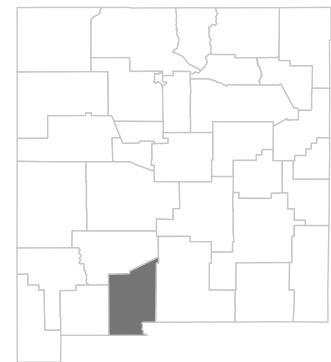


The Economic Value of New Mexico State University-Doña Ana Community College



New Mexico State University-Doña Ana Community College (DACC) 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) 2020-21.



DACC SERVICE REGION

Economic impact analysis

In FY 2020-21, DACC added **\$324.1 million** in income to the DACC Service Region¹ economy, a value approximately equal to **4.0%** of the region's total gross regional product (GRP). Expressed in terms of jobs, DACC's impact supported **5,288 jobs**. For perspective, the activities of DACC and its students support **one out of every 19 jobs** in the DACC Service Region.

Operations spending impact

- DACC employed 606 full-time and part-time faculty and staff. Payroll amounted to \$29.8 million, much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. The institution

¹ For the purposes of this analysis, the DACC Service Region is comprised of Doña Ana County.

spent another \$25.2 million on day-to-day expenses related to facilities, supplies, and professional services.

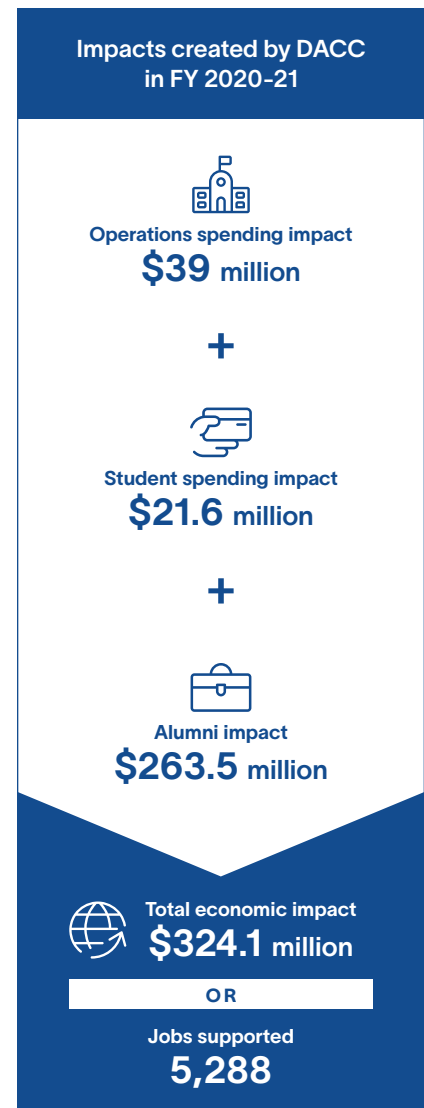
- The net impact of the institution's operations spending added **\$39 million** in income to the regional economy in FY 2020-21.

Student spending impact

- Around 42% of credit students attending DACC originated from outside the region. Some of these students relocated to the DACC Service Region. In addition, some in-region students, referred to as retained students, would have left the DACC Service Region for other educational opportunities if not for DACC. 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 2020-21 added **\$21.6 million** in income to the DACC Service Region economy.

Alumni impact

- Over the years, students have studied at DACC and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in the DACC Service Region.
- The net impact of DACC's former students currently employed in the regional workforce amounted to **\$263.5 million** in added income in FY 2020-21.



Investment analysis

Student perspective

- DACC's FY 2020-21 students paid a present value of **\$8.3 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$6.1 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value **\$183.5 million** in increased earnings over their working lives. This translates to a return of **\$12.80** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **39.5%**.

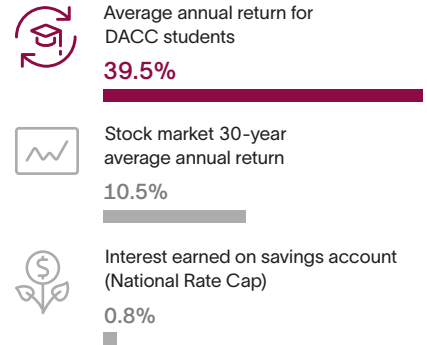
Taxpayer perspective

- Taxpayers provided DACC with **\$42.2 million** of funding in FY 2020-21. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$50.7 million**. A reduced demand for government-funded services in New Mexico will add another **\$8.6 million** in benefits to taxpayers.
- For every dollar of public money invested in DACC, taxpayers will receive **\$1.40** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **1.6%**.

Social perspective

- In FY 2020-21, New Mexico invested **\$64.8 million** to support DACC. In turn, the New Mexico economy will grow by **\$524 million**, over the course of students' working lives. Society will also benefit from **\$16.2 million** of public and private sector savings.
- For every dollar invested in DACC in FY 2020-21, people in New Mexico will receive **\$8.30** in return, for as long as DACC's FY 2020-21 students remain active in the state workforce.

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



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

For every \$1...

- Students** gain in lifetime earnings **\$12.80**
- Taxpayers** gain in added tax revenue and public sector savings **\$1.40**
- Society** gains in added income and social savings **\$8.30**

