

FACT SHEET: ECONOMIC IMPACT OF KIRTLAND COMMUNITY COLLEGE

What role does Kirtland Community College (KCC) play in the local economy? The results of this study demonstrate that KCC is a sound investment from multiple perspectives. Students benefit from improved lifestyles and increased earnings. Taxpayers benefit from an enlarged economy and lower social costs. And the community as a whole benefits from increased job and investment opportunities, higher business revenues, greater availability of public funds, and an eased tax burden.

KCC stimulates the state and local economy

- The Kirtland Local Service Area economy receives roughly **\$5.7 million in regional income** annually due to KCC operations and capital spending.
- KCC 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 Kirtland Local Service Area workforce embodies around **491,200 credit and non-credit hours** of past and present KCC training.
- KCC skills embodied in the local workforce where the former students are employed **increase regional income by \$61.6 million**. Associated indirect effects increase income by **another \$9.6 million**.
- Altogether, the Kirtland Local Service Area economy annually receives roughly **\$76.9 million in income** due to the past and present efforts of KCC. Clearly it is accurate to describe KCC as an engine of economic growth.

The regional economy is \$76.9 million stronger due to the actions of KCC.

KCC leverages taxpayer dollars

- The state and local community will see **avoided social costs amounting to \$16 per year for every credit earned** by KCC students, including savings associated with improved health, reduced crime, and fewer welfare and unemployment claims.
- This translates to **\$806,000 worth of social savings** to the State of Michigan each year as long as students are in the workforce.
- Students benefit from higher earnings, thereby expanding the tax base and reducing the tax burden on state and local taxpayers. When aggregated together, KCC students generate about **\$5.8 million annually in higher earnings** due to their KCC education.

KCC generates a return on government investment

- State and local government allocated around **\$9.0 million in support of KCC** in fiscal year 2005.
- For every dollar appropriated by state and local government, taxpayers will see a **cumulative return of \$3.20** over the course of the students' working career (in the form of higher tax receipts and avoided social costs).

KCC returns \$3.20 for every dollar of taxpayer financial support.

- State and local government will see a **rate of return of 14%** on their support for KCC, which compares very favorably with private sector rates of return on similar long-term investments.

KCC increases students' earning potential

- A total of **3,602 credit and non-credit students** attended the college in academic year 2004-2005. As many as **65% of these students stay in the region** initially after they leave the college and contribute to the local economy.
- Studies demonstrate that education increases lifetime earnings. **The average annual earnings of a student with a one-year certificate are \$26,845**, or 84% more than someone without a high school diploma or GED, and 16% more than a student with a high school diploma. **The average earnings of a student with an Associate Degree are \$31,545**, or 116% more than someone without a high school diploma or GED, and 36% more than a student with a high school diploma or GED.
- KCC students will see their annual income increase, on average, by about **\$117 per year for every credit completed** at KCC during the analysis year.
- Throughout his or her working career, the average KCC student's discounted lifetime earnings (i.e., future values expressed in present value terms) will increase **\$5.00 for every education dollar invested** (in the form of tuition, fees, books, and foregone earnings from employment).
- Students enjoy an attractive **19% annual rate of return** on their KCC educational investment, and recover all costs (including wages foregone while attending) in **7 years**.

Students see their annual income increase by \$117 per year for every credit completed at KCC.