



# California Community Colleges

## SYSTEM WEBINAR SUMMARY:

### Economic Value of the CCC (August 2025)

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This [webinar](#) summarized new findings on the economic value of the California Community Colleges (CCC). Guest presenters included Jake Henne of Lightcast, Superintendent President Willy Duncan of Sierra College, and President Gilbert Contreras of San Bernardino Valley College.

#### What Is an Economic Impact Analysis?

- An economic impact analysis looks at the overall effect of an institution on the state's economy and compares the costs and benefits of the institution for various groups of stakeholders.
- The [analysis](#) conducted by Lightcast examined the combined effect of all community colleges in California on the state's economy, and the return on investment for three stakeholder groups – students, taxpayers, and society.
- As context for the analysis, the overall gross state product of California is \$3.4 trillion, and the state has about 25.7 million jobs.

#### What is the Economic Impact of the CCC?

- Operations spending of the colleges (e.g., payroll and other operational costs) led to \$7.3 billion in added state income (equivalent to supporting over 50,000 jobs). Construction spending led to \$1.1 billion in added state income (12,000 jobs).
- Spending by students who relocated to or were retained in California due to the colleges added \$8.0 billion in state income (94,000 jobs). Spending by alumni of the colleges represents the largest impact of the colleges, related to the additional earnings alumni receive as a result of the education as well as their increased skills and productivity. Alumni added \$156.6 billion in state income (1.5 million jobs).
- Overall, our system's [total impact on the state's economy](#) is the addition of \$173 billion in income, equivalent to 5% of all economic activity in California, supporting nearly 1.7 million jobs or about 1 in every 15 jobs in the state.
- The return on investment for each group of stakeholders is substantial.
  - Collectively, for every dollar a student invests in the CCC, they receive 13.1 dollars back related to higher future earnings throughout their career, a 30.8% rate of return. The state's investment in keeping student cost of education low contributes to this high rate of return for students.
  - Taxpayers receive 1.6 dollars back for every dollar invested in the CCC, a

3.1% rate of return. While substantially lower than the return for students, it is unusual to be able to show a direct benefit back to taxpayers for publicly funded programs.

- The return on investment for all state residents (whether a student, a taxpayer, or neither) is \$14 for every dollar spent on the colleges.

## How Does the CCC Create these Positive Effects?

- We offer career education and apprenticeship programs that directly align with labor market needs. Graduates of these programs see significant wage increases, earning 20% more, on average, within six years. Most students completing a workforce degree or certificate end up earning middle income wages and higher.
- We are the largest higher education system in the country, serving over 2.2 million students annually, amplifying our ability to shape the state's economic trajectory.
- Individual college efforts help to increase their economic impact:
  - Sierra College is focusing on growing career education offerings in strategic ways. As one example, precision manufacturing is a high-growth industry in its region, has been a focus of federal investments, and has a large multiplier effect (for every new job, 2.2 jobs are created to support that industry). The college partnered with local employers to create a [mechatronics program](#) to meet workforce needs, and partners with other industries in its regions and beyond to tailor its program offerings.
  - San Bernardino Valley College also keeps up with fast changes in the workforce to meet local needs. One example is its new [Applied Technology Building](#), which houses the college's new flight operations program, part of its [aeronautics](#) programming that supports regional and state needs for pilots, air traffic controllers, and aircraft maintenance workers.

## What is the Latest Information on the [State Budget](#)?

- The CCC did well overall in the context of the state's budget challenges, with no major cuts to programs, a cost-of-living adjustment to the Student Centered Funding Formula and select categoricals, and several one-time investments to support students.
- There is a \$408 million deferral from 2025-26 to 2026-27, so it is not without some longer-term risk, but there are no imminent reductions and we can focus on serving our students well and providing a dramatic return to the state's economy.
- The federal "One Big Beautiful Bill Act" contained some [adjustments](#) to relevant programs, most notably an expansion for short-term, workforce-related Pell Grants, which should benefit many of our students and programs. We are looking into how our system may help students demonstrate meeting the new work

requirements for CalFresh and MediCal included in the bill.