

Executive Summary

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The Economic Value of Seattle Colleges



SEATTLE COLLEGES serves as a vital economic engine for King County and Washington State, generating powerful and measurable value. In fiscal year (FY) 2022-23, the district contributed \$2.1 billion in added income to the King County economy, equivalent to approximately 0.5% of the county's GRP, and supported over 17,000 jobs in the county. This seemingly modest percentage reflects a significant impact within King County's vast economy, emphasizing Seattle Colleges' enduring contribution through the development of a skilled and adaptable workforce.

This report presents the results of a two-pronged analysis:

-  **1. Economic Impact Analysis** – Measures the economic activity generated by Seattle Colleges through operations, construction, student spending, and alumni contributions.
-  **2. Investment Analysis** – Quantifies the return on investment for students, taxpayers, and society.

KEY FINDINGS:

- **Operational and Construction Spending:** Seattle Colleges directly employed more than 2,300 people and spent \$223.1 million on salaries and operational needs. These expenditures added **\$197.9 million** to the local economy, with an additional **\$5.0 million** from construction activity.
- **Current and Long-Term Economic Engine:** In FY 2022-23, Seattle Colleges fueled the King County economy with **\$64.6 million** in added income from current student spending, while its alumni, now active professionals, contributed **\$1.8 billion**, demonstrating the enduring economic impact of a Seattle Colleges education.
- **Student Return (ROI):** Students who invested in their education with Seattle Colleges will see a present value of **\$1.1 billion** cumulative higher future earnings, representing a **19.7% annual rate of return**.
- **Taxpayer Return (ROI):** With a return of **\$1.80 per dollar invested**, taxpayers benefit from increased tax revenues and decreased reliance on public services.
- **Public Return (ROI):** For every \$1 invested in Seattle Colleges, **people in Washington State** will receive a cumulative value of **\$10.90** in benefits, reinforcing the role of the college system as a cornerstone of shared prosperity.



King County,
Washington

Seattle Colleges is a vital economic engine and delivers powerful returns for all.

ECONOMIC IMPACT ANALYSIS



Seattle Colleges plays a vital role in King County's economy, generating growth through its critical function as a primary educator and supplier of a highly trained workforce to local industries, thereby bolstering overall productivity as well as its operational and construction spending and the expenditures of its diverse student body.

Alumni Impact

 Seattle Colleges plays a crucial role in enhancing the productivity of King County's workforce. By providing residents with valuable education and training, the District equips them with the knowledge and skills necessary to succeed in the local economy. Hundreds of thousands of Seattle Colleges alumni now contribute to King County businesses, where their education drives higher earnings and increased output. In FY 2022-23, the economic impact of alumni contributions resulted in **\$1.8 billion** in added income for the county, supporting the equivalent of **13,899 jobs**.*

Student Spending Impact

 In FY 2022-23, approximately 18% of Seattle Colleges' students are from outside King County. Nearly 3,000 students relocated to the county to attend the colleges, contributing to the local economy. While there were 14,520 students attending SCD who originated from King County (excluding personal enrichment students and dual credit high school students), not all of them would have remained in the county if not for the existence of SCD. Lightcast applies a conservative assumption that 10% of these students would have left King County for other education or work opportunities if the colleges did not exist, therefore retaining 1,452 local students. These relocated and retained students spend money on essential living expenses such as housing, food, and transportation. This spending generated **\$64.6 million** in added income for the King County economy in FY 2022-23, supporting **730 jobs**.

Impacts created by Seattle Colleges in FY 2022-23



Operations Spending Impact

 Seattle Colleges contributes to King County's economy as an employer and a large-scale buyer of goods and services. In FY 2022-23, the District employed

* Another way to state the impact is in terms of jobs, a measure of the number of full- and part-time jobs that would be required to support the change in income. Throughout this report, "equivalent jobs" or "jobs supported" refers to the number of positions that the economic activity generated by Seattle Colleges can sustain within the county's broader economy. It does not refer to direct hires by Seattle Colleges itself or the number of students, staff, or alumni working.

2,362 full-time and part-time faculty and staff, with 82% residing in King County. This generated \$145.8 million in payroll, which, when spent on local necessities like housing, food, and services, fuels further economic activity. Additionally, the District's \$77.3 million expenditure on facilities, supplies, and professional services (excluding construction) contributed to the county's economy.

In total, Seattle Colleges' operational spending added **\$197.9 million** in income to King County during the analysis year. This reflects the District's payroll, the multiplier effect of local spending by the District and its employees, and an adjustment for county-sourced funding. Critically, this spending supports the equivalent of **2,608 jobs**** in the county that would otherwise not exist, demonstrating the college system's vital role in sustaining local employment.

Construction Spending Impact

 Seattle Colleges makes ongoing capital investments to maintain and expand its facilities, ensuring capacity for growing educational demands. While the amount varies from year to year, these projects provide a short-term boost to the county economy. In FY 2022-23, the District's construction spending generated **\$5.0 million** in added income, supporting the equivalent of **41 jobs**.

Total Impact

Seattle Colleges generated a total of **\$2.1 billion** in added income for the King County economy in FY 2022-23, encompassing the impacts of its alumni and student, operations, and construction spending. While this \$2.1 billion represents approximately 0.5% of King County's substantial gross regional product (GRP), a figure that must be understood in the context of the county's vast and diverse economy, which includes

Top five industries impacted by Seattle Colleges (jobs supported)



The total impact of **\$2.1 billion** is equivalent to supporting **17,278 jobs**.



Jonathan's Promise-Fueled Path

Jonathan graduated high school amidst the chaos and uncertainty of 2020 — the height of the COVID-19 pandemic and the pivot to online learning. He credits Seattle Promise with providing him with structure and space to explore his academic interests without taking on debt.

"Seattle Promise gave me the freedom to actually explore what I wanted, what I like, and what I'm interested in," which ultimately led him down the path to Biology at North Seattle College and later, the University of Washington.

Looking back on his undergraduate education, Jonathan expresses gratitude for the role that Seattle Promise played in helping him find his path. "If it weren't for Promise, I probably wouldn't have found my interest in research."

** Another way to state the impact is in terms of jobs, a measure of the number of full- and part-time jobs that would be required to support the change in income.

global tech and aerospace giants; this contribution demonstrates the breadth of the District's influence. To provide context, this contribution is comparable in size to nearly the entire Utilities industry in the county.

This **\$2.1 billion impact** also translates to significant job support. Seattle Colleges' activities sustained the equivalent of **17,278 jobs** in King County, calculated using industry-specific jobs-to-sales ratios specific to each industry in the county. These supported jobs span various sectors, for example, among non-education industry sectors, the spending of SCD and its students and the activities of its alumni in the Health Care & Social Assistance industry sector supported 2,150 jobs in FY 2022-23. Without Seattle Colleges, this economic activity and the jobs it supports would not exist in King County.



INVESTMENT ANALYSIS



This analysis assesses the value of investing in Seattle Colleges by comparing the costs with the resulting benefits for students, taxpayers, and people in Washington State. The evaluation considers activities within FY 2022-23.

Student Perspective



For many, attending Seattle Colleges is a significant investment in their future.

In FY 2022-23, Seattle Colleges served 13,403 degree-seeking and an additional 18,456 students pursuing non-degree programs. This investment is not just about tuition and fees; it also includes other costs and the valuable time students dedicate to their education.

THE INVESTMENT:

Students make an investment in their education through several avenues:

- **Out-of-Pocket Expenses:** This includes tuition, fees, books, and supplies. It also factors in future principal and interest on any student loans taken to cover these costs. For FY 2022-23, these out-of-pocket expenses for Seattle Colleges' students amounted to **\$46.0 million**. It's important to note that this figure primarily focuses on direct educational costs and future student loan costs. It does not typically include broader living expenses like room and board. Financial aid, such as grants and scholarships, help to reduce a student's out-of-pocket expenses, making education more accessible.
- **Forgone Time and Money:** While attending college, students may reduce their work hours or postpone entering the workforce, meaning they give up money they could have earned. This opportunity cost is a significant part of the investment. In FY 2022-23, the value of this forgone time and money for Seattle Colleges' students was estimated at **\$169.4 million**.

In total, the investment made by Seattle Colleges students in FY 2022-23 reached a present value of **\$215.4 million**.

THE POWERFUL RETURNS:

In return for their investment, Seattle Colleges' students gain valuable skills and knowledge that translate into higher future earnings throughout their working lives.

For instance, an average associate degree graduate from Seattle Colleges in FY 2022-23 can expect to see annual earnings that are **\$10,800** higher than to a person with only a high school diploma or equivalent working in Washington. Over a typical working lifetime, the cumulative benefit of an associate degree from Seattle Colleges, compared to a high school diploma, amounts to an impressive undiscounted value of **\$410,400** in higher earnings per graduate.

The total present value of these cumulative higher future earnings for all Seattle Colleges' students from FY 2022-23, will receive over their entire working careers, is **\$1.1 billion**. This significant figure highlights the long-term financial advantage of a Seattle Colleges education.

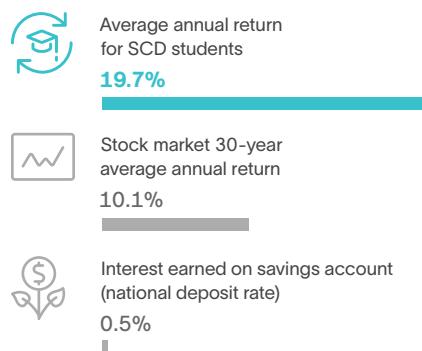
STRONG RETURN ON INVESTMENT (ROI):

Students see a strong return on their investment in their education at the Seattle Colleges, as demonstrated by the following:

- **Benefit-Cost Ratio:** For every dollar students invest in Seattle Colleges (considering both out-of-pocket expenses and forgone time/money), they can expect to receive a cumulative value of **\$5.10** in higher future earnings. The figures for increased earnings are based on the average associate degree graduate from Seattle Colleges compared to individuals with a high school diploma in Washington. While individual earnings will vary, these averages illustrate the significant financial advantage higher education provides.
- **Annual Rate of Return:** The average annual internal rate of return for students' investment in Seattle Colleges is **19.7%**. To put this into perspective, by investing \$1,000 in an education at Seattle Colleges, this investment will see an average annual rate of return of 19.7% over the course of students' working lives. This is an impressive return, especially when compared to the U.S. stock market's 30-year average rate of return of 10.1%.

The compelling financial returns of an education from Seattle Colleges empower students with the skills and credentials necessary to achieve substantial financial gains and career advancement. The significant return on their investment underscores Seattle Colleges' crucial role in fostering individual prosperity and contributing to a highly skilled regional workforce.

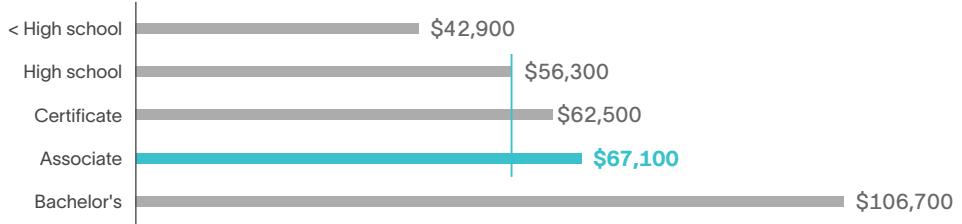
High rate of return for Seattle Colleges' students



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

Average earnings by education level at career midpoint

The average Associate degree graduate from Seattle Colleges will see an increase in earnings of **\$10,800** each year compared to a person with a high school diploma or equivalent working in Washington.



Source: Lightcast employment data

Washington Median Annual Earnings by Education Level

Taxpayer Perspective



For every dollar of public money invested in Seattle Colleges, **taxpayers will receive a cumulative present value of \$1.80** over the course of students' working lives. This means Seattle Colleges generates more in tax revenue than it receives in public funding.

These benefits to taxpayers primarily come from the increased tax revenues created by the state, that will be collected by the state and local governments. As Seattle Colleges' students earn more throughout their careers, they'll make higher tax payments. Their employers will also contribute more in taxes as their businesses grow, further increasing their output and purchases of goods and services due to a more skilled workforce. By the end of the FY 2022-23 students' working lives, the state and local governments are projected to collect a present value of \$277.4 million in additional taxes.



Wings of Opportunity: New Alaska Airlines Mentorship Program Takes Off at South Seattle College

Tackling critical aerospace workforce demands and equity barriers, South Seattle College launched an innovative mentorship program with Alaska Airlines, supported by the Seattle Colleges Foundation and championed by dedicated Alaska employee alumni. This strategic partnership pairs aspiring Aviation Maintenance Technicians with experienced industry professionals and peers. Through thoughtful matching, immersive activities like hangar tours and job shadowing, the program moves beyond technical training to build the essential soft skills, professional networks, and career confidence vital for student success.

A primary focus is enhancing equity and access within the aviation sector. The program intentionally supports students who lack prior industry connections or come from backgrounds historically underrepresented in the field, such as women and first-generation scholars. By providing direct access to role models and fostering a supportive community, the initiative empowers diverse learners to overcome potential intimidation and truly "envision themselves" thriving in demanding aerospace careers, as program lead Willow Schooler highlights.

This impactful collaboration demonstrates deep commitment from both partners, most notably Alaska Airlines investing paid time for its employees to serve as mentors – a significant contribution to student development. Following a successful kickoff event praised by attendees, the program aims to cultivate lasting professional relationships and represents a powerful, replicable model for how education and industry can unite to prepare and launch the next generation of skilled talent into high-demand careers.

Beyond tax revenue, taxpayers also benefit from **reduced demands on certain public services**. Education can contribute to a range of positive community outcomes that may lead to public sector savings. For instance, individuals with higher levels of education are often associated with potentially lower healthcare costs, reduced justice system expenditures, and decreased need for income assistance as a result of enhanced employability and economic self-sufficiency. Collectively, these benefits are estimated to generate **\$40.0 million in savings for state and local taxpayers**.

When combining the added tax revenue and these public sector savings, the total taxpayer benefits amount to **\$317.4 million**.

Compared to the **\$180.6 million** in state and local government funding Seattle Colleges received in FY 2022-23, this results in a **benefit-cost ratio of 1.8**. This means that for every dollar of public money invested in Seattle Colleges, taxpayers will see a return of **\$1.80** over the course of the students' working lives. The average annual internal rate of return for taxpayers is **4.3%**, which compares favorably to other long-term investments in the public sector.

For every \$1 of public money invested in Seattle Colleges, taxpayers will receive a cumulative present value of **\$1.80** over the course of the students' working lives. This means Seattle Colleges generates significantly more in tax revenue and public savings than it receives in funding.

Social Perspective

 Society as a whole in Washington State experiences significant benefits from Seattle Colleges, reaching beyond the direct gains to students and taxpayers. These broader societal benefits, fueled by **student and state investment**, contribute directly to the overall well-being and **economic growth** of communities.

Seattle Colleges primarily strengthens society by **expanding the state's economic base**. This growth comes from several key areas:

- **Increased earning power of graduates:** Seattle Colleges' alumni earn higher incomes throughout their careers, which directly boosts consumer spending and overall prosperity across the state. This represents a significant return on the state's investment in education.
- **Enhanced business productivity:** A more skilled and educated workforce, provided by Seattle Colleges, helps Washington businesses grow, innovate, and increase their output, further strengthening the economy and contributing to statewide economic growth.
- **Economic activity from college operations:** The added income from the colleges' activities also generate substantial economic activity that benefits businesses and communities statewide.

Beyond these economic gains, society also benefits from **reduced demands on certain public services and improved community well-being**. While the previous section focused on direct financial savings to taxpayers, these broader societal benefits reflect positive impacts on individuals and communities. Access to education

can empower individuals, fostering positive life outcomes that, in turn, can lessen the need for some social support systems. This includes contributions to better health outcomes, enhanced community safety, and increased economic stability for families.

THE FULL SCOPE OF IMPACT FROM INVESTMENTS:

For the FY 2022-23 cohort of students, the overall positive impact on society in Washington, stemming from this vital **student and state investment**, is estimated to be **\$4.5 billion**. This figure represents the total long-term value these students and the colleges' activities will bring to Washington State's economy and communities.

This \$4.5 billion impact includes:

- **\$2.8 billion** from students' increased lifetime earnings.
- **\$1.3 billion** from increased business output.
- **\$264.0 million** from the college's activities.
- **\$63.6 million** in social savings related to health, the justice system, and income assistance across Washington.

To generate these significant benefits, the total investment made by people in Washington to Seattle Colleges in FY 2022-23 was a present value total of **\$412.2 million**.

The costs include all the district and student costs.

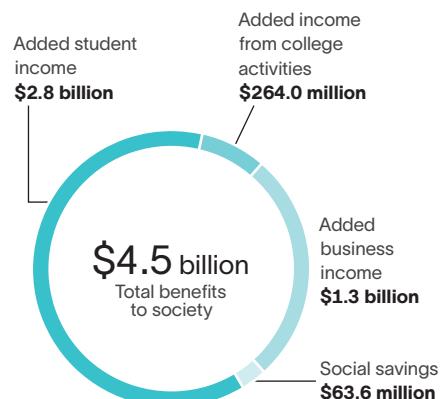
AN EXCEPTIONAL RETURN ON INVESTMENTS:

The benefit-cost ratio for society is an impressive **10.9**. This means that **for every dollar invested in Seattle Colleges, people in Washington will receive a cumulative value of \$10.90 in benefits**. These robust benefits are realized over the entire working lives of the FY 2022-23 students as they contribute to the state's workforce and communities. This exceptional return underscores the role of Seattle Colleges as a cornerstone of shared prosperity and **economic growth** for all Washingtonians, demonstrating the profound impact of **state investment** in education.

Investment Analysis Summary

Seattle Colleges stands as a remarkably strong investment for the community. The District delivers **exceptional returns for students**, empowering them with higher lifetime earnings. For **taxpayers, the colleges are a net positive**, generating more in public funds than they receive. Critically, Seattle Colleges are a **catalyst for widespread economic growth and social benefits** across Washington, proving its vital role in shared prosperity.

Social benefits in Washington from Seattle Colleges



Source: Lightcast impact model

Investment Analysis Summary

 Student perspective	 Taxpayer perspective	 Social perspective
Present value [^] benefits \$1.1 billion	Present value benefits \$317.4 million	Present value benefits \$4.5 billion
Present value costs \$215.4 million	Present value costs \$180.6 million	Present value costs \$412.2 million
Net present value \$882.3 million	Net present value \$136.8 million	Net present value \$4.1 billion
Benefit-cost ratio 5.1	Benefit-cost ratio 1.8	Benefit-cost ratio 10.9
Rate of return 19.7%	Rate of return 4.3%	Rate of return n/a*

[^] Present values are calculated future benefits in today's dollars.

* The rate of return is not reported for the social perspective because the beneficiaries are not necessarily the same as the original investors.



Seattle Colleges at the WASADA Bright Future Career Fair

Seattle Colleges proudly showcased our commitment to workforce development and education by participating in the Washington State Auto Dealers Association (WASADA) Bright Future Career Fair, held at the Seattle International Auto Show on November 15. This exciting event brought together industry leaders, educators, and aspiring students to explore career pathways in automotive, aviation, and diesel technologies.

Representing Seattle Colleges, Dean Ferdinand Orbino, Dean of Instruction at South Seattle College, and Dr. Dalia Sherif, Senior Executive Director of Workforce Development, enthusiastically engaged with over 600 students throughout the day. Together, they highlighted the innovative programs offered at South Seattle College and across the district, inspiring the next generation of skilled professionals to consider careers in these dynamic and high-demand fields.

Through hands-on materials, passionate conversations, and a focus on future-forward industries, our team made a strong impression on students and demonstrated Seattle Colleges' pivotal role in shaping the workforce of tomorrow.

Conclusion

Seattle Colleges: A powerful economic engine equipping students for higher earnings and delivering exceptional returns for the entire community.

The evidence is clear: Seattle Colleges is a **powerful economic engine** and a **strategic investment** that delivers exceptional value across King County and Washington State. This study demonstrates how the district not only adds **billions of dollars** of added income to the local economy and **supports thousands of jobs**, but fundamentally **equips its students with the skills and career readiness** needed to thrive in the workforce.

By preparing students for successful careers, which in turn generates significant tax revenues and fosters broad societal benefits including economic growth and improved well-being, Seattle Colleges stands as a **cornerstone of shared prosperity** for all. Its enduring impact ensures a more skilled workforce, a more vibrant economy, and a brighter future for Washington.

About the study

Data and assumptions used in the study are based on several sources, including the FY 2022-23 academic and financial reports from the Seattle Colleges, industry and employment data from the U.S. Bureau of Labor Statistics and U.S. Census Bureau, outputs of Lightcast's Multi-Regional Social Accounting Matrix model, and a variety of studies and surveys relating education to social behavior. The study applies a conservative methodology and follows standard practice using only the most recognized indicators of economic impact and investment effectiveness. For a full description of the data and approach used in the study, please contact the district for a copy of the main report.



Lightcast provides colleges and universities with labor market data that help create better outcomes for students, businesses, and communities. Our data, which cover more than 99% of the U.S. workforce, are compiled from a wide variety of government sources, job postings, and online profiles and résumés. Hundreds of institutions use Lightcast to align programs with regional needs, drive enrollment, connect students with in-demand careers, track their alumni's employment outcomes, and demonstrate their institution's economic impact on their region. Visit lightcast.io/solutions/education to learn more or connect with us.