North Central Michigan College (NCMC) creates a significant positive impact on the business community and generates a return on investment to its major stakeholder groups—students, taxpayers, and society. Using a two-pronged approach that involves an economic impact analysis and an investment analysis, this study calculates the benefits received by each of these groups. Results of the analysis reflect fiscal year (FY) 2018-19.

**ECONOMIC IMPACT ANALYSIS**

In FY 2018-19, NCMC added $74.2 million in income to the Four-County Region’s economy, a value approximately equal to 1.5% of the region’s total gross regional product (GRP). Expressed in terms of jobs, NCMC’s impact supported 1,376 jobs. For perspective, the activities of NCMC and its students support one out of every 49 jobs in the Four-County Region.

**OPERATIONS SPENDING IMPACT**

- NCMC employed 311 full-time and part-time faculty and staff. Payroll amounted to $10.9 million, much of which was spent in the region for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another $6.7 million on day-to-day expenses related to facilities, supplies, and professional services.

* For the purposes of this analysis, the Four-County Region is comprised of Charlevoix, Cheboygan, Emmet, and Otsego Counties.
• The net impact of the college’s operations spending added $11.8 million in income to the regional economy in FY 2018-19.

CONSTRUCTION SPENDING IMPACT
• NCMC invests in construction each year to maintain its facilities, create additional capacities, and meet its growing educational demands, generating a short-term infusion of spending and jobs in the regional economy.
• The net impact of NCMC’s construction spending in FY 2018-19 was $139.2 thousand in added income for the Four-County Region.
• The net impact of entire Administration/Classroom Building Project will total over $2.3 million in added income.

STUDENT SPENDING IMPACT
• Around 15% of the total 4,275 students attending NCMC originated from outside the region. Approximately 152 of these students relocated to the Four-County Region. In addition, an estimated 287 of in-region students, referred to as retained students, would have left the Four-County Region for other educational opportunities if not for NCMC. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.
• The expenditures of relocated and retained students in FY 2018-19 added $684.5 thousand in income to the Four-County Region economy. Dual credit students alone add $157 thousand to the economy.

ALUMNI IMPACT
• Over the years, students have studied at NCMC and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, an estimated 42,000 of these former students are employed in the Four-County Region.
• The net impact of NCMC’s former students currently employed in the regional workforce amounted to $61.6 million in added income in FY 2018-19.
INVESTMENT ANALYSIS

STUDENT PERSPECTIVE

- NCMC’s FY 2018-19 students paid a present value of $5.1 million to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent $8.4 million in money that they would have earned had they been working instead of attending college.

- In return for their investment, students will receive $55.6 million in increased earnings over their working lives. This translates to a return of $4.10 in higher future earnings for every dollar students invest in their education. Students’ average annual rate of return is 17.7%. Dual credit students alone receive $9.7 million in increased earnings over their working lives.

TAXPAYER PERSPECTIVE

- Taxpayers provided NCMC with $9.7 million of funding in FY 2018-19. In return, they will benefit from added tax revenue, stemming from students’ higher lifetime earnings and increased business output, amounting to $16.2 million. A reduced demand for government-funded services in Michigan will add another $1.4 million in benefits to taxpayers.

- For every dollar of public money invested in NCMC, taxpayers will receive $1.80 in return, over the course of students’ working lives. The average annual rate of return for taxpayers is 5.5%.

SOCIAL PERSPECTIVE

- In FY 2018-19, Michigan invested $28 million to support NCMC. In turn, the Michigan economy will grow by $191.8 million, over the course of students’ working lives. Society will also benefit from $4.8 million of public and private sector savings.

- For every dollar invested in NCMC in FY 2018-19, people in Michigan will receive $7.00 in return, for as long as NCMC’s FY 2018-19 students remain active in the state workforce.