



The Economic Value of Moberly Area Community College FACT SHEET

MOBERLY Area Community College (MACC) 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, MACC added **\$89.7 million** in income to the MACC Service Region* economy, a value approximately equal to **0.6%** of the region's total gross regional product (GRP). Expressed in terms of jobs, MACC's impact supported **1,861 jobs**.

OPERATIONS SPENDING IMPACT

- MACC employed 567 full-time and part-time faculty and staff. Payroll amounted to \$16.8 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 \$11.9 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$21.1 million** in income to the regional economy in FY 2017-18.

STUDENT SPENDING IMPACT

- Around 21% of credit students attending MACC originated from outside the region. Some of these students relocated to the MACC Service Region. In addition, some in-region students would have left the MACC Service Region for other educational opportunities if not for MACC. 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 2017-18 added **\$4.3 million** in income to the MACC Service Region economy.

* For the purposes of this analysis, the MACC Service Region is comprised of Adair, Audrain, Boone, Chariton, Clark, Howard, Knox, Lewis, Macon, Marion, Monroe, Ralls, Randolph, Schuyler, Scotland, and Shelby Counties.

IMPACTS CREATED
BY MACC IN FY 2017-18



\$21.1 million

Operations Spending Impact



\$4.3 million

Student Spending Impact



\$64.2 million

Alumni Impact



\$89.7 million

TOTAL IMPACT

- OR -

1,861

JOBS SUPPORTED



ALUMNI IMPACT

- Over the years, students have studied at MACC and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in the MACC Service Region.
- The net impact of MACC's former students currently employed in the regional workforce amounted to **\$64.2 million** in added income in FY 2017-18.



Investment analysis

STUDENT PERSPECTIVE

- MACC's FY 2017-18 students paid a present value of **\$16.9 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$12.7 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$124 million** in increased earnings over their working lives. This translates to a return of **\$4.20** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **15.4%**.

TAXPAYER PERSPECTIVE

- Taxpayers provided MACC with **\$7.2 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 **\$36.7 million**. A reduced demand for government-funded services in Missouri will add another **\$5.8 million** in benefits to taxpayers.
- For every dollar of public money invested in MACC, taxpayers will receive **\$5.90** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **14.4%**.

SOCIAL PERSPECTIVE

- In FY 2017-18, Missouri invested **\$46.7 million** to support MACC. In turn, the Missouri economy will grow by **\$441.9 million**, over the course of students' working lives. Society will also benefit from **\$19.2 million** of public and private sector savings.
- For every dollar invested in MACC in FY 2017-18, people in Missouri will receive **\$9.90** in return, for as long as MACC's FY 2017-18 students remain active in the state workforce.

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



15.4%

Average annual return for MACC students



9.9%

Stock market 30-year average annual return



0.8%

Interest earned on savings account (National Rate Cap)

Source: Forbes' S&P 500, 1989-2018. FDIC.gov, 6-2019.



FOR EVERY \$1...



Students gain

\$4.20

in lifetime earnings



Taxpayers gain

\$5.90

in added tax revenue and public sector savings



Society gains

\$9.90

in added income and social savings

