

The College of Health Care Professions: Economic Value Analysis

FACT SHEET

MARCH 2021

The College of Health Care Professions (CHCP), founded by physicians 30 years ago at the MacGregor Medical Association in the Texas Medical Center, has grown to become the largest allied healthcare training provider in Texas. CHCP works with over 1,500 employers to provide working adults flexible pathways to economic mobility. CHCP has been creating opportunities for students to enter meaningful professional careers, while improving quality health care in their communities. Using a two-pronged approach that involves a return on investment analysis and an economic impact analysis, this study calculates the benefits received by each of these groups. Results of the analysis reflect fiscal year (FY) 2018-19.¹



CHCP IS THE LARGEST ALLIED HEALTHCARE TRAINING PROVIDER IN TEXAS.

CHCP provided Emsi with student and employer reported earnings data. Job titles are third party verified and salary data is verified whenever possible for their alumni. Around 99% of the more than 24,000 alumni surveyed live in Texas after graduating from CHCP. Approximately 86% of alumni completed a certificate and 14% completed an associate degree. Before enrolling at CHCP, alumni made an average of \$11,530 per year. More specifically, certificate students earned \$10,322 and associate degree students \$18,830. After graduating from CHCP in as little as nine months for clinical programs including an employer based externship, alumni made an average of \$27,410 per year upon entry into the workforce, increasing their earnings by \$15,880 per year. Certificate completers saw an annual increase in earnings of \$15,430 and associate degree graduates \$18,600.

CHCP alumni will see an average increase in annual earnings of **\$15,880**.

FOR EVERY \$1 IN COSTS, CHCP STUDENTS RECEIVE MORE BENEFITS*

CHCP

9.4 

Public college average

5.6 

Public & private university average

3.4 

* The reader should note that there are other factors, beyond the institution's performance, that affect the student return on investment results. While this can provide some context around the value provided by CHCP to its students, the university and college averages include institutions located in other states and public institutions. In addition, CHCP was able to provide alumni earnings data; the comparison institutions did not provide this data for their analyses.



RETURN ON INVESTMENT ANALYSIS

STUDENT PERSPECTIVE

- CHCP's FY 2018-19 students paid a present value of **\$68.2 million** to cover the cost of tuition, fees, supplies, and interest on student federal loans during the analysis year. They also forwent **\$40 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, CHCP's students will receive a stream of higher future earnings that will continue to grow throughout their working lives. From the thousands of alumni CHCP surveyed, upon re-entry into the workforce,

¹ For the purposes of this analysis, bachelor's degree students were excluded.

CHCP graduates were making an average of \$15,880 more in annual earnings than before they enrolled in CHCP. **Once students have completed their certificate or degree at CHCP, they are expected to receive \$705,994 in higher future earnings over their working lifetime.** In FY 2018-19 alone, for the 22.3 average credit hours taken (a little less than half the credits needed for a certificate, the average increase in earnings per student will amount to \$336,639 in higher earnings over a working lifetime. The present value of the cumulative higher future earnings that CHCP's FY 2018-19 students will receive over their working careers is **\$1.02 billion. This translates to a return of \$9.40 in higher future earnings for every dollar student invest in their education. Students' average annual rate of return is 68.0%.**

TAXPAYER PERSPECTIVE

- CHCP received little to no Texas State taxpayer funding, yet the college creates a significant amount of benefits for Texas taxpayers. The present value of added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounts to **\$218.6 million**. A reduced demand for government-funded services in Texas will add another **\$6.8 million** in benefits to taxpayers. This sums together to **\$225.4 million** in benefits to Texas taxpayers.

SOCIAL PERSPECTIVE

- In FY 2018-19, CHCP and its students incurred **\$115.5 million** in costs to operate and educate its students. In turn, the Texas economy will grow by **\$3.5 billion**, over the course of students' working lives. Society will also benefit from **\$16 million** of public and private sector savings.
- For every dollar invested in CHCP in FY 2018-19, people in Texas will receive **\$30.10** in return, for as long as CHCP's FY 2018-19 students remain active in the state workforce.

ECONOMIC IMPACT ANALYSIS

In FY 2018-19, CHCP added **\$469.1 million** in income to the Texas economy. Expressed in terms of jobs, CHCP's impact supported **5,732 jobs**.

OPERATIONS SPENDING IMPACT

- CHCP employed 495 full-time and part-time faculty and staff. Payroll amounted to \$31.6 million, much of which was spent in the state for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$28.9 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$35.5 million** in income to the state economy in FY 2018-19.

ALUMNI IMPACT

- Over the years, students have studied at CHCP and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in Texas.
- The net impact of CHCP's former students currently employed in the state workforce amounted to **\$433.6 million** in added income in FY 2018-19.

