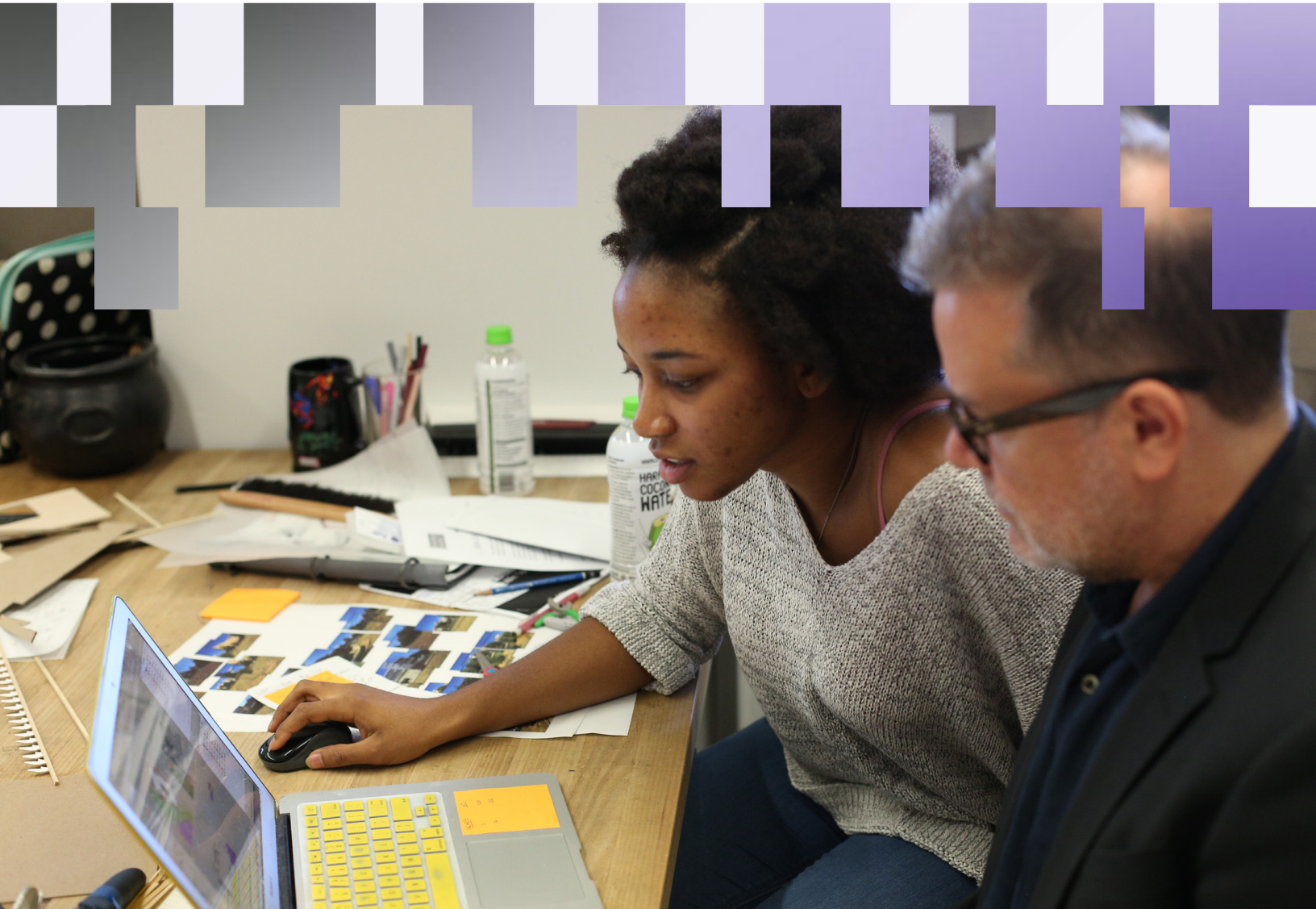




The City College
of New York

Executive Summary

JUNE 2024



The Economic Value of The City College of New York

THE CITY COLLEGE OF NEW YORK (CCNY) creates value in many ways. The college plays a key role in helping students increase their employability and achieve their individual potential. The college facilitates new research developments and draws visitors and students to the region, generating new dollars and opportunities for the CCNY Service Region.¹ CCNY provides students with the education, training, and skills they need to have fulfilling and prosperous careers. Furthermore, CCNY is a place for students to meet new people, increase their self-confidence, and promote their overall health and well-being.



CCNY is ranked among the top 2% schools globally, according to the 2024 Center for World University Rankings (CWUR). CWUR analyzed 20,966 degree-granting institutions worldwide. Among those, CCNY is ranked #412 globally, #112 in the United States and #127 regionally (USA and Canada). Harvard University, Massachusetts Institute of Technology and Stanford University, in that order, occupy the first three places on the rankings. In addition, CCNY is consistently ranked by The Princeton Review as one of the nation's best colleges for students seeking a great education with excellent career preparation, and at a relatively affordable price.

The college supports a variety of industries in the CCNY Service Region, serves regional businesses, and benefits society as a whole in New York from an expanded economy and improved quality of life. Additionally, the benefits created by CCNY extend to the state and local government through increased tax revenues and public sector savings.

This study measures the economic impacts created by CCNY on the business community and the benefits the college generates in return for the investments made by its key stakeholder groups—students, taxpayers, and society. The following two analyses are presented:

 **Economic impact analysis**

 **Investment analysis**

CCNY is ranked among the **top 2% schools globally**, according to the 2024 Center for World University Rankings.

All results reflect employee, student, and financial data, provided by the college, for fiscal year (FY) 2021-22. Impacts on the CCNY Service Region economy are reported under the economic impact analysis and are measured in terms of added income. The returns on investment to students, taxpayers, and society in New York are reported under the investment analysis.

¹ For the purposes of this analysis, the CCNY Service Region is comprised of Bronx, Kings, Nassau, New York, Putnam, Queens, Richmond, Rockland, Suffolk, and Westchester Counties.



CCNY promotes economic growth in the CCNY Service Region through its direct expenditures and the resulting expenditures of visitors, students, and regional businesses. The college serves as an employer and buyer of goods and services for its day-to-day, construction, and research operations. The college's reputation and activities attract visitors and students from outside the CCNY Service Region, whose expenditures benefit regional vendors. In addition, CCNY is a primary source of higher education to the CCNY Service Region residents and a supplier of trained workers to regional industries, enhancing overall productivity in the regional workforce.

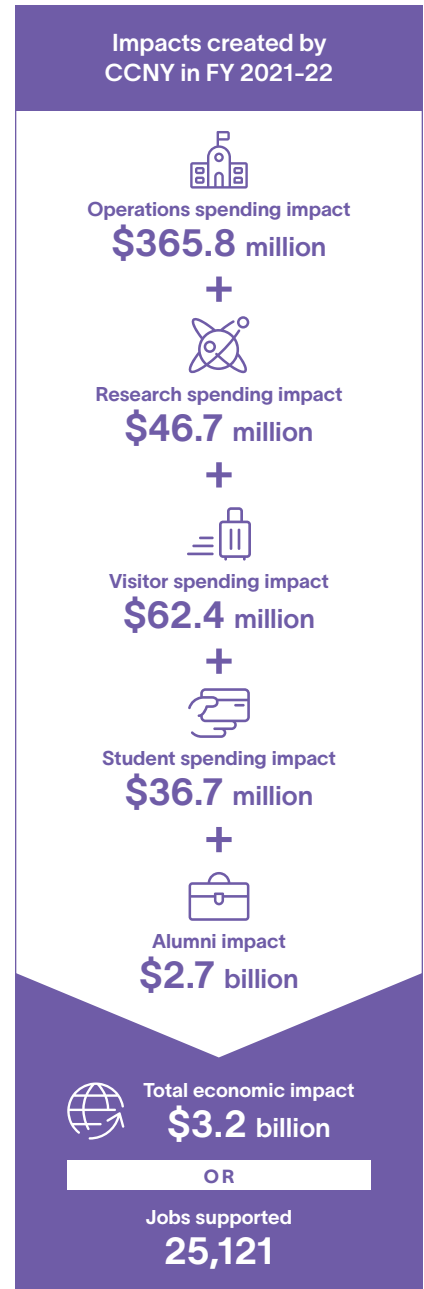
Operations spending impact



CCNY adds economic value to the CCNY Service Region as an employer of regional residents and a large-scale buyer of goods and services. In FY 2021-22, payroll at CCNY was \$257.2 million, much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. In addition, the college spent \$332.8 million on day-to-day and construction expenses related to facilities, supplies, and professional services.²

CCNY's day-to-day operations spending added \$365.8 million in income to the region during the analysis year. This figure represents the college's payroll, the multiplier effects generated by the in-region spending of the college and its employees, and a downward

² Research employees and their payroll as well as non-pay expenses for research are excluded from this impact as they are measured in the following impact.



adjustment to account for funding that the college received from regional sources. The \$365.8 million in added income is equivalent to supporting 3,069 jobs in the region.

Research spending impact



Research activities impact the economy by employing people and requiring the purchase of equipment and other supplies and services. In FY 2021-22, CCNY spent \$25.4 million on payroll to support research activities. This, along with \$18.7 million in other research spending,³ created a net total of \$46.7 million in added income for the regional economy. This added income is equivalent to supporting 406 jobs.

Visitor spending impact



Tens of thousands of visitors from outside the region were attracted to CCNY during the analysis year to attend commencement, sports events, and other activities sponsored by the college. While in the region, visitors spent money for lodging, food, transportation, and other personal expenses. The off-campus expenditures of the college's out-of-region visitors generated a net impact of \$62.4 million in added income for the regional economy in FY 2021-22. This \$62.4 million in added income is equivalent to supporting 564 jobs.

Student spending impact



Around 7% of students attending CCNY originated from outside the region in FY 2021-22, and nearly half of these students relocated to the CCNY Service Region to attend CCNY. These students may not have come to the region if the college did not exist. In addition, some in-region students, referred to as retained students, would have left the CCNY Service Region if not for the existence of CCNY. While attending the college, these relocated and retained students spent money on groceries, accommodation, transportation, and other household expenses. This spending generated \$36.7 million in added income for the regional economy in FY 2021-22, which supported 382 jobs in the CCNY Service Region.

Money Mag taps CCNY's Grove School a 2024 Best Grad School winner

Money Magazine's inaugural ranking of the best graduate school programs listed CCNY's Grove School of Engineering among the nation's finest. The only public school of engineering in the New York metropolitan area, Grove School excels in the "Best Engineering Master's Programs for Your Money 2024" category.



³ Excludes indirect costs because indirect costs are not necessarily spent during the analysis year.



Alumni impact



The education and training CCNY provides for regional residents has the greatest impact. Since the establishment of the college, students have studied at CCNY and entered the regional workforce with greater knowledge and new skills. Today, thousands of former CCNY students are employed in the CCNY Service Region. As a result of their education from CCNY, the students receive higher earnings and increase the productivity of the businesses that employ them. In FY 2021-22, CCNY alumni generated \$2.7 billion in added income for the regional economy, which is equivalent to supporting 20,699 jobs.

Total impact

CCNY added \$3.2 billion in income to the CCNY Service Region economy during the analysis year, equal to the sum of the operations and research spending impacts; the visitor and student spending impacts; and the alumni impact.

CCNY's total impact can also be expressed in terms of jobs supported. The \$3.2 billion impact supported 25,121 regional jobs, using the jobs-to-sales ratios specific to each industry in the region. In addition, the \$3.2 billion, or 25,121 supported jobs, stemmed from different industry sectors. For instance, among non-education industry sectors, the activities of CCNY and its alumni in the Health Care & Social Assistance industry sector supported 3,679 jobs in FY 2021-22. If the college did not exist, these impacts would not have been generated in the CCNY Service Region.

CCNY impacts by industry (jobs supported)



3,679

Health Care & Social Assistance



3,077

Professional & Technical Services



1,947

Construction



1,611

Arts, Entertainment, & Recreation



1,258

Other Services (except
Public Administration)

The **\$3.2 billion** impact supported **25,121 jobs** in the CCNY Service Region.



Investment analysis



An investment analysis evaluates the costs associated with a proposed venture against its expected benefits. The analysis presented here evaluates CCNY as an investment from the perspectives of students, taxpayers, and society in New York. As with the economic impact analysis, this analysis considers only FY 2021-22 activities.

Student perspective



In FY 2021-22, CCNY served 17,491 students. In order to attend the college, the students paid for tuition, fees, books, and supplies. They also took out loans and will incur interest on those loans. Additionally, students gave up money they would have otherwise earned had they been working instead of attending college. The total investment made by CCNY's students in FY 2021-22 amounted to a present value of \$208.9 million, equal to \$65.1 million in out-of-pocket expenses (including future principal and interest on student loans) and \$143.7 million in forgone time and money.

In return for their investment, CCNY's students will receive a stream of higher future earnings that will continue to grow throughout their working lives. For example, the average CCNY bachelor's degree graduate from FY 2021-22 will see annual earnings that are \$40,000 higher than a person with a high school diploma or equivalent working in New York. Over a working lifetime, the benefits of a bachelor's degree over a high school diploma will amount to an undiscounted value of \$1.7 million in higher earnings per graduate. The present value of the cumulative higher future earnings that CCNY's FY 2021-22 students will receive over their working careers is \$1.7 billion.

The students' benefit-cost ratio is 8.3. In other words, for every dollar students invest in CCNY in the form of out-of-pocket expenses and forgone time and money, they will receive a cumulative value of \$8.30 in higher future earnings. Annually, the students' investment in CCNY has an average annual internal rate of return of 23.2%, which is impressive compared to the U.S. stock market's 30-year average rate of return of 9.6%.

Students see a high rate of return for their investment in CCNY



Average annual return for CCNY students
23.2%



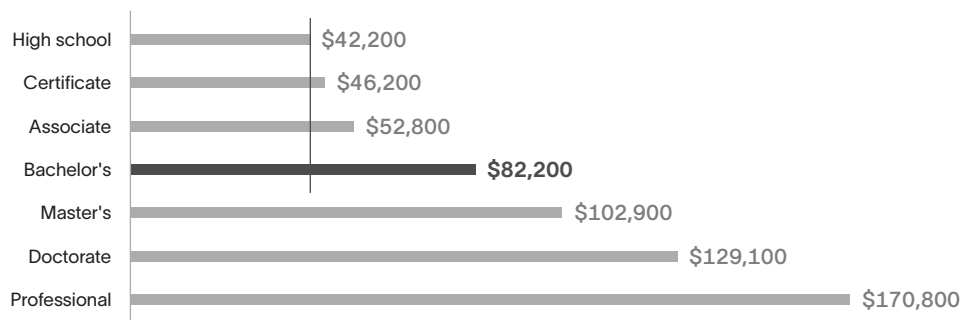
Stock market 30-year average annual return
9.6%



Interest earned on savings account (national deposit rate)
0.4%

Source: Forbes' S&P 500, 1992-2021. FDIC.gov, 2-2022.

The average bachelor's degree graduate from CCNY will see an increase in earnings of **\$40,000** each year compared to a person with a high school diploma or equivalent working in New York.



Source: Lightcast employment data.

CCNY, MIT top new university rankings based on relative economic value

CCNY, the founding campus of the City University of New York (CUNY) system, is the #1 national university for the economic value it returns to its students, according to a Degreechoices ranking. Massachusetts Institute of Technology placed second, and the University of Florida ranked third.

Taxpayer perspective



CCNY generates more in tax revenue than it receives. These benefits to taxpayers consist primarily of taxes that the state and local government will collect from the added revenue created in the state. As CCNY students will earn more, they will make higher tax payments throughout their working lives. Students' employers will also make higher tax payments as they increase their output and purchases of goods and services. By the end of the FY 2021-22 students' working lives, the state and local government will have collected a present value of \$626.2 million in added taxes.

Benefits to taxpayers will also consist of savings generated by the improved lifestyles of CCNY students and the corresponding reduced government services. Education is statistically correlated with a variety of lifestyle changes. The education that CCNY students receive will generate savings in three main categories: 1) health care, 2) justice system, and 3) income assistance. Improved health will lower students' demand for national health care services. In addition, costs related to the justice system will decrease. CCNY students will be more employable, so their reduced demand for income assistance such as welfare and unemployment benefits will benefit taxpayers. For a list of study references, contact the college for a copy of the main report. Altogether, the present value of the benefits associated with an education from CCNY will generate \$131.3 million in savings to state and local taxpayers.

Total taxpayer benefits amount to \$757.5 million, the present value sum of the added tax revenue and public sector savings. Taxpayer costs are \$448.5 million, equal to the amount of state and local government funding CCNY received in FY 2021-22. These benefits and costs yield a benefit-cost ratio of 1.7. This means that for every dollar of public money invested in CCNY in FY 2021-22, taxpayers will receive a cumulative present value of \$1.70 over the course of the students' working lives. The average annual internal rate of return for taxpayers is 3.0%, which compares favorably to other long-term investments in the public sector.

For every dollar of public money invested in CCNY, taxpayers will receive a cumulative value of **\$1.70** over the course of the students' working lives.

Social perspective



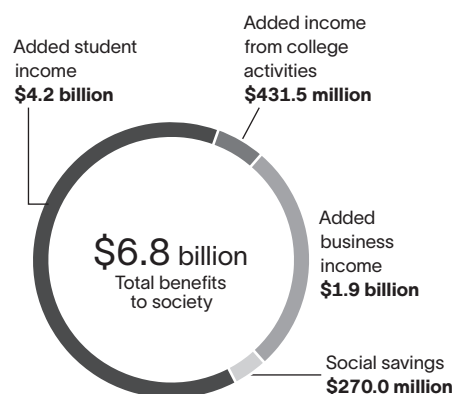
Society as a whole in New York benefits from the presence of CCNY in two major ways. Primarily, society benefits from an increased economic base in the state. This is attributed to the added income from students' increased lifetime earnings (added student income) and increased business output (added business income), which raise economic prosperity in New York.

Benefits to society also consist of the savings generated by the improved lifestyles of CCNY students. As discussed in the previous section, education is statistically correlated with a variety of lifestyle changes that generate social savings. Note that these costs are avoided by the consumers but are distinct from the costs avoided by the taxpayers outlined above. Health care savings include avoided medical costs associated with smoking, alcohol dependence, obesity, drug abuse, and depression. Justice system savings include avoided costs to the government and society due to less judicial activity. Income assistance savings include reduced welfare and unemployment claims. For a list of study references, contact the college for a copy of the main report.

Altogether, the social benefits of CCNY equal a present value of \$6.8 billion. These benefits include \$4.2 billion in added student income, \$1.9 billion in added business income, \$431.5 million in added income from college activities, as well as \$270.0 million in social savings related to health, the justice system, and income assistance in New York. People in New York invested a present value total of \$797.1 million in CCNY in FY 2021-22. The cost includes all the college and student costs.

The benefit-cost ratio for society is 8.5, equal to the \$6.8 billion in benefits divided by the \$797.1 million in costs. In other words, for every dollar invested in CCNY, people in New York will receive a cumulative value of \$8.50 in benefits. The benefits of this investment will occur for as long as CCNY's FY 2021-22 students remain employed in the state workforce.

Social benefits in New York from CCNY



Source: Lightcast impact model.

CCNY features in 2024 Princeton Review Guide to Green Colleges

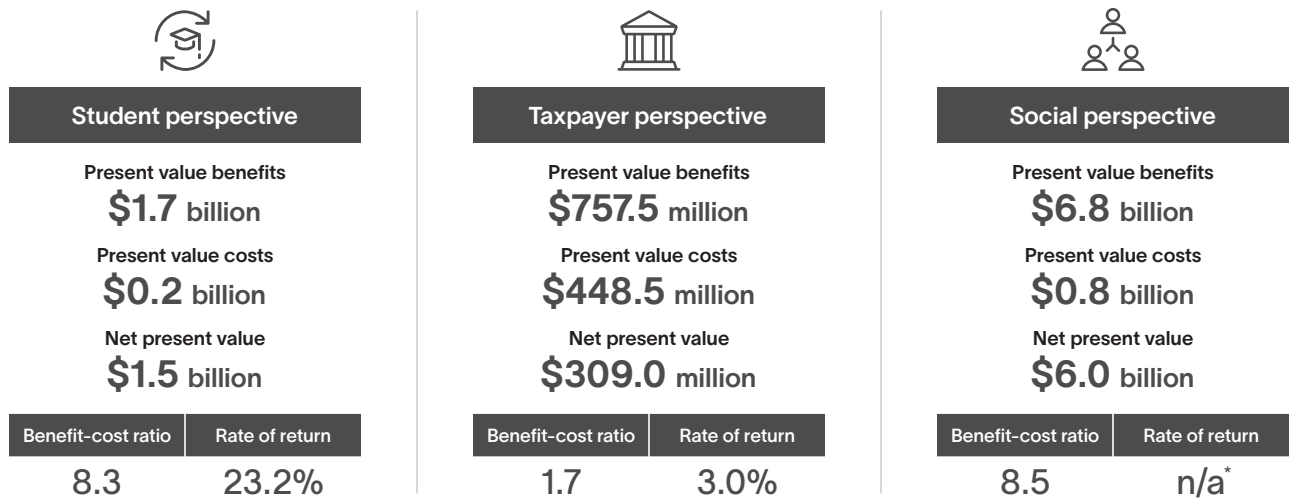
CCNY has been a feature on "The Princeton Review Guide to Green Colleges," recognizing the nation's most environmentally responsible colleges, for more than half a decade. It appears in the 2024 guide, along with 521 other schools selected for their exceptional programs, policies, and practices related to sustainability and the environment.

"With increasing concern about climate change, particularly among younger people who will be most affected by its long-term impact, we are seeing increasing interest among college applicants in attending green colleges," said Rob Franek, editor-in-chief of The Princeton Review.



Summary of investment analysis results

The results of the analysis demonstrate that CCNY is a strong investment for all three major stakeholder groups—students, taxpayers, and society. As shown, students receive a great return for their investments in an education from CCNY. At the same time, taxpayers’ investment in CCNY returns more to government budgets than it costs and creates a wide range of social benefits throughout New York.



* The rate of return is not reported for the social perspective because the beneficiaries are not necessarily the same as the original investors.



Conclusion



The results of this study demonstrate that CCNY creates value from multiple perspectives. The college benefits regional businesses by increasing consumer spending in the region and supplying a steady flow of qualified, trained workers to the workforce. CCNY enriches the lives of students by raising their lifetime earnings and helping them achieve their individual potential. The college benefits state and local taxpayers through increased tax receipts and a reduced demand for government-supported social services. Finally, CCNY benefits society as a whole in New York by creating a more prosperous economy and generating a variety of savings through the improved lifestyles of students.

About the study

Data and assumptions used in the study are based on several sources, including the FY 2021-22 academic and financial reports from CCNY, industry and employment data from the U.S. Bureau of Labor Statistics and U.S. Census Bureau, outputs of Lightcast's Multi-Regional Social Accounting Matrix model, and a variety of studies and surveys relating education to social behavior. The study applies a conservative methodology and follows standard practice using only the most recognized indicators of economic impact and investment effectiveness. For a full description of the data and approach used in the study, please contact the college for a copy of the main report.

The results of this study demonstrate that CCNY creates value from **multiple perspectives.**



Lightcast provides colleges and universities with labor market data that help create better outcomes for students, businesses, and communities. Our data, which cover more than 99% of the U.S. workforce, are compiled from a wide variety of government sources, job postings, and online profiles and résumés. Hundreds of institutions use Lightcast to align programs with regional needs, drive enrollment, connect students with in-demand careers, track their alumni's employment outcomes, and demonstrate their institution's economic impact on their region. Visit lightcast.io/solutions/education to learn more or connect with us.