

FACT SHEET

Demonstrating the Economic Value of Jackson College

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Jackson College (JC) creates a significant positive impact on the business community and generates a return on investment to its major stakeholder groups—students, society, and taxpayers. Using a two-pronged approach that involves an economic impact analysis and an investment analysis, this study calculates the benefits to each of these groups. Results of the analysis reflect Fiscal Year (FY) 2013-14.

INCOME CREATED BY JC IN FY 2013-14 (ADDED INCOME)

\$33 MILLION

Operations spending impact

\$101.2 THOUSAND

Impact of student spending

\$221.1 MILLION

Alumni impact

\$254.2 MILLION

Total impact

IMPACT ON BUSINESS COMMUNITY

During the analysis year, JC and its students added **\$254.2 MILLION** in income to the JC Service Area economy, approximately equal to **2.5%** of the Gross Regional Product. The economic impacts of JC break down as follows:

Operations spending impact

- JC employed 604 full-time and part-time employees in FY 2013-14. Payroll amounted to **\$29.1 MILLION**, much of which was spent in the JC Service Area to purchase groceries, clothing, and other household goods and services. The college spent another **\$19 MILLION** to support its day-to-day operations.
- The net impact of college payroll and expenses in the JC Service Area during the analysis year was approximately **\$33 MILLION** in added income.

Impact of student spending

- Around 16% of students attending JC originated from outside the region. Some of these students relocated to the JC Service Area and spent money on groceries, transportation, rent, and so on at regional businesses.
- The expenditures of students who relocated to the region during the analysis year added approximately **\$101.2 THOUSAND** in income to the economy.

Alumni impact

- Over the years, students have studied at JC and entered or re-entered the workforce with newly-acquired skills. Today, thousands of these former students are employed in the JC Service Area.
- The accumulated contribution of former students currently employed in the regional workforce amounted to **\$221.1 MILLION** in added income during the analysis year.

JOB EQUIVALENTS BASED ON INCOME

Job equivalents represent full- and part-time jobs that would not have occurred in the region without the college. They are calculated by jobs to sales ratios specific to each industry. Based on the added income created by JC, the job equivalents are as follows:

Operations spending impact = **668** job equivalents

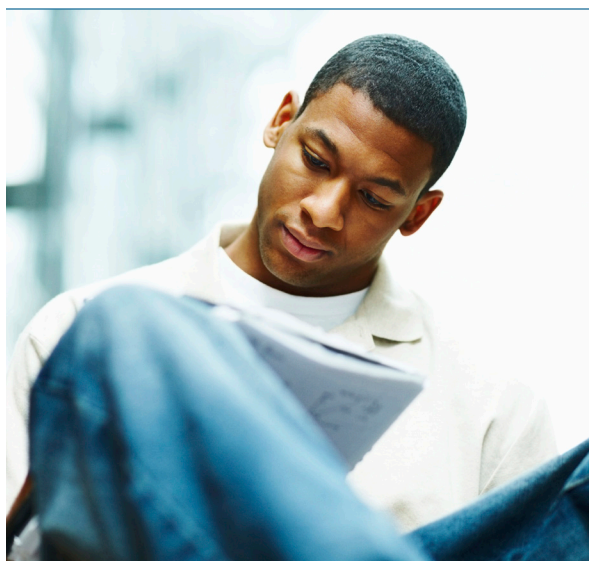
Impact of student spending = **6** job equivalents

Alumni impact = **4,437** job equivalents

Overall, the added income created by JC and its students supported **5,111** job equivalents.

FOR EVERY \$1 SPENT BY...

STUDENTS	\$3.30 Gained in lifetime income for STUDENTS
SOCIETY	\$7.70 Gained in added state income and social savings for SOCIETY
TAXPAYERS	\$3.80 Gained in added taxes and public sector savings for TAXPAYERS



RETURN ON INVESTMENT TO STUDENTS, SOCIETY, AND TAXPAYERS

Student perspective

- JC's 2013-14 students paid a total of **\$15.9 MILLION** to cover the cost of tuition, fees, books, and supplies. They also forwent **\$36.4 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 **\$172.5 MILLION** in increased earnings over their working lives. This translates to a return of **\$3.30** in higher future income for every \$1 that students invest in their education. The average annual return for students is **14.3%**.

Social perspective

- Society as a whole in Michigan will receive a present value of **\$663.2 MILLION** in added state income over the course of the students' working lives. Society will also benefit from **\$22.2 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 society spent on JC educations during the analysis year, society will receive a cumulative value of **\$7.70** in benefits, for as long as the 2013-14 student population at JC remains active in the state workforce.

Taxpayer perspective

- In FY 2013-14, state and local taxpayers in Michigan paid **\$17.7 MILLION** to support the operations of JC. The net present value of the added tax revenue stemming from the students' higher lifetime incomes and the increased output of businesses amounts to **\$61 MILLION** in benefits to taxpayers. Savings to the public sector add another **\$6.3 MILLION** in benefits due to a reduced demand for government-funded services in Michigan.
- Dividing benefits to taxpayers by the associated costs yields a **3.8** benefit-cost ratio, i.e., every \$1 in costs returns \$3.80 in benefits. The average annual return on investment for taxpayers is **12.4%**.