



ATLANTA TECHNICAL COLLEGE

# The Economic Value of Atlanta Technical College

## FACT SHEET



### Economic impact analysis

In Fiscal Year (FY) 2019, Atlanta Technical College (ATC) added **\$201.5 million** in income to the ATC Service Area<sup>1</sup> economy, a value approximately equal to **0.1%** of the region's total gross regional product (GRP).<sup>2</sup> Expressed in terms of jobs, ATC's impact supported **3,015 jobs**.<sup>3</sup>

#### OPERATIONS SPENDING IMPACT

- ATC employed more than 570 full-time and part-time faculty and staff. Payroll amounted to \$19.8 million, much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$13.9 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$27.6 million** in income to the regional economy in FY 2019.

#### STUDENT SPENDING IMPACT

- If ATC did not exist, some students would have left the ATC Service Area. These students spent money on groceries, mortgage and rent payments, and other living expenses at ATC Service Area businesses.
- Assuming that 1,098 students (less than 7% of ATC's enrollment) stayed in the ATC Service Area because of ATC, their expenditures added **\$6.3 million** in income to the ATC Service Area economy in FY 2019.

#### ALUMNI IMPACT

- Over the years, students have studied at ATC and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in the ATC Service Area.
- The net impact of ATC's former students currently employed in the regional workforce amounted to **\$167.6 million** in added income in FY 2019.

<sup>1</sup> The ATC Service Area is comprised of Clayton and Fulton Counties.

<sup>2</sup> Gross regional product is the measure of the final value of all goods and services produced in a region after netting out the cost of goods used in production.

<sup>3</sup> This represents the number of jobs that would disappear without the presence of the college and its students.

IMPACTS CREATED  
BY ATC IN FY 2019



**\$27.6 million**  
Operations Spending Impact



**\$6.3 million**  
Student Spending Impact



**\$167.6 million**  
Alumni Impact



**\$201.5 million**  
TOTAL IMPACT

- OR -

**3,015**  
JOBS SUPPORTED





## Investment analysis

### STUDENT PERSPECTIVE

- ATC's FY 2019 students paid a present value of **\$7.7 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$33.5 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$310.3 million** in increased earnings over their working lives. This translates to a return of **\$7.50** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **43.3%**.<sup>4</sup>

### TAXPAYER PERSPECTIVE

- Taxpayers provided ATC with **\$13.5 million** of funding in FY 2019. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$103.5 million**. A reduced demand for government-funded services in Georgia will add another **\$1.9 million** in benefits to taxpayers.
- For every dollar of public money invested in ATC, taxpayers will receive **\$7.80** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **29.2%**.

### SOCIAL PERSPECTIVE

- In FY 2019, Georgia invested **\$71.9 million** to support ATC. In turn, the Georgia economy will grow by **\$1.2 billion**, over the course of students' working lives. Society will also benefit from **\$1.9 million** of public and private sector savings.
- For every dollar invested in ATC in FY 2019, people in Georgia will receive **\$16.50** in return, for as long as ATC's FY 2019 students remain active in the state workforce.

STUDENTS SEE A HIGH RATE OF RETURN FOR THEIR INVESTMENT IN ATC



**43.3%**

Average annual return for ATC students



**9.9%**

Stock market 30-year average annual return



**0.8%**

Interest earned on savings account (National Rate Cap)

Source: Forbes' S&P 500, 1989-2018. FDIC.gov, 6-2019.



**FOR EVERY \$1...**



**Students gain**

**\$7.50**

in lifetime earnings



**Taxpayers gain**

**\$7.80**

in added tax revenue and public sector savings



**Society gains**

**\$16.50**

in added income and social savings

<sup>4</sup> Internal rate of return is a measure of investment effectiveness that shows the highest interest rate at which the investment would make neither a profit nor loss, representing the breakeven rate of return.

