



The Economic Value of Jackson College

FACT SHEET

JACKSON College (JC) 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) 2017-18.



Economic impact analysis

In FY 2017-18, JC added **\$276.4 million** in income to the JC Service Area¹ economy, a value approximately equal to **2.4%** of the region's total gross regional product (GRP). Expressed in terms of jobs, JC's impact supported **3,517** regional jobs. For perspective, the activities of JC and its students support one out of every **38** jobs in the JC Service Area.

OPERATIONS SPENDING IMPACT

- JC employed 597 full-time, part-time, and adjunct faculty and staff. Payroll amounted to \$30.3 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 \$8.2 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$34.5 million** in income to the regional economy.

STUDENT SPENDING IMPACT

- Around 22% of students attending JC originated from outside the region. Some of these students relocated to the JC Service Area. In addition, some in-region students would have left JC Service Area for other educational opportunities if not for JC. These relocated and retained students spent money on groceries, mortgage and rent payments, and so on at regional businesses.

IMPACTS CREATED BY JC
IN FY 2017-18



\$34.5 million
Operations Spending Impact



\$2.3 million
Student Spending Impact



\$239.6 million
Alumni Impact



\$276.4 million
TOTAL IMPACT

- OR -

3,517
JOBS SUPPORTED

¹ For the purposes of this study, the JC Service Area is comprised of Jackson, Hillsdale, and Lenawee Counties.



- The expenditures of relocated and retained students in FY 2017-18 added **\$2.3 million** in income to the JC Service Area economy.

ALUMNI IMPACT

- Over the years, students have studied at JC and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in the JC Service Area.
- The net impact of JC's former students currently employed in the regional workforce amounted to **\$239.6 million** in added income in FY 2017-18.



Investment analysis

STUDENT PERSPECTIVE

- JC's FY 2017-18 students paid a present value of **\$18.8 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$13.5 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$194.2 million** in increased earnings over their working lives. This translates to a return of **\$6.00** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **22.0%**.

TAXPAYER PERSPECTIVE

- State and local taxpayers provided JC with **\$21.1 million** of funding in FY 2017-18. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$86.9 million**. A reduced demand for government-funded services in Michigan will add another **\$4.3 million** in benefits to taxpayers.
- For every dollar of public money invested in JC, taxpayers will receive **\$4.30** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **10.5%**.

SOCIAL PERSPECTIVE

- In FY 2017-18, Michigan invested **\$66.6 million** to fully support JC. In turn, the Michigan economy will grow by **\$1.1 billion**, over the course of students' working lives. Society will also benefit from **\$13.9 million** of public and private sector savings.
- For every dollar invested in JC educations in FY 2017-18, people in Michigan will receive **\$16.40** in return, for as long as JC's FY 2017-18 students remain active in the state workforce.

STUDENTS SEE A HIGH RATE OF RETURN FOR THEIR INVESTMENT IN JC



22.0%

Average annual return for JC students



10.1%

Stock market 30-year average annual return



0.8%

Interest earned on savings account (National Rate Cap)

Source: Forbes' S&P 500, 1987-2016. FDIC.gov, 7-2016.

Return on investment for local taxpayers

Taxpayers in Jackson County provided 10% of JC's funding, or **\$4.9 million**, in FY 2017-18. In return for that investment, the county will receive a present value of **\$28.9 million** in benefits, generated by increased tax revenues and government savings in the county. This means that for every dollar Jackson County taxpayers invest in the college, they will receive **\$5.80** in return. Local taxpayers enjoy an annual rate of return of **18.5%** for this investment.



FOR EVERY \$1...



Students gain

\$6.00

in lifetime earnings



Taxpayers gain

\$4.30

in added tax revenue and public sector savings



Society gains

\$16.40

in added income and social savings

