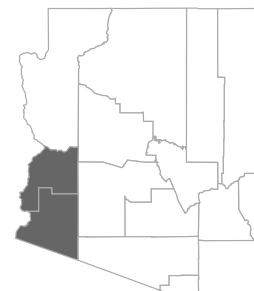


# The Economic Value of Arizona Western College



Arizona Western College (AWC) 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) 2023–24.



Yuma and La Paz  
Counties, Arizona



## Economic impact analysis

In FY 2023-24, AWC added **\$319.2 million** in income to the economy of Yuma and La Paz Counties, a value approximately equal to **3.2%** of the region's total gross regional product (GRP). Expressed in terms of jobs, AWC's impact supported **4,688 jobs**. For perspective, the activities of AWC and its students support **one out of every 23 jobs** in Yuma and La Paz Counties.

### Operations spending impact

- AWC employed 1,312 full-time and part-time faculty and staff.\* Payroll amounted to \$44.8 million, much of which was spent in the region on groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$39.3 million on its expenses related to facilities, supplies, and professional services (excluding construction).
- The net impact of the college's operations spending added **\$51.1 million** in income to the regional economy in FY 2023-24.

### Construction spending impact

- AWC invests in capital projects each year to maintain its facilities, create additional capacities, and meet its growing educational demands, generating a short-term infusion of spending and jobs in the regional economy.
- The net impact of AWC's construction spending in FY 2023-24 was **\$2.1 million** in added income for Yuma and La Paz Counties.

### Student spending impact

- Around 7% of students attending AWC originated from outside the region. Some of these students relocated to Yuma and La Paz Counties. In addition, some in-region students, referred to as retained students, would have left Yuma and La Paz Counties for other educational opportunities if not for AWC. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.
- The expenditures of relocated and retained students in FY 2023-24 added **\$9.3 million** in income to the economy of Yuma and La Paz Counties.

### Alumni impact

- Over the years, students have studied at AWC and entered or re-entered the workforce with newly acquired knowledge and skills. Today, thousands of these former students are employed in Yuma and La Paz Counties.
- The net impact of AWC's former students currently employed in the regional workforce amounted to **\$256.8 million** in added income in FY 2023-24.

Impacts created by  
AWC in FY 2023-24



Operations spending impact

**\$51.1 million**

+



Construction spending impact

**\$2.1 million**

+



Student spending impact

**\$9.3 million**

+



Alumni impact

**\$256.8 million**



Total economic impact

**\$319.2 million**

OR



Jobs supported

**4,688**

\* Includes all AWC employees paid in FY 2023-24. AWC's total employee count in Fall 2023 was 1,058.



## Student perspective

- AWC's FY 2023-24 students paid a present value of **\$17.9 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent a value of **\$30.3 million** in time and money had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of **\$232.6 million** in increased earnings over their working lives. This translates to a return of **\$4.80** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **16.2%**.

## Taxpayer perspective

- Taxpayers provided AWC with **\$62.9 million** of funding in FY 2023-24. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$59.4 million**. A reduced demand for government-funded services in Arizona will add another **\$11.0 million** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$70.4 million**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in AWC, taxpayers will receive **\$1.10** in return over the course of students' working lives. The average annual rate of return for taxpayers is **1.3%**.

## Social perspective

- In FY 2023-24, Arizona invested **\$133.7 million** to support AWC. In turn, the Arizona economy will grow by **\$876.3 million** over the course of students' working lives. Society will also benefit from **\$26.7 million** of public and private sector savings.
- For every dollar invested in AWC in FY 2023-24, people in Arizona will receive **\$6.80** in return, for as long as AWC's FY 2023-24 students remain active in the state workforce.

### Students see a high rate of return for their investment in AWC



Average annual return for AWC students

**16.2%**



Stock market 30-year average annual return

**10.1%**



Interest earned on savings account (national deposit rate)

**0.5%**

Source: Forbes' S&P 500, 1994-2023; FDIC.gov, March 2023

### For every \$1...



Students gain in lifetime earnings

**\$4.80**



Taxpayers gain in added tax revenue and public sector savings

**\$1.10**



Society gains in added income and social savings

**\$6.80**