

# The Economic Value of Mohave Community College

Mohave Community College (MCC) 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) 2021-22.

## Economic impact analysis

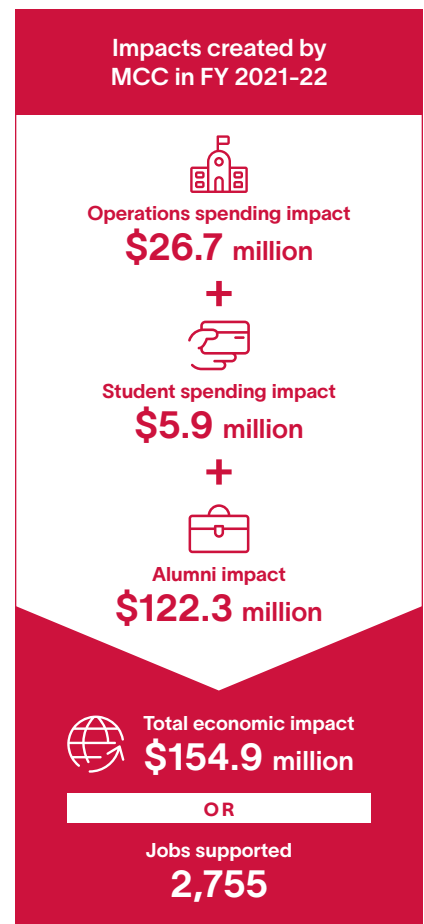
In FY 2021-22, MCC added **\$154.9 million** in income to the Mohave County economy, a value approximately equal to **2.4%** of the county's total gross regional product (GRP). Expressed in terms of jobs, MCC's impact supported **2,755 jobs**. For perspective, the activities of MCC and its students support **one out of every 29 jobs** in Mohave County.

### Operations spending impact

- MCC employed 448 full-time and part-time faculty and staff. Payroll amounted to \$25.5 million, much of which was spent in the county for groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$16.7 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$26.7 million** in income to the county economy in FY 2021-22.

### Student spending impact

- Around 11% of students attending MCC originated from outside the county. Some of these students relocated to Mohave County. In addition, some in-county students, referred to as retained students, would have left Mohave County for other educational opportunities if not for MCC. These relocated and retained

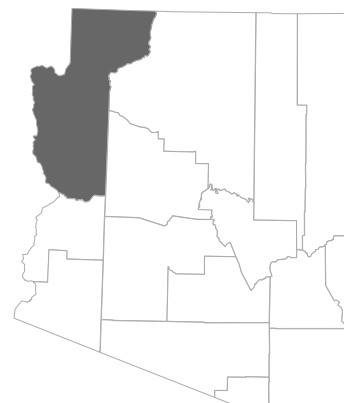


students spent money on groceries, mortgage and rent payments, and other living expenses at county businesses.

- The expenditures of relocated and retained students in FY 2021-22 added **\$5.9 million** in income to the Mohave County economy.

### Alumni impact

- Over the years, students have studied at MCC and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in Mohave County.
- The net impact of MCC's former students currently employed in the county workforce amounted to **\$122.3 million** in added income in FY 2021-22.



Mohave County, Arizona

## Investment analysis

### Student perspective

- MCC's FY 2021-22 students paid a present value of **\$6.5 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$6.4 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value of **\$78.8 million** in increased earnings over their working lives. This translates to a return of **\$6.10** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **22.1%**.

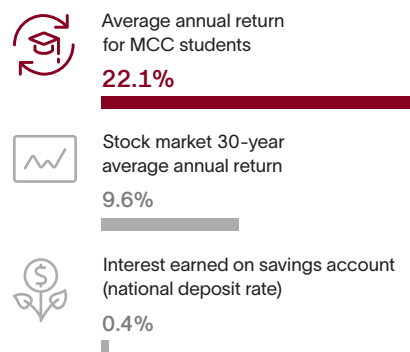
### Taxpayer perspective

- Taxpayers provided MCC with **\$32.6 million** of funding in FY 2021-22. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$19.7 million**. A reduced demand for government-funded services in Arizona will add another **\$2.4 million** in benefits to taxpayers. Total benefits to Arizona taxpayers amount to **\$22.1 million**.

### Social perspective


- In FY 2021-22, Arizona invested **\$50.6 million** to support MCC. In turn, the Arizona economy will grow by **\$288.1 million**, over the course of students' working lives. Society will also benefit from **\$6.2 million** of public and private sector savings.
- For every dollar invested in MCC in FY 2021-22, people in Arizona will receive **\$5.80** in return, for as long as MCC's FY 2021-22 students remain active in the state workforce.

### Students see a high rate of return for their investment in MCC




Source: Forbes' S&P 500, 1992-2021. FDIC.gov, 2-2022.

**For every \$1...**



Students gain in lifetime earnings


**\$6.10**



Society gains in added income and social savings

**\$5.80**

**In total...**



Taxpayers gain in added tax revenue and public sector savings

**\$22.1 million**

