



*ECONOMIC IMPACTS OF THE
JOBPATH PROGRAM ON PIMA COUNTY*

PREPARED BY:

**APPLIED ECONOMICS
11209 N. TATUM BOULEVARD, SUITE 225
PHOENIX, AZ 85028**

UPDATED NOVEMBER 2010

1.0 INTRODUCTION

Applied Economics was retained by JobPath perform and annual update of the economic impact of their program. JobPath was created in 1998 to meet an urgent community need for job training programs in Tucson and Pima County. JobPath sponsors education and job training by providing financial assistance, case management and post-training placement services. Training programs include a variety of health services occupations as well as education, aviation and structural repair, plumbing and biotech research. JobPath's mission is to support long term training in order to make a meaningful impact on the post-training wages of graduates.

The purpose of this analysis is to calculate the overall economic impacts of JobPath on the community in terms of the direct and indirect increase in payroll, output and supported jobs. In addition, the cost of training can be compared to the direct increase in post-program wages for individuals completing the program to calculate a return on investment. This report includes data on trainees and graduates in 2005-06 through 2009-10. This analysis also includes an estimate of the reduction in public assistance costs associated with individuals completing the JobPath program.

All total, JobPath has created an economic impact ranging from \$4.6 million to \$8.3 million per year on Pima County over the past five years. This impact is driven by a direct wage increase of \$1.4 million to \$2.3 million per year. Over the five-year period, 290 individuals who completed the program were placed in jobs.

The information and observations contained in this report are based on our present knowledge of the components of development, and of the current physical, socioeconomic and fiscal conditions of the affected areas. Estimates made in this analysis are based on hypothetical assumptions, current tax policies, and the current economic structure of the region. However, even if the assumptions outlined in this report were to occur, there will usually be differences between the estimates and the actual results because events and circumstances frequently do not occur as expected. This analysis is based on the best available information and is intended to aid JobPath in quantifying the value of its program relative to the cost of training. In no way will Applied Economics be held responsible or have any liability or be subject to damages as a result of this analysis. This report may be used only for the purposes that it was intended.

2.0 IMPACT SUMMARY

The JobPath training program provides significant economic benefits to Tucson and Pima County. These positive impacts include the following:

- During the past five fiscal years, JobPath received \$3.6 million in funding from the city and county. About 27 percent of this funding was spent on direct financial assistance.¹ During this same time period, graduates of the JobPath program experienced an increase in wages of \$8.6 million, thus generating a return on investment of \$2.41 in new wages for every \$1 in program costs.
- On average, graduates of JobPath experienced wage increases of \$29,700 per person over pre-training wages.
- For every \$1 of program costs, JobPath produced \$2.14 in direct wage increases for graduates in 2009-10.
- All total, JobPath created an economic impact of \$29.9 million on the Pima County economy, based on the sum of annual impacts over the past five years. A total of 290 graduates were placed into jobs with a direct increase in wages of \$8.6 million over pre-training levels. This increased level of economic activity indirectly supported an estimated 117 additional jobs and \$4.0 million in payroll *at other local businesses* throughout the county through supplier purchases and employees spending.
- It is also possible to look at the cumulative impacts of the JobPath program over five years, assuming that graduates from previous years continue to be employed in jobs paying at least equal to their post-training wages. The cumulative economic impact over the past five years totals \$87.0 million, based on cumulative wage increases of \$25.1 million.
- These 290 graduates from the past five years, and the additional workers they support at other local businesses, make a significant amount of local purchases. The increases in payroll that are directly and indirectly supported through the JobPath program resulted in \$248,000 in additional city and county sales tax revenues and \$1.4 million in additional state sales and personal income tax revenues over the five year period. These revenue impacts are based on cumulative taxes paid by employed graduates from 2005-06 through 2009-10.
- Along with the additional revenues, JobPath also resulted in a decrease in public assistance program expenditures. Many of the participants were receiving various types of public assistance prior to completing the training. Based on the average cost per recipient for TANF, Food Stamps, Utility Assistance, Childcare Assistance and ACCCHS in Pima County, the program resulted in a cumulative reduction of \$3.4 million in public assistance payments by the state over the past five years.

¹ There are additional direct program costs that are not included in direct financial assistance costs.

- There have been significant variations in the annual amount of funding from the City of Tucson and Pima County, including reductions in 2008-09 and 2009-10. These reductions in budget are the result of both the current political and economic environment. The budget reductions will have an impact on the JobPath program that are apparent in the 2009-10 results, which show a significant decrease in the return on investment over the previous year. Because many of the students are enrolled in multi-year training that started prior to these budget cuts, the impacts were not fully realized until 2009-10.
- JobPath is a valuable program to support long term workforce training in Pima County. They generated a sizeable return on investment based on program funding during the five-year period shown in this analysis. Despite current economic conditions, they continue to place graduates in jobs in health care and other fields that result in significant increases in earnings for program completers.

3.0 ECONOMIC IMPACT RESULTS

Economic impacts measure the effects of economic stimuli or expenditures on the local economy. These impacts include direct and indirect jobs, personal income and economic activity or output that are supported by graduates of the JobPath program. Indirect impacts are the result of the multiplier effect and capture supported supplier and consumer businesses and their employees in Pima County that benefit from this economic stimulus.

The economic impact results presented here are grouped into direct and total impacts. Direct impacts include the 290 graduates of the JobPath program in 2005-06 through 2009-10 who were placed in jobs in the community. Direct income of \$8.6 million represents the increase in wages for these individuals over their pre-training wages. The direct increase in production value created by these 290 workers is estimated at \$17.6 million over the five-year period, based on the sum of annual impacts. Total economic impacts include local supplier purchases by the employers of JobPath graduates in order to support additional production and consumer spending by these employees and their families. Both of these activities in turn support additional jobs, payroll and production value at other local businesses.

The secondary impacts supported by JobPath graduates in terms of supplier purchases and employee spending are called multiplier effects. Multiplier effects are a way of representing the larger economic effects on the local economy. The multiplier effects translate an increase in output (loosely defined as sales, less profits) into a corresponding increase in jobs and personal income. In essence, the multiplier effect represents the recycling of local spending. This recycling process creates new business opportunities. The multipliers used in this analysis are from IMPLAN, a national vendor of economic impact software, and are specific to Pima County. All total, the JobPath graduates from 2009-10 created an annual economic impact of \$4.6 million in Pima County (Figure 1). They indirectly supported an estimated 14 jobs and \$614,000 in personal income at other local businesses throughout the county through supplier purchases by their employers and purchases made by employees. These economic impacts are in addition to the 43 employees and \$1.4 million increase in payroll from JobPath graduates directly in the past year.

In reality, program graduates continue to contribute to the local economy after they leave JobPath. If we look at cumulative impacts of the program over the past five years, the total economic impact on the community is estimated at \$87.0 million. Of course, some graduates will move away and/or change jobs over time. However, this type of investment in human capital continues to provide benefits long after individual complete the training program.

The multipliers vary by training program since industry-specific multipliers were used for each program. The average output multiplier for all training programs is 1.70. Thus for every \$1.0 million increased production as a result of JobPath graduates, an additional \$700,000 in demand is created at other supporting businesses in Pima County along with 7 indirect jobs.

**FIGURE 1
ECONOMIC IMPACT OF JOBPATH PROGRAM**

	Direct Impacts			Total Impacts			Direct	Other	**Return on Investment
	Output	Jobs	Income*	Output	Jobs	Income	Financial Assistance	Program Costs	
2005-06	\$2,931,088	48	\$1,472,815	\$4,973,245	68	\$2,138,353	\$124,425	\$255,175	288%
CNA	\$180,101	6	\$83,509	\$308,285	7	\$124,980	\$4,060	\$8,326	574%
Histology	\$256,815	4	\$119,080	\$439,601	6	\$178,216	\$9,836	\$20,172	297%
Pharmacy Technology	\$91,161	2	\$43,602	\$147,747	3	\$61,920	\$6,244	\$12,805	129%
Radiology Technician	\$164,838	3	\$76,432	\$282,160	4	\$114,389	\$10,031	\$20,572	150%
Respiratory Therapy	\$33,486	1	\$15,527	\$57,320	1	\$23,238	\$4,732	\$9,705	8%
RN Program	\$1,186,235	14	\$550,033	\$2,030,526	22	\$823,185	\$49,495	\$101,506	264%
Dental Hygienist	\$723,838	9	\$438,575	\$1,212,388	14	\$601,333	\$23,735	\$48,677	506%
Structural Repair	\$32,372	1	\$11,024	\$47,040	1	\$15,767	\$3,239	\$6,643	12%
Education	\$28,865	1	\$18,863	\$52,380	1	\$26,093	\$4,928	\$10,107	25%
Home Health	\$57,018	1	\$32,760	\$94,674	1	\$45,350	\$152	\$312	6965%
First Path	\$14,752	2	\$8,476	\$24,495	2	\$11,733	\$2,339	\$4,797	19%
PCT	\$161,607	4	\$74,934	\$276,630	5	\$112,147	\$5,634	\$11,554	336%
2006-07	\$3,017,612	54	\$1,439,862	\$5,062,855	74	\$2,106,127	\$219,367	\$660,233	64%
CNA	\$72,537	3	\$33,634	\$124,165	4	\$50,337	\$8,918	\$26,839	-6%
Histology	\$24,357	1	\$11,294	\$41,693	1	\$16,903	\$2,386	\$7,181	18%
Radiology Technician	\$120,983	3	\$56,098	\$207,092	4	\$83,956	\$10,899	\$32,803	28%
Respiratory Therapy	\$286,870	6	\$133,016	\$491,048	8	\$199,073	\$32,622	\$98,183	2%
RN Program	\$1,329,275	19	\$616,358	\$2,275,374	28	\$922,448	\$89,333	\$268,868	72%
LPN Program	\$90,433	2	\$41,932	\$154,797	3	\$62,755	\$5,250	\$15,801	99%
Dental Hygienist	\$510,643	7	\$309,400	\$855,299	10	\$424,221	\$35,444	\$106,677	118%
Dental Assisting	\$41,710	1	\$25,272	\$69,861	1	\$34,651	\$3,366	\$10,131	87%
Education	\$44,561	1	\$29,120	\$80,862	1	\$40,282	\$1,326	\$3,991	448%
Plumbing	\$128,063	2	\$31,512	\$190,091	3	\$52,551	\$8,762	\$26,371	-10%
Biotech Research	\$92,638	3	\$56,264	\$167,707	4	\$81,165	\$12,111	\$36,451	16%
Aviation	\$258,250	4	\$87,945	\$375,266	5	\$125,785	\$6,474	\$19,485	239%
PCT	\$17,292	2	\$8,018	\$29,600	2	\$12,000	\$2,476	\$7,452	-19%
2007-08	\$4,060,809	76	\$1,965,069	\$6,866,618	103	\$2,879,811	\$236,829	\$702,771	109%
CNA	\$71,127	10	\$32,980	\$121,750	10	\$49,358	\$5,722	\$16,980	45%
Histology	\$101,909	2	\$47,253	\$174,441	3	\$70,719	\$16,128	\$47,860	-26%
Radiology Technician	\$528,272	8	\$244,949	\$904,264	12	\$366,593	\$24,603	\$73,009	151%
Respiratory Therapy	\$249,550	4	\$115,711	\$427,165	6	\$173,175	\$11,043	\$32,769	164%
RN Program	\$1,669,952	24	\$774,323	\$2,858,524	36	\$1,158,860	\$92,788	\$275,341	110%
LPN Program	\$138,386	4	\$64,167	\$236,882	5	\$96,033	\$2,021	\$5,998	700%
Dental Hygienist	\$721,852	9	\$437,372	\$1,209,062	14	\$599,684	\$25,618	\$76,020	330%
Dental Assisting	\$77,326	4	\$46,852	\$129,517	5	\$64,239	\$8,807	\$26,134	34%
Education	\$0	0	\$0	\$0	0	\$0	\$3,923	\$11,640	-100%
Plumbing	\$59,171	1	\$14,560	\$87,831	1	\$24,281	\$2,264	\$6,718	62%
Biotech Research	\$68,216	2	\$41,431	\$123,494	3	\$59,768	\$4,801	\$14,247	118%
Aviation	\$139,721	4	\$47,581	\$203,031	5	\$68,054	\$21,421	\$63,564	-44%
Medical Lab Tech	\$144,315	2	\$66,916	\$247,030	3	\$100,147	\$6,784	\$20,131	149%
Medical Info Tech	\$1,217	1	\$564	\$2,083	1	\$844	\$6,784	\$20,131	-98%
Social Services	\$0	0	\$0	\$0	0	\$0	\$3,121	\$9,262	-100%
Trucking	\$89,795	1	\$30,410	\$141,544	1	\$48,056	\$1,000	\$2,967	666%
2008-09	\$4,900,631	69	\$2,340,648	\$8,325,401	102	\$3,455,308	\$234,920	\$485,363	225%
Histology	\$28,218	1	\$13,084	\$48,301	1	\$19,582	\$2,747	\$5,676	55%
Radiology Technician	\$213,706	2	\$99,091	\$365,809	3	\$148,301	\$16,665	\$34,431	94%
Respiratory Therapy	\$290,278	4	\$134,596	\$496,880	6	\$201,438	\$13,267	\$27,411	231%
RN Program	\$2,683,393	35	\$1,244,235	\$4,593,272	54	\$1,862,135	\$127,479	\$263,382	218%
LPN Program	\$377,305	6	\$174,949	\$645,849	9	\$261,830	\$11,616	\$24,000	391%
Dental Hygienist	\$643,878	7	\$390,127	\$1,078,459	11	\$534,906	\$15,604	\$32,239	715%
Dental Assisting	\$34,329	1	\$20,800	\$57,499	1	\$28,519	\$2,893	\$5,977	134%
Plumbing	\$29,585	1	\$7,280	\$43,915	1	\$12,141	\$5,507	\$11,378	-57%
Biotech Research	\$65,859	1	\$40,000	\$119,229	2	\$57,703	\$4,954	\$10,235	163%
PCT	\$148,033	3	\$68,640	\$253,394	4	\$102,727	\$4,374	\$9,037	412%
Aviation	\$37,747	2	\$12,854	\$54,850	2	\$18,385	\$7,545	\$15,589	-44%
Medical Info Tech	\$114,165	1	\$52,936	\$195,421	2	\$79,225	\$4,081	\$8,432	323%
Social Services	\$0	0	\$0	\$0	0	\$0	\$6,449	\$13,324	-100%
Trucking	\$116,389	2	\$39,416	\$183,465	3	\$62,288	\$4,975	\$10,279	158%
Electrician	\$54,944	1	\$13,520	\$81,557	1	\$22,547	\$3,090	\$6,384	43%

FIGURE 1
ECONOMIC IMPACT OF JOBPATH PROGRAM (continued)

	Direct Impacts			Total Impacts			Direct	Other	**Return on Investment
	Output	Jobs	Income*	Output	Jobs	Income	Financial Assistance	Program Costs	
2009-10	\$2,698,248	43	\$1,407,176	\$4,639,351	60	\$2,020,845	\$152,488	\$505,462	114%
CNA	\$89,183	3	\$44,720	\$154,574	4	\$65,167	\$2,733	\$9,061	279%
Histology	\$80,410	2	\$40,321	\$139,369	3	\$58,756	\$2,632	\$8,724	255%
Radiology Technician	\$78,813	1	\$39,520	\$136,601	1	\$57,589	\$10,115	\$33,528	-9%
Respiratory Therapy	\$99,553	1	\$49,920	\$172,548	2	\$72,744	\$12,401	\$41,108	-7%
RN Program	\$1,228,387	17	\$615,962	\$2,129,071	25	\$897,588	\$54,396	\$180,309	162%
LPN Program	\$368,579	5	\$184,820	\$638,831	7	\$269,323	\$3,606	\$11,952	1088%
Dental Hygenist	\$361,851	5	\$214,750	\$609,230	7	\$295,525	\$24,570	\$81,444	103%
Dental Assisting	\$126,172	3	\$74,880	\$212,429	4	\$103,045	\$5,336	\$17,689	225%
Plumbing	\$0	0	\$0	\$0	0	\$0	\$7,828	\$25,948	-100%
Biotech Research	\$26,147	1	\$16,640	\$48,039	1	\$23,878	\$5,935	\$19,674	-35%
Aviation	\$73,137	1	\$50,398	\$116,350	1	\$64,697	\$2,500	\$8,287	367%
PCT	\$77,465	2	\$38,844	\$134,264	2	\$56,604	\$2,433	\$8,065	270%
Medical Lab Tech	\$0	0	\$0	\$0	0	\$0	\$5,395	\$17,884	-100%
HIT	\$41,481	1	\$20,800	\$71,895	1	\$30,310	\$3,852	\$12,767	25%
Electrician	\$47,070	1	\$15,600	\$76,150	1	\$25,619	\$2,372	\$7,863	52%
ECE	\$0	0	\$0	\$0	0	\$0	\$3,370	\$11,172	-100%
EMT	\$0	0	\$0	\$0	0	\$0	\$1,389	\$4,604	-100%
Solar	\$0	0	\$0	\$0	0	\$0	\$1,624	\$5,384	-100%
Total	\$17,608,389	290	\$8,625,571	\$29,867,471	407	\$12,600,444	\$968,029	\$2,609,004	141%

Source: JobPath; Applied Economics, 2010.

*Direct income represents only increase in salary over pre-training level, not full ending salary.

**Return on investment based on increase in wages (direct income) per dollar of direct financial assistance and other program costs.

The largest program is the RN program that placed a total of 109 graduates over the five-year period, followed by the dental hygienist program that placed 37 graduates. In terms of the average wage increase per person, Aviation students ranked the highest with an average wage increase of \$50,400 per person in 2009-10. The Respiratory Therapist program resulted in an average wage increase of \$49,900 per person in 2009-10. The overall average increase for all occupations in 2009-10 was \$32,700 per person or 349 percent. *Note that these percentage increases include individuals who were not employed prior to entering JobPath.* Lower skilled programs such as CNAs and PCTs tended to have significantly lower wage increases due to the fact that total post-training wages were relatively lower.

Most of JobPath's clients are below the poverty level prior to entering the program. The average pre-training wages were \$13,900 in 2005-06, \$17,900 in 2006-07, \$16,300 in 2007-08, \$15,900 in 2008-09, and \$16,300 in 2009-10. By comparison post-training wages averaged \$40,500 for 2005-06, \$40,600 for 2006-07, \$41,300 for 2007-08, \$45,000 in 2008-09, and \$43,100 in 2009-10. Note that pre-training wages were available for 294 program participants while post-training wages were available for 289 participants, since some participants were not working prior to entering the program.

4.0 REVENUE IMPACT RESULTS

In addition to economic impacts, the graduates of the JobPath program also generate indirect revenue impacts. Through their increase in wages and spending, they generate additional sales taxes to the city, county and state and additional personal income taxes to the state. It may also be the case that the companies they work for generate increased sales or property taxes as a result of increasing their production; however, information about these employers is not available to calculate these types of revenue impacts.

Sales taxes from employee spending are based on typical consumer expenditure patterns. According to the Census Bureau Consumer Expenditure Survey, approximately 27 percent of gross personal income is spent on taxable goods. Applying this assumption to direct and total personal income impacts results in an increase of \$198,000 in city sales tax and \$50,000 in county sales tax cumulatively over the five-year period (Figure 2). Note that the direct impacts include only the additional taxes generated by the increase in wages for JobPath graduates, not their total wages.

FIGURE 2
CUMULATIVE ANNUAL REVENUE IMPACTS OF JOBPATH PROGRAM
BASED ON INCREASES IN POST-TRAINING WAGES

	Local Impacts		State Impacts		
	City Sales Tax	County Sales Tax	Sales Tax	Personal Income Tax	Total Taxes
2005-06					
Direct Revenues	\$7,953	\$1,988	\$22,269	\$34,168	\$66,379
Total Revenues	\$11,547	\$2,887	\$32,332	\$49,217	\$95,983
2006-07					
Direct Revenues	\$15,728	\$3,932	\$44,040	\$66,364	\$130,065
Total Revenues	\$22,920	\$5,730	\$64,177	\$96,501	\$189,328
2007-08					
Direct Revenues	\$26,340	\$6,585	\$73,752	\$110,179	\$216,855
Total Revenues	\$38,471	\$9,618	\$107,719	\$161,026	\$316,834
2008-09					
Direct Revenues	\$38,979	\$9,745	\$109,142	\$167,202	\$325,068
Total Revenues	\$57,130	\$14,282	\$159,964	\$243,274	\$474,650
2009-10					
Direct Revenues	\$46,578	\$11,645	\$134,218	\$200,660	\$393,100
Total Revenues	\$68,042	\$17,011	\$195,975	\$291,256	\$572,284
Cumulative Total	\$198,111	\$49,528	\$560,166	\$841,274	\$1,649,079

Source: JobPath; Applied Economics, 2009.

Note: Total revenue impacts include revenues related to additional workers and payroll supported through economic impacts. Total revenues are inclusive of direct revenues. Revenues cumulate over time, accounting for continuing impacts from graduates in previous years.

In terms of state taxes, JobPath graduates directly and indirectly generated \$560,000 in increased state sales tax revenues cumulatively over the past five years. In addition, they generated a cumulative increase of \$841,000 in personal income tax revenues to the state. It is important to

look at cumulative revenue impacts since graduates from previous years continue to generate local taxes as they continue to work and contribute to the economy.

All total, JobPath graduates directly and indirectly supported an increase of \$1.6 million in cumulative state and local tax revenues over the past five years.

In addition to supporting increases in revenues, the JobPath program also resulted in a decrease in public assistance expenditures. Information is available to document the number of program participants that were receiving various types of public assistance when they came to JobPath. It is assumed that with the increase in wages, the individuals who graduated and were placed in jobs were able to be self-sufficient. Using average payments per recipient by type of program for Pima County, it is possible to estimate the annual decrease in public assistance expenditures. While the decreases are shown for each year of program participants, it is assumed that these impacts would be cumulative over time. All total, the JobPath program resulted in a \$3.4 million cumulative decrease in public assistance in Pima County based on graduates from the past five years (Figure 3).

**FIGURE 3
ANNUAL REDUCTION IN PUBLIC ASSISTANCE EXPENDITURES
FROM JOBPATH GRADUATES**

Program Year	Assistance Program					Total
	Food Stamps	TANF	Utility Assistance	AHCCCS	Child Care	
2005-06	(\$43,864)	(\$3,093)	(\$3,632)	(\$115,401)	(\$46,623)	(\$212,612)
2006-07	(\$84,987)	(\$12,372)	(\$5,448)	(\$217,979)	(\$69,934)	(\$390,720)
2007-08	(\$134,334)	(\$24,743)	(\$9,079)	(\$346,203)	(\$163,179)	(\$677,539)
2008-09	(\$173,495)	(\$32,295)	(\$19,306)	(\$474,426)	(\$178,632)	(\$878,154)
2009-10	(\$270,242)	(\$39,679)	(\$21,785)	(\$681,460)	(\$247,990)	(\$1,261,156)
Cumulative Total	(\$706,923)	(\$112,182)	(\$59,249)	(\$1,835,469)	(\$706,358)	(\$3,420,181)

Source: Arizona Department of Economic Security; JobPath; Applied Economics, 2010.

5.0 RETURN ON INVESTMENT

The final and most important calculation is the return on investment that JobPath is providing to the city and county based on the value of increased wages for graduates per dollar of program cost. All total, 390 individuals participated in the program in 2005-06 through 2009-10. A total of 290 individuals were placed in jobs. An additional 45 individuals completed the program in 2006-2007, 2007-08, 2008-09 and 2009-10 but decided to continue their education and were not placed in jobs. Finally, 55 individuals who entered the program in the five-year period did not provide sufficient information about post-training wages to be included in the economic impact analysis.

Note that the direct financial assistance costs include all direct costs for both graduates placed in jobs as well as those who did not complete the program, decided to continue their education, or were not placed in jobs for other reasons. Additional program costs are shown separately and are also included in the return on investment calculation. These other program costs account for 67 to 77 percent of the total cost over the five-year period. Note that direct financial assistance costs include all monies spent on an individual graduates during the time they were in the program, which may extend beyond a single year. While the total of direct financial assistance plus other program costs is equal to the sum of the city and county funding in a given year, some of the direct financial assistance costs in that year actually occurred in the previous year. Since this trend is consistent over time, it is assumed that the return on investment calculation is not significantly impacted.

In total, the cost of the program for 2005-06 was \$124,000 for direct financial assistance costs and \$255,000 for other program costs, yielding an average cost per graduate of \$7,400 based on 51 individuals who completed the program that year.² The amount of increased wages for graduates in 2005-06 year totaled \$1.5 million. As a result, the program yielded a 288 percent return on investment (Figure 4).

In 2006-07, the total cost of the program was \$219,000 for direct financial assistance and \$660,000 for other program costs, compared to an increase in wages of \$1.4 million for a return on investment of 64 percent. The average cost per graduate in 2006-07 was \$9,700, based on 91 individuals completing the program that year. Funding in 2006-07 increased significantly over the previous year. There was a significant increase in the number of graduates but not as large as the increase in funding. There was also an increase in the number of multi-year participants that were carried forward into 2007-08 that accounted for some of the year to year differences.

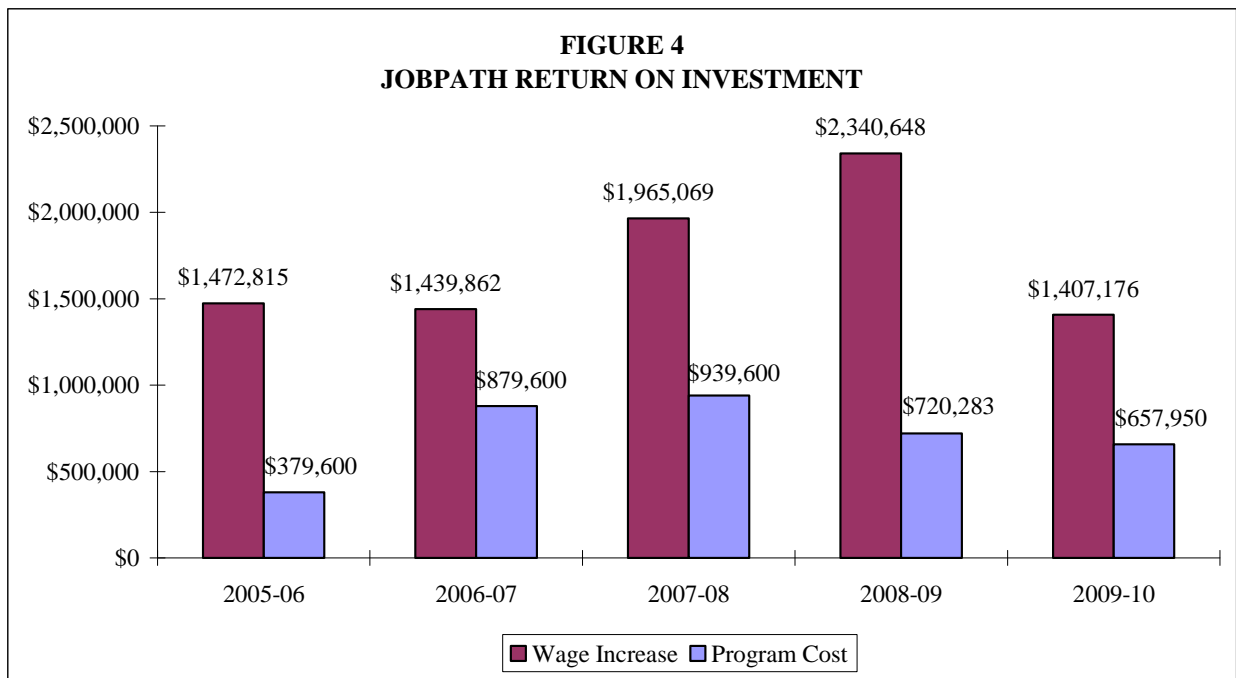
In 2007-08, the total cost of the program was \$237,000 for direct financial assistance and \$703,000 for other program costs, compared to an increase in wages of \$2.0 million for a return on investment of 109 percent. The average cost per graduate in 2007-08 was \$10,100, based on 93 individuals completing the program that year. Although funding increased by 7 percent over the previous year, the total number of graduates only increased from 91 in 2006-07, to 93 in 2007-08. This resulted in a slightly higher cost per graduate in 2007-08.

² Cost per graduate includes all participants who completed the program in that year, not only those who were placed in jobs.

In 2008-09, the total cost of the program was \$235,000 for direct financial assistance and \$485,000 for other program costs, compared to an increase in wages of \$2.3 million for a return on investment of 225 percent. The average cost per graduate in 2008-09 was \$8,400, based on 86 individuals completing the program that year. Although funding decreased by 23 percent over the previous year, the total number of graduates stayed about the same and the average wage increase per job was higher than in the previous year, resulting in a higher return on investment and a lower average cost per graduate.

In 2009-10, the total cost of the program was \$152,000 for direct financial assistance and \$505,000 for other program costs, compared to an increase in wages of \$1.4 million for a return on investment of 114 percent. The average cost per graduate in 2009-10 was \$7,700, based on 86 individuals completing the program that year. Funding decreased by 9 percent over the previous year, but the aggregate increase in wages fell by a larger proportion than funding, resulting in a lower return on investment compared to 2008-09. However, since the total number of graduates also decreased, the average cost per graduate actually decreased by about 9 percent.

It is important to note that some of these individuals may have furthered their education with or without assistance from JobPath. Thus some of the value of increased wages that are attributed to the JobPath program may have happened anyhow, given that a significant number of students are already enrolled at the community college prior to becoming JobPath clients. However, JobPath has been able to significantly decrease the dropout rate for the types of individuals that they serve, thus adding value to the community and increasing the return on investment for the public funding they receive.



JobPath provides an important service to the community by enhancing the quality of life for graduates and their families. They also provide qualified motivated employees to meet the needs of local employers in high growth industries. Based on the average increase in wages compared

to the program costs, they have provided a good return on investment over the past five years, as well as creating measurable economic impacts in the county.