

The Economic Value of Piedmont Technical College

Piedmont Technical College (PTC) 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) 2022-23.

Economic impact analysis

In FY 2022-23, PTC added **\$240.8 million** in income to the PTC Service Area* economy, a value approximately equal to **2.7%** of the region's total gross regional product (GRP). Expressed in terms of jobs, PTC's impact supported **3,935 jobs**. For perspective, the activities of PTC and its students support **one out of every 30 jobs** in the PTC Service Area.

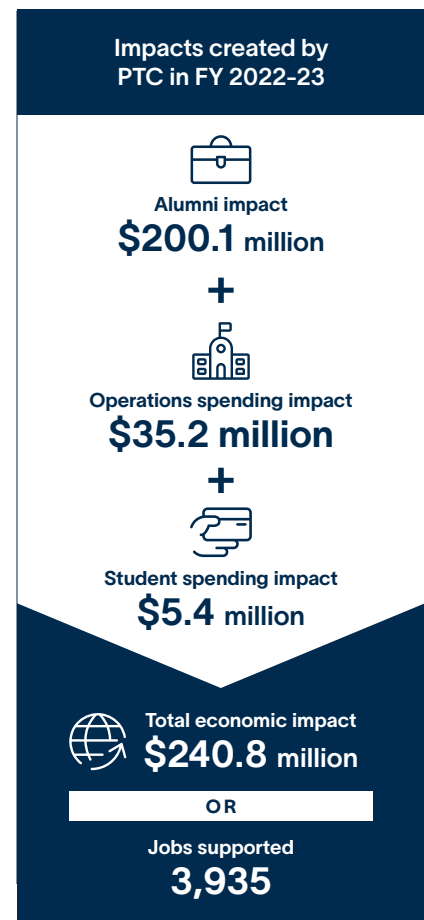
Alumni impact

- Over the years, students have studied at PTC and entered or re-entered the workforce with newly acquired knowledge and skills. Today, thousands of these former students are employed in the PTC Service Area.
- The net impact of PTC's former students currently employed in the regional workforce amounted to **\$200.1 million** in added income in FY 2022-23.

Operations spending impact

- PTC employed 507 full-time and part-time faculty and staff. Payroll amounted to \$28.4 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 \$23.8 million on its day-to-day and construction expenses related to facilities, supplies, and professional services.

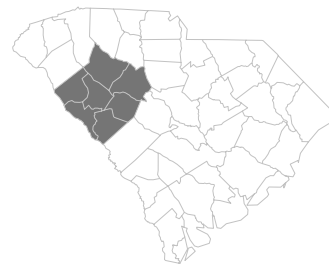
* For the purposes of this analysis, the PTC Service Area is comprised of Abbeville, Edgefield, Greenwood, Laurens, McCormick, Newberry, and Saluda Counties.



- The net impact of the college's operations spending added **\$35.2 million** in income to the regional economy in FY 2022-23.

Student spending impact

- Some in-region students, referred to as retained students, would have left the PTC Service Area for other educational opportunities if not for PTC. These retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.
- The expenditures of retained students in FY 2022-23 added **\$5.4 million** in income to the PTC Service Area economy.



PTC Service Area

Investment analysis

Student perspective

- PTC's FY 2022-23 students paid a present value of **\$14.6 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent a value of **\$11.8 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 **\$148.9 million** in increased earnings over their working lives. This translates to a return of **\$5.60** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **26.6%**.

Taxpayer perspective

- Taxpayers provided PTC with **\$26.2 million** of funding in FY 2022-23. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$41.8 million**. A reduced demand for government-funded services in South Carolina will add another **\$3.1 million** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$44.9 million**, the present value sum of the added tax revenue and public sector savings. The average annual rate of return for taxpayers is **4.1%**.

Social perspective

- In FY 2022-23, South Carolina invested **\$74.3 million** to support PTC. In turn, the South Carolina economy will grow by **\$469.4 million**, over the course of students' working lives. Society will also benefit from **\$10.9 million** of public and private sector savings.

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



Average annual return for PTC students

26.6%



Stock market 30-year average annual return

10.1%



Interest earned on savings account (national deposit rate)

0.5%

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

Cumulative Benefits



Students gain in lifetime earnings

\$148.9 million



Taxpayers gain in added tax revenue and public sector savings

\$44.9 million



Society gains in added income and social savings

\$480.3

