FACT SHEET: ECONOMIC IMPACT OF MOTT COMMUNITY COLLEGE

What role does Mott Community College (MCC) play in the local economy? Business sales in the MCC Service Area are $1 billion greater, and labor income is $414 million greater due to the past and present operations of MCC. The benefits of a robust local economy translate into job and investment opportunities, increased business revenues, greater availability of public funds, and an eased tax burden.

MCC stimulates the local economy

• MCC had operating and capital expenses of $82 million in fiscal 2003, and spent $57 million (69%) of this in the MCC Service Area to purchase supplies and pay salaries, wages, and benefits (i.e., earnings).

• MCC employs 412 full-time and 390 part-time faculty and staff. MCC paid faculty and staff wages, salaries, and benefits of $42 million in fiscal 2003.

• For every $1 MCC pays in earnings, there is an additional $0.61 in earnings generated off campus in the MCC Service Area economy—this is the commonly known multiplier effect.

• MCC activities encourage new business, assist existing business, and create long-term economic growth. The college enhances worker skills and provides customized training to local business and industry. It is estimated that the present-day MCC Service Area workforce embodies over 2.6 million credit and non-credit hours of past and present MCC training.

• MCC skills embodied in the present-day workforce increase the output of industries in the MCC Service Area economy where the former students are employed by $573 million. Associated multiplier effects (sometimes called indirect effects) in other industries increase sales by $455 million.

• MCC skills from current and former students increase earnings in the MCC Service Area by $171 million directly, and by another $176 million indirectly in fiscal 2003.

MCC leverages taxpayer dollars

• State and local government allocated $43 million in support of MCC in fiscal 2003. For every dollar appropriated by state and local government, MCC's spending alone generated $1.57 in earnings in the MCC Service Area.

• For every dollar appropriated by the state and local government in fiscal 2003, student earnings will increase by an average of $0.68 per year, every year through the rest of their working lives. Likewise, for every state dollar appropriated, the MCC Service Area will see social savings of $0.16 per year, every year (i.e., reduced incarceration and health care expenditures, reduced expenditures on unemployment and welfare, and reduced absenteeism).

MCC generates a return on government investment

• State and local government support for MCC in fiscal 2003 will be fully recovered in 8.5 years, in the form of higher tax receipts (from increased student wages) and avoided costs (e.g., from reduced public expenditures on incarceration).

• Accounting for increased tax receipts and avoided costs, state and local government will see a rate of return of 15.8% on their fiscal 2003 support for MCC.

MCC increases individuals' earning potential

• A total of 21,028 credit and non-credit students attended the college in fiscal 2003, 79% of whom were employed full- or part-time while attending.

• As many as 55% of the students stay in the region initially after they leave the college and contribute to the local economy. Their continued contribution is measured after accounting for out-migration, retirement, and death.

• Studies demonstrate that education increases lifetime earnings. The average annual earnings of a student with a one-year certificate are $29,243, or 81.5% more than someone without a high school diploma or GED, and 15.5% more than a student with a high school diploma. The average earnings of someone with an Associate Degree are $34,212, or 112.3% more than someone without a high school diploma or GED, and 35.1% more than a student with a high school diploma or GED.

• After leaving the college, the average MCC student will spend 36 years in the workforce. The student who leaves with a two-year college degree will earn $320,791 more than someone with a high school diploma or GED.

• Over the next 36 years in the workforce, the average MCC student's discounted lifetime earnings (i.e., future values expressed in present value terms) will increase $6.66 for every education dollar invested (in the form of tuition, fees, books, and foregone earnings from employment).

• Students enjoy an attractive 21.7% rate of return on their MCC educational investment, and recover all costs (including wages foregone while attending MCC) in 6.7 years.

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