY 2019-20, people in North Carolina will receive **$7.10** in return, for as long as PCC's FY 2019-20 students remain active in the state workforce.

STUDENTS SEE A HIGH RATE OF RETURN FOR THEIR INVESTMENT IN PCC



Source: Forbes' S&P 500, 1991-2020. FDIC.gov, 6-2021.

For every $1...

Students gain in lifetime earnings
$4.20

Taxpayers gain in added tax revenue and public sector savings
$2.40

Society gains in added income and social savings
$7.10