



# The Economic Value of Marion Technical College FACT SHEET

**M**ARION Technical College (MTC) 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, MTC added **\$76.7 million** in income to the economy of MTC’s seven-county area,\* a value approximately equal to **0.3%** of the region’s total gross regional product (GRP). Expressed in terms of jobs, MTC’s impact supported **1,092 jobs**.

### OPERATIONS SPENDING IMPACT

- MTC employed 238 full-time and part-time faculty and staff. Payroll amounted to \$9.8 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 \$5.8 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college’s operations spending added **\$12.9 million** in income to the regional economy in FY 2017-18.

### CONSTRUCTION SPENDING IMPACT

- MTC commissioned contractors to build or renovate its facilities, generating a short-term infusion of spending and jobs in the regional economy.
- The net impact of MTC’s construction spending in FY 2017-18 was **\$1 million** in added income for MTC’s seven-county area.

### STUDENT SPENDING IMPACT

- Some in-region students would have left MTC’s seven-county area for other educational opportunities if not for MTC. These retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.
- The expenditures of retained students in FY 2017-18 added **\$518.5 thousand** in income to the regional economy.

\* For the purposes of this analysis, MTC’s seven-county area is comprised of Crawford, Delaware, Hardin, Marion, Morrow, Union, and Wyandot.

IMPACTS CREATED  
BY MTC IN FY 2017-18



## ALUMNI IMPACT

- Over the years, students have studied at MTC and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in MTC's seven-county area.
- The net impact of MTC's former students currently employed in the regional workforce amounted to **\$62.3 million** in added income in FY 2017-18.



## Investment analysis

### STUDENT PERSPECTIVE

- MTC's FY 2017-18 students paid a present value of **\$6 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$8.3 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$93.5 million** in increased earnings over their working lives. This translates to a return of **\$6.60** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **21.7%**.

### TAXPAYER PERSPECTIVE

- Taxpayers provided MTC with **\$8.4 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 **\$25.7 million**. A reduced demand for government-funded services in Ohio will add another **\$2.5 million** in benefits to taxpayers.
- For every dollar of public money invested in MTC, taxpayers will receive **\$3.30** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **8.6%**.

### SOCIAL PERSPECTIVE

- In FY 2017-18, Ohio invested **\$28.4 million** to support MTC, between the college's operations spending and their student's costs. In turn, the Ohio economy will grow by **\$336.6 million**, over the course of students' working lives. Society will also benefit from **\$9.2 million** of public and private sector savings.
- For every dollar invested in MTC in FY 2017-18, people in Ohio will receive **\$12.20** in return, for as long as MTC's FY 2017-18 students remain active in the state workforce.

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



**21.7%**

Average annual return for MTC students



**9.9%**

Stock market 30-year average annual return

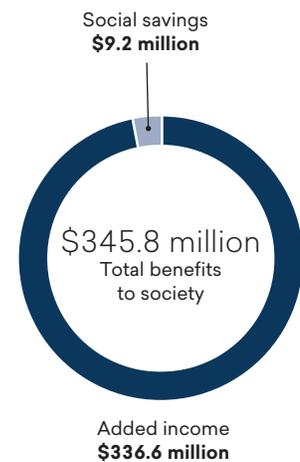


**0.8%**

Interest earned on savings account (National Rate Cap)

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

PRESENT VALUE OF BENEFITS TO SOCIETY



Source: Emsi impact model

