



The Economic Value of Mt. Hood Community College **FACT SHEET**

MT. Hood Community College (MHCC) 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) 2018-19.



Economic impact analysis

In FY 2018-19, MHCC added **\$549.2 million** in income to the MHCC District* economy, a value approximately equal to **4.1%** of the region's total gross regional product (GRP). Expressed in terms of jobs, MHCC's impact supported **7,270 jobs**. For perspective, the activities of MHCC and its students support **one out of every 18 jobs** in the MHCC District.

OPERATIONS SPENDING IMPACT

- MHCC employed 1,223 full-time and part-time faculty and staff. Payroll amounted to \$56.8 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 \$25.7 million on day-to-day expenses related to facilities, supplies, and professional services.
- The net impact of the college's operations spending added **\$63.2 million** in income to the regional economy in FY 2018-19.

STUDENT SPENDING IMPACT

- Around 45% of students attending MHCC originated from outside the region. Some of these students relocated to the MHCC District. In addition, some in-region students, referred to as retained students, would have left the MHCC District for other educational opportunities if not for MHCC. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.

* For the purposes of this analysis, the MHCC District is comprised of the following ZIP codes: 97009, 97011, 97019, 97028, 97049, 97055, 97067, 97080, 97236, 97014, 97030, 97060, 97230, 97233, 97010, 97024, 97086, 97089, 97238, 97269, 97290, 97292, 97294.

IMPACTS CREATED
BY MHCC IN FY 2018-19



\$63.2 million
Operations Spending Impact



\$5.3 million
Student Spending Impact



\$480.7 million
Alumni Impact



\$549.2 million
TOTAL IMPACT

- OR -

7,270
JOBS SUPPORTED



- The expenditures of relocated and retained students in FY 2018-19 added **\$5.3 million** in income to the MHCC District economy.

ALUMNI IMPACT

- Over the years, students have studied at MHCC and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in the MHCC District.
- The net impact of MHCC's former students currently employed in the regional workforce amounted to **\$480.7 million** in added income in FY 2018-19.



Investment analysis

STUDENT PERSPECTIVE

- MHCC's FY 2018-19 students paid a present value of **\$24.1 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$55.2 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive **\$296.6 million** in increased earnings over their working lives. This translates to a return of **\$3.70** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **17.0%**.

TAXPAYER PERSPECTIVE

- Taxpayers provided MHCC with **\$40.7 million** of funding in FY 2018-19. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$93.3 million**. A reduced demand for government-funded services in Oregon will add another **\$8.9 million** in benefits to taxpayers.
- For every dollar of public money invested in MHCC, taxpayers will receive **\$2.50** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **8.2%**.

SOCIAL PERSPECTIVE

- In FY 2018-19, Oregon invested **\$145.4 million** to support MHCC. In turn, the Oregon economy will grow by **\$950.2 million**, over the course of students' working lives. Society will also benefit from **\$25.5 million** of public and private sector savings.
- For every dollar invested in MHCC in FY 2018-19, people in Oregon will receive **\$6.70** in return, for as long as MHCC's FY 2018-19 students remain active in the state workforce.

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



17.0%

Average annual return for MHCC 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

\$3.70

in lifetime earnings



Taxpayers gain

\$2.50

in added tax revenue and public sector savings



Society gains

\$6.70

in added income and social savings

