

College of the Redwoods releases economic impact report

May 5, 2021



In an effort to better understand College of the Redwood's fiscal impact on the community and to support their mission to improve the livelihoods of our service region, the college recently commissioned a study to measure the economic benefits they generate for students, taxpayers, and society as a whole. What they found is that, compared to other avenues for investment, both students and taxpayers receive a very high return on their investment from attending and supporting CR. The findings are from Fiscal Year 2018-19.

For starters, if students complete a degree at CR, they will receive \$127.7 million in increased earnings over their working lives. This translates to a return of \$5.20 in higher future earnings for every dollar students invest in their education. This is an average annual rate 21.9%. For comparison, the stock market's 30-year average annual rate is 9.9% and the interest earned on a savings account is 0.8%.

For every taxpayer dollar invested, California taxpayers will receive \$4.60 in return, for as long as those students remain active in the state workforce.

Over the years, students have studied at CR and entered or re-entered the workforce with newly acquired knowledge and skills. Today, thousands of these former students are employed in the region. The net impact of CR's former students currently employed in the regional workforce amounted to \$87.8 million.

CR employs 561 full-time and part-time faculty and staff, most of whom spend their income in the region for groceries, mortgage and rent payments, dining out and other household expenses. The college also supports the local economy with expenditures related to day-to-day activities in facilities, supplies and professional services areas. Together, the net impact of the college's operational spending added \$45.9 million in income to the regional economy.

Additionally, CR invests in construction each year to maintain its facilities, create additional capacities and meet its growing educational demands. This means they employ many local businesses, generating more short-term jobs in the regional economy. The net impact of CR's construction projects was \$3.9 million in added income for the service region.

"This economic impact report clearly shows the importance of CR in that we contribute extensively to tax revenues but also act as one of the largest employers in our service area while at the same time serve as a robust producer of a highly skilled independent workforce," President Keith Flamer said.

For a full report, visit <https://bit.ly/3u00bOv>