



TCC INSTITUTIONAL RESEARCH BRIEF

TCC's ECONOMIC IMPACT

Citizens of South Hampton Roads recognize Tidewater Community College as a primary provider of post-secondary education and workforce development training. Its significant and expanding partnership with the military, as well as entities within the local business, industry, and government community have enhanced local economic development opportunities and assisted the region in creating a globally competitive workforce. However, the college has made other contributions, namely an economic impact upon the community. The TCC Economic Impact Study was conducted to quantify this impact and to illustrate the college as a community investment rather than a consumer of public funds.

The college consulted with the Hampton Roads Planning District Commission to apply the IMPLAN economic assessment modeling system. The IMPLAN model allows the user to develop local level input-output models capable of estimating the economic impact of a specific activity in the region. Expenditures are analyzed by category and utilize a database of regional economic statistics. As with any economic model, a number of assumptions were applied in the analysis in order to capture a realistic economic impact. For example, the bookstore and cafeteria operations are contracted services that would not exist without TCC and, therefore, are included in the analysis based on the number of employees.

In calculating the expenditures, it is important to note that the majority of expenditures are for personnel costs, as the college is one of the largest area regional employers with close to 2,000 full and part-time employees. As listed in Table 1 below, the college's total estimated economic impact on the local area is \$115 million. Also, as a result of college spending and employees and their related spending, a total of 2,483 jobs exist in the local area as a result of TCC's presence. In other words, for every ten college positions, four jobs are created in the community. The local return on investment (ROI) is calculated as the ratio of total economic impact to direct, on-going local contributions. For every direct dollar the cities contribute on an on-going basis, TCC generates over \$5,000 in economic activity. For the state as a whole, TCC generates \$132 million, or an ROI of 250% on the dollar.

- **Total Local Economic Impact = \$115 million**
Includes college, employee and student spending
- **Total State Economic Impact = \$ 132 million**
Includes spending throughout the state
- **Return on Local Investment \$1 = \$5,028**
For each dollar of direct local contribution, TCC generates over five thousand dollars
- **Return on State Contribution \$1 = \$2.58**
The return on each state dollar is 250%
- **Total # Jobs Generated in the local economy = 2,483**
In terms of full-time equivalent positions

Table 1: Economic Impact Summary Statements

In addition to the economic impacts found in the impact study, there are many economic contributions which are not as easily quantified. The college has played an integral role in launching the Workforce Development System initiative for South Hampton Roads and the Empowerment 2010 Initiative for the cities of Norfolk and Portsmouth. TCC's outreach to the community is exemplified in the TCC/ Huntersville Community Outreach Partnership Center, which will empower the community through education, job skills training, community revitalization, and mentoring to help residents reach their education and career goals. Another example of TCC's economic impact is its unique partnership with the Department of Social Services and area businesses in delivering job skills training to former welfare recipients. All of these initiatives are aimed at transforming the workforce of South Hampton Roads, ultimately impacting the region's economy. Finally, the customized training programs developed by the college to meet the specific needs of local business, industry, and government enhance the marketing efforts of the service area economic development offices and assist in the retention and expansion of existing businesses and industries in the area.

The majority of students enrolled at the community college tend to remain in the service area. According to the national average, a graduate with an associate degree can expect to earn \$250,000 more than an individual whose highest level of educational attainment is a high school diploma. This increment in earning power will result in additional income and sales taxes, which will have a value added impact of money fed back to the local and state coffers. In the long term, this impact will prove to be an extraordinary investment return on the state and local dollars contributed to Tidewater Community College.

In conclusion, while the local economic impact is estimated at \$115 million, the reality is that TCC impacts the community in far greater terms than any economic model can measure. The college is a valuable asset to the community and the synergy that is created makes TCC a strong partner in the economic growth and vitality of the region.