

NEWS RELEASE

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Study shows Glen Oaks Community College boosts local economy, increases graduate earning power

CENTREVILLE---Glen Oaks Community College, the only institution of higher learning in St. Joseph County, is greatly improving quality of life, enhancing students' careers, and adding to local economic development, according to a Socioeconomic Impact (SEIM) Study by Economic Modeling Specialists, Inc. of Moscow, Idaho.

The study was based on information from 2008-2009 academic and financial reports covering college, industry and employment data from the U.S. Bureau of Labor Statistics, earnings and demographic data from the U.S. Census Bureau, and a variety of studies and surveys relating education to social behavior.

Glen Oaks Community College helps local and state economy in many ways, the study said:

- The South Central Michigan economy received roughly \$7 million in income due to the college's operations and capital spending in fiscal year 2009.
- About 15% of Glen Oaks' students came from outside the service area, bringing with them monies that would not have otherwise entered the local economy. These out-of-area students generated roughly \$592,800 in added income in the St. Joseph County area.
- Glen Oaks activities encourage new business, assist existing business, and create long-term economic growth. The college enhances worker skills and provides customized training to local business and industry. It is estimated that in FY 2009 the area's workforce embodied 551,600 credits of past and present GOCC training.
- New skills learned at Glen Oaks translate to higher earnings for students and increased output of businesses. The added income attributed to more GOCC credits in workforce amounted to \$86.7 million in FY 2009.

M. Henry Robison and Kjell A. Christopherson, authors of the study, said 3,051 students attended the college in FY 2009. About 97% of the students initially stayed in the service area after they left college, contributing to the local economy. Glen Oaks students enjoy an average annual income increase of \$130 for every credit completed. During their working career, the average Glen Oaks student realizes an income increase of \$3.30 for every \$1 invested in tuition, fees, books, and wages given up to attend. Students enjoy an attractive 15% rate of return on their Glen Oaks educational investment, recovering all costs within nine years.

The lifetime income advantages of increased college education are noteworthy. The average annual income of a one-year occupation certificate graduate at the midpoint of his or her career is \$28,000, or 82% more than someone without a high school diploma and 17% more than a student with a high school diploma. The average income at the career midpoint of someone with an associate's degree is

\$33,200, or 116% more than someone without a high school diploma, and 38% more than someone with a high school diploma.

Many of the educational benefits of Glen Oaks Community College to the local and state community are not so recognizable, yet they provide significant return for taxpayer dollars.

Students benefit from higher earnings, thereby expanding the tax base and reducing the burden on local and state taxpayers. Overall, Glen Oaks students generate about \$3.3 million annually in higher earnings due to their education.

Local and state government allocated around \$7.8 million in support of Glen Oaks in fiscal year 2009, but for every dollar of this support the taxpayers saw a cumulative return of \$1.20 over the course of the students' working careers (in the form of higher tax receipts and avoided social costs). Local and state government saw a rate of return of 6% on their support for Glen Oaks Community College. This return compares very favorably with private sector rates of return on similar long-term investments.

Educating people for the workforce pays big returns. The local and state community realizes avoided social costs amounting to \$14 per year for every credit earned by GOCC students, including savings associated with improved health, lower crime costs, and reduced welfare and unemployment. This translates to \$357,000 in avoided costs to the State of Michigan each year as long as students are in the workforce.