

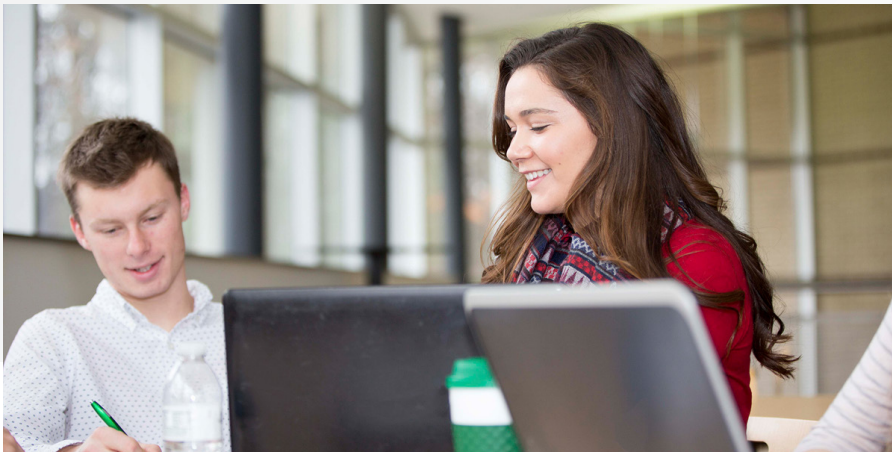


Executive Summary

FEBRUARY 2024



The Economic Value of Northwestern Michigan College to Grand Traverse County



NORTHWESTERN MICHIGAN COLLEGE (NMC) promotes economic growth in Grand Traverse County through its direct expenditures and the resulting expenditures of county businesses. The college serves as an employer and buyer of goods and services for its day-to-day and construction operations. The college's activities attract students from outside Grand Traverse County, whose expenditures benefit regional vendors. In addition, NMC is one of the primary sources of higher education to the NMC Service Area residents and a supplier of trained workers to county industries, enhancing overall productivity in the county workforce.

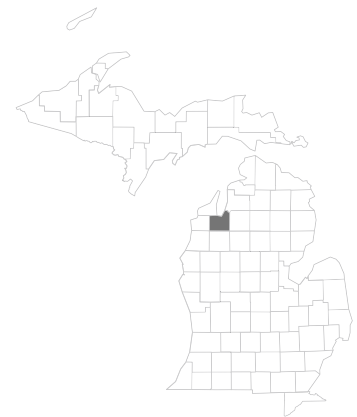
This study measures the economic impacts created by NMC on the Grand Traverse County business community. All results reflect employee, student, and financial data, provided by the college, for fiscal year (FY) 2021-22. Reported impacts on the Grand Traverse County economy are measured in terms of added income.

Operations spending impact



NMC is an employer of county residents and purchases goods and services from vendors located in Grand Traverse County. In FY 2021-22, total payroll paid to NMC employees living in Grand Traverse County amounted to \$21.6 million. These employees spent some of their earnings in the county on groceries, mortgage and rent payments, dining out, and other household expenses. The college spent another \$11.3 million at Grand Traverse County vendors on day-to-day expenses related to supplies and professional services as well as construction. The total gross effect of this spending in the county amounted to \$36.5 million in added value to the county economy.

However, we must account for the hypothetical impact of alternative spending opportunities for NMC revenues from the county. These revenues include local appropriations and tuition money from students living in Grand Traverse County as well as other county sources of revenues. After subtracting the impact that would have occurred even without NMC, or the alternative use of funds, we arrive at a net total impact of \$29.0 million in income in FY 2021-22, which is equivalent to supporting 551 jobs.



Grand Traverse County,
Michigan

NMC is a supplier of **trained workers to county businesses**, enhancing overall productivity in the county workforce.

Student spending impact



Around 30% of students attending NMC originated from outside the county in FY 2021-22, and some of these students relocated to Grand Traverse County to attend NMC. These students may not have come to the county if the college did not exist. In addition, some in-county students, referred to as retained students, would have left Grand Traverse County if not for the existence of NMC. While attending the college, these relocated and retained students spent money on groceries, accommodation, transportation, and other household expenses. This spending generated \$3.2 million in added income for the county economy in FY 2021-22, which supported 47 jobs in Grand Traverse County.

Alumni impact



The education and training NMC provides for county residents has the greatest impact. Since the establishment of the college, students have studied at NMC and entered the county workforce with greater knowledge and new skills. Today, thousands of former NMC students are employed in Grand Traverse County. As a result of their education from NMC, the students receive higher earnings and increase the productivity of the businesses that employ them. In FY 2021-22, NMC alumni generated \$96.7 million in added income for the county economy, which is equivalent to supporting 1,295 jobs.

Total impact

NMC added \$128.8 million in income to the Grand Traverse County economy during the analysis year, equal to the sum of the operations spending impact, the student spending impact, and the alumni impact. For context, the \$128.8 million impact was equal to approximately 2.1% of the total gross regional product (GRP) of Grand Traverse County. This contribution that the college provided on its own is nearly as large as the entire Utilities industry in the county.

NMC's total impact can also be expressed in terms of jobs supported. The \$128.8 million impact supported 1,892 county jobs, using the jobs-to-sales ratios specific to each industry in the county. This means that one out of every 39 jobs in Grand Traverse County is supported by the activities of NMC and its students. In addition, the \$128.8 million, or 1,892 supported jobs, stemmed from different industry sectors. For instance, among non-education industry sectors, the spending of NMC and its students and the activities of its alumni in the Health Care & Social Assistance industry sector added \$15.0 million in income in FY 2021-22. If the college did not exist, these impacts would not have been generated in Grand Traverse County.

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Impacts created by NMC in FY 2021-22 on Grand Traverse County



Operations spending impact
\$29.0 million

+



Student spending impact
\$3.2 million

+



Alumni impact
\$96.7 million



Total economic impact
\$128.8 million

OR

Jobs supported
1,892

NMC impacts by industry (added income)



\$18.9 million

Retail Trade



\$15.0 million

Health Care & Social Assistance



\$8.3 million

Real Estate & Rental Leasing



\$7.4 million

Construction



\$6.7 million

Finance & Insurance