

# FACT SHEET

*Demonstrating the Value of Mitchell Community College*

MARCH 2014

*MCC creates a significant positive impact on the local business community and generates a return on investment to its major stakeholder groups—students, society, and taxpayers. Using a two-pronged approach that involves a regional economic impact analysis and an investment analysis, the study calculates the benefits to each of these groups. Results of the analysis reflect Fiscal Year (FY) 2012-13.*

## INCOME CREATED BY MCC IN FY 2012-13 (ADDED INCOME)

**\$21.6 MILLION**

Effect of college operations and student spending

**\$165.8 MILLION**

Effect of student productivity

**\$187.4 MILLION**

Total effect

## IMPACT ON LOCAL BUSINESS COMMUNITY

During the analysis year, MCC and its students added **\$187.4 MILLION** in income to the Iredell County economy, approximately equal to **3.0%** of the county's Gross Regional Product. The economic impacts of MCC break down as follows:

### *Impact of college operations and student spending*

- MCC employed 601 full-time and part-time employees in FY 2012-13. Payroll amounted to **\$18.3 MILLION**, much of which was spent in Iredell County to purchase groceries, clothing, and other household goods and services. The college spent another **\$10.8 MILLION** to support its day-to-day operations.
- MCC students relocated to Iredell County from outside of the county and spent money at local businesses to purchase groceries, rent accommodation, pay for transport, and so on.
- The net impact of college payroll, expenses, and out-of-region student spending in Iredell County during the analysis year was approximately **\$21.6 MILLION** in added regional income.

### *Impact of student productivity*

- Over the years, students have studied at MCC and entered or re-entered the workforce with newly-acquired skills. Today thousands of these former students are employed in Iredell County.
- The accumulated contribution of former students currently employed in the regional workforce amounted to **\$165.8 MILLION** in added income during the analysis year.

## JOB EQUIVALENTS BASED ON INCOME

Job equivalents are a measure of the average-wage jobs that a given amount of income can potentially support. They are calculated by dividing income by the average income per worker in the county. Based on the added income created by MCC, the job equivalents are as follows:

Effect of college operations and student spending = **471** job equivalents

Effect of student productivity = **3,620** job equivalents

Overall, the added income created by MCC and its students supported **4,091** job equivalents.

## FOR EVERY \$1 SPENT...

**\$5.80**

Gained in lifetime income for STUDENTS

**\$56.40**

Gained in added state income and social savings for SOCIETY

**\$5.50**

Gained in added taxes and public sector savings for TAXPAYERS



## RETURN ON INVESTMENT TO STUDENTS, SOCIETY, AND TAXPAYERS

### *Student perspective*

- MCC's 2012-13 students paid a total of **\$5.8 MILLION** to cover the cost of tuition, fees, books, and supplies. They also forwent **\$51.7 MILLION** in money that they would have earned had they been working instead of learning.
- In return for the monies invested in the college, students will receive a present value of **\$333.1 MILLION** in increased earnings over their working lives. This translates to a return of **\$5.80** in higher future income for every \$1 that students invest in their education. The average annual return for students is **29.0%**.

### *Social perspective*

- Society as a whole in North Carolina will receive a present value of **\$961.3 MILLION** in added state income over the course of the students' working lives. Society will also benefit from **\$15 MILLION** in present value social savings related to reduced crime, lower unemployment, and increased health and well-being across the state.
- For every dollar that state and local taxpayers spent on MCC during the analysis year, society will receive a cumulative value of **\$56.40** in benefits, for as long as MCC's 2012-13 students remain active in the state workforce.

### *Taxpayer perspective*

- In FY 2012-13, state and local taxpayers in North Carolina paid **\$17.3 MILLION** to support the operations of MCC. The net present value of the added tax revenue stemming from the students' higher lifetime incomes and the increased output of businesses amounts to **\$90.7 MILLION** in benefits to taxpayers. Savings to the public sector add another **\$4.4 MILLION** in benefits due to a reduced demand for government-funded services in North Carolina.
- Dividing benefits to taxpayers by the associated costs yields a **5.5** benefit-cost ratio, i.e., every \$1 in costs returns \$5.50 in benefits. The average annual return on investment for taxpayers is **17.9%**.