

The Economic Value of St. Clair County Community College





ST. CLAIR COUNTY COMMUNITY COLLEGE (SC4) creates value in many ways. The college plays a key role in helping students increase their employability and achieve their individual potential. The college draws visitors and students to the county, generating new dollars and opportunities for St. Clair County. SC4 provides students with the education, training, and skills they need to have fulfilling and prosperous careers. Furthermore, SC4 is a place for students to meet new people, increase their self-confidence, and promote their overall health and well-being.

SC4 influences both the lives of its students and the county economy. The college supports a variety of industries in St. Clair County, serves businesses in the county, and benefits society as a whole in Michigan from an expanded economy and improved quality of life. Additionally, the benefits created by SC4 extend to the state and local government through increased tax revenues and public sector savings.

This study measures the economic impacts created by SC4 on the business community and the benefits the college generates in return for the investments made by its key stakeholder groups—students, taxpayers, and society. The following two analyses are presented:

 **Economic impact analysis**

 **Investment analysis**

All results reflect employee, student, and financial data, provided by the college, for fiscal year (FY) 2024-25. Impacts on the St. Clair County economy are reported under the economic impact analysis and are measured in terms of added income. The returns on investment to students, taxpayers, and society in Michigan are reported under the investment analysis.



SC4 influences both the **lives of its students** and the **county economy**.



Economic impact analysis

SC4 promotes economic growth in St. Clair County through its direct expenditures and the resulting expenditures of visitors, students, and businesses in the county. 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 visitors and students from outside St. Clair County, whose expenditures benefit county vendors. In addition, SC4 is a primary source of higher education to St. Clair County residents and a supplier of trained workers to county industries, enhancing overall productivity in the county workforce.

Operations spending impact



SC4 adds economic value to St. Clair County as an employer of county residents and a large-scale buyer of goods and services. In FY 2024-25, payroll at SC4 was \$24.6 million, much of which was spent in the county on groceries, mortgage and rent payments, dining out, and other household expenses. In addition, the college spent \$13.8 million on expenses related to facilities, supplies, and professional services (excluding construction).

SC4's operations spending added **\$26.0 million** in income to the county during the analysis year. This figure represents the college's payroll, the multiplier effects generated by the in-county spending of the college and its employees, and a downward adjustment to account for funding that the college received from county sources. The \$26.0 million in added income is equivalent to supporting **449 jobs** in the county.

Construction spending impact



SC4 invests in capital projects each year to maintain its facilities, create additional capacities, and meet its growing educational demands. While the amount varies from year to year, these quick infusions of income and jobs have a substantial impact on the county economy. In FY 2024-25, SC4's construction spending generated **\$1.4 million** in added income, which is equivalent to supporting **19 jobs**.

Visitor spending impact



Thousands of visitors from outside the county were attracted to SC4 during the analysis year to attend sporting events, SC4's STEM Fest, and a variety of STEM and other camps sponsored by the college. While in the county, visitors spent

Impacts created by
SC4 in FY 2024-25



Operations spending impact

\$26.0 million

+



Construction spending impact

\$1.4 million

+



Visitor spending impact

\$283.0 thousand

+



Student spending impact

\$1.5 million

+



Alumni impact

\$120.7 million



Total economic impact

\$149.9 million

OR



Jobs supported

2,141



money on lodging, food, transportation, and other personal expenses. The off-campus expenditures of the college's out-of-county visitors generated a net impact of **\$283.0 thousand** in added income for the county economy in FY 2024-25. This \$283.0 thousand in added income is equivalent to supporting **seven jobs**.

Student spending impact



Around 26% of students attending SC4 originated from outside the county in FY 2024-25, and some of these students relocated to St. Clair County to attend SC4. 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 St. Clair County if not for the existence of SC4. While attending the college, these relocated and retained students spent money on groceries, accommodation, transportation, and other household expenses. This spending generated **\$1.5 million** in added income for the county economy in FY 2024-25, which supported **27 jobs** in St. Clair County.

ALUMNI SPOTLIGHT: CHRIS SMITH

Police officer Christopher Smith doesn't quit on his career goals

Port Huron police officer Christopher Smith never gave up on his career goals, and SC4 has enabled him to make a positive difference in his hometown.

Smith's path to law enforcement traveled through SC4, but not how he originally intended. After graduating from Port Huron Northern High School, he attended SC4 for one semester.

He dropped out of school with poor grades.

"I thought working in fast food was easier than going to school," he said.

Smith moved from fast food to the laundry department at Port Huron Hospital. He again enrolled at SC4 and dropped out.

His life and career path changed with the Sept. 11, 2001, terrorist attacks. The national crisis helped him realize he was missing his true calling.

"I thought, 'I want to make a difference,'" Smith said. "I came back dedicated."

He enrolled for a third time at SC4 in 2001, this time focused on his future. Smith juggled working full time with going to school full time. School was tough, but he thanks his SC4 instructors for challenging him and offering personal help.

Smith earned his associate degree in criminal justice—law enforcement from SC4 in 2003. He attended the Macomb Police Academy and completed it in 2003.

"I couldn't actually believe I was a police officer," he said. "I let my goal go for about 10 years. To be able to apply what you learned, it was a good feeling."

Smith has been working at the Port Huron Police Department since 2005.

Smith's advice for students at SC4 or considering going to college is to stick to their long-term plans. "I encourage people to set a goal and go for it. Don't be afraid to step outside your comfort zone."

Alumni impact



The education and training SC4 provides for county residents has the greatest impact. Since the establishment of the college, students have studied at SC4 and entered the county workforce with greater knowledge and new skills. Today, thousands of former SC4 students are employed in St. Clair County. As a result of their



education from SC4, the students receive higher earnings and increase the productivity of the businesses that employ them. In FY 2024-25, SC4 alumni generated **\$120.7 million** in added income for the county economy, which is equivalent to supporting **1,639 jobs**.

Total impact

SC4 added **\$149.9 million** in income to the St. Clair County economy during the analysis year, equal to the sum of the operations and construction spending impacts; the visitor and student spending impacts; and the alumni impact. For context, the \$149.9 million impact was equal to approximately **2.5%** of the total gross regional product (GRP) of St. Clair County. This contribution that the college provided on its own is larger than the Agriculture, Forestry, Fishing, & Hunting; Arts, Entertainment, & Recreation; and Information industries in the county combined.

SC4's total impact can also be expressed in terms of jobs supported. The \$149.9 million impact supported **2,141 county jobs**, using the jobs-to-sales ratios specific to each industry in the county. This means that one out of every 31 jobs in St. Clair County is supported by the activities of SC4 and its students. In addition, the \$149.9 million, or 2,141 supported jobs, stemmed from different industry sectors. For instance, among non-education industry sectors, the activities of SC4 and its alumni in the Health Care & Social Assistance industry sector supported 354 jobs in FY 2024-25. If the college did not exist, these impacts would not have been generated in St. Clair County.

SC4 impacts by industry (jobs supported)



One out of every 31 jobs in St. Clair County is supported by the activities of SC4 and its students.





Investment analysis

An investment analysis evaluates the costs associated with a proposed venture against its expected benefits. The analysis presented here evaluates SC4 as an investment from the perspectives of students, taxpayers, and society in Michigan. As with the economic impact analysis, this analysis considers only FY 2024-25 activities.

Student perspective



In FY 2024-25, SC4 served 4,151 credit and 255 non-credit students. In order to attend the college, the students paid for tuition, fees, books, and supplies. They also took out loans and will incur interest on those loans. Additionally, students gave up money they would have otherwise earned had they been working instead of attending college. The total investment made by SC4's students in FY 2024-25 amounted to a present value of \$19.8 million, equal to \$17.4 million in out-of-pocket expenses (including future principal and interest on student loans) and \$2.5 million in forgone time and money.

In return for their investment, SC4's students will receive a stream of higher future earnings that will continue to grow throughout their working lives. For example, the average SC4 associate degree graduate from FY 2024-25 will see annual earnings that are \$8,800 higher than a person with a high school diploma or equivalent working in Michigan. Over a working lifetime, the benefits of an associate degree over a high school diploma will amount to an undiscounted value of \$387,200 in higher earnings per graduate. The present value of the cumulative higher future earnings that SC4's FY 2024-25 students will receive over their working careers is \$78.9 million.

The students' benefit-cost ratio is 4.0. In other words, for every dollar students invest in SC4 in the form of out-of-pocket expenses and forgone time and money, they will receive a cumulative value of \$4.00 in higher future earnings. Annually, the students' investment in SC4 has an average annual internal rate of return of 13.6%, which is impressive compared to the U.S. stock market's 30-year average rate of return of 10.9%.

Students see a high rate of return for their investment in SC4



Average annual return for SC4 students
13.6%



Stock market 30-year average annual return
10.9%

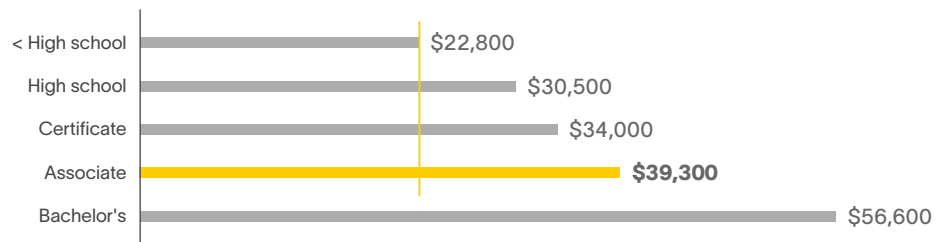


Interest earned on savings account (national deposit rate)
0.5%

Source: Forbes' S&P 500, 1994-2025; FDIC.gov, January 2024

Average earnings by education level at career midpoint

The average associate degree graduate from SC4 will see an increase in earnings of **\$8,800** each year compared to a person with a high school diploma or equivalent working in Michigan.



Source: Lightcast employment data



Taxpayer perspective



SC4 generates more in tax revenue than it receives. These benefits to taxpayers consist primarily of taxes that the state and local government will collect from the added revenue created in the state. As SC4 students will earn more, they will make higher tax payments throughout their working lives. Students' employers will also make higher tax payments as they increase their output and purchases of goods and services. By the end of the FY 2024-25 students' working lives, the state and local government will have collected a present value of \$29.8 million in added taxes.

Benefits to taxpayers will also consist of savings generated by the improved lifestyles of SC4 students and the corresponding reduced government services. Education is statistically correlated with a variety of lifestyle changes. The education that SC4 students receive will generate savings in three main categories: 1) health care, 2) justice system, and 3) income assistance. Improved health will lower students' demand for national health care services. In addition, costs related to the justice system will decrease. SC4 students will be more employable, so their reduced demand for income assistance such as welfare and unemployment benefits will benefit taxpayers. For a list of study references, contact the college for a copy of the main report. Altogether, the present value of the benefits associated with an education from SC4 will generate \$3.3 million in savings to state and local taxpayers.

For every dollar of public money invested in SC4, taxpayers will receive a cumulative value of **\$1.50** over the course of the students' working lives.

ALUMNI SPOTLIGHT: AMY COLEMAN

Amy Coleman helps to lead The Kresge Foundation

Amy Coleman started her education at SC4 and today helps lead a \$3.1 billion private foundation that supports nonprofit organizations in communities across the country and world.

Coleman is vice president of finance and treasurer for The Kresge Foundation in Troy.

"I love what I do; it's not just a job. It's a career," said Coleman, of Macomb Township.

The Kresge Foundation was established in 1924 and supports nonprofit organizations in six fields of interest: arts and culture, community development, education, environment, and health and human services.

Coleman graduated from SC4 in 1988 with an associate degree in business and transferred to Walsh College, where she earned a bachelor of business administration degree in accounting.

The first of seven children in her family to attend college, Coleman said she didn't know what to expect when she arrived on campus at SC4.

"There was a general overall nervousness. But I started doing well at the work, and I thought the community college was very supportive," she said. "Making that transition to Walsh was easy. I was very well prepared going in, and SC4 provided a good background."

Students who want to excel in business or any career must keep their priorities in mind, Coleman said, and they will be able to reach their desired career.

"There are going to be a lot of distractions, so focus on your end goal," she said. "Use that critical period of time and invest in yourself. You are worth the investment."



Total taxpayer benefits amount to \$33.2 million, the present value sum of the added tax revenue and public sector savings. Taxpayer costs are \$22.1 million, equal to the amount of state and local government funding SC4 received in FY 2024-25. These benefits and costs yield a benefit-cost ratio of 1.5. This means that for every dollar of public money invested in SC4 in FY 2024-25, taxpayers will receive a cumulative present value of \$1.50 over the course of the students' working lives. The average annual internal rate of return for taxpayers is 3.0%, which compares favorably to other long-term investments in the public sector.

Social perspective



Society as a whole in Michigan benefits from the presence of SC4 in two major ways. Primarily, society benefits from an increased economic base in the state. This is attributed to the added income from students' increased lifetime earnings (added student income) and increased business output (added business income), which raise economic prosperity in Michigan.

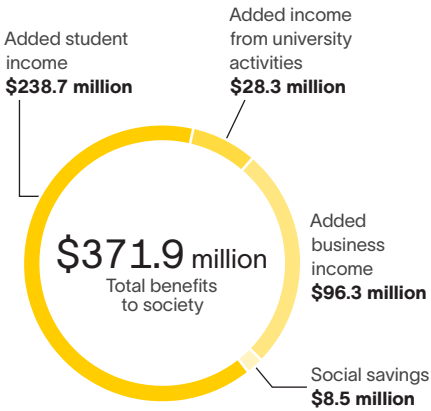
Benefits to society also consist of the savings generated by the improved lifestyles of SC4 students. As discussed in the previous section, education is statistically correlated with a variety of lifestyle changes that generate social savings. Note that these costs are avoided by the consumers but are distinct from the costs avoided by the taxpayers outlined above. Health care savings include avoided medical costs associated with smoking, obesity, substance abuse, and depression. Justice system savings include avoided costs to the government and society due to less judicial activity. Income assistance savings include reduced welfare and unemployment claims. For a list of study references, contact the college for a copy of the main report.



Altogether, the social benefits of SC4 equal a present value of \$371.9 million. These benefits include \$238.7 million in added student income, \$96.3 million in added business income, \$28.3 million in added income from college activities, as well as \$8.5 million in social savings related to health, the justice system, and income assistance in Michigan. People in Michigan invested a present value total of \$47.9 million in SC4 in FY 2024–25. The cost includes all the college and student costs.

The benefit-cost ratio for society is 7.8, equal to the \$371.9 million in benefits divided by the \$47.9 million in costs. In other words, for every dollar invested in SC4, people in Michigan will receive a cumulative value of \$7.80 in benefits. The benefits of this investment will occur for as long as SC4’s FY 2024–25 students remain employed in the state workforce.

Social benefits in Michigan from SC4






Source: Lightcast impact model

Summary of investment analysis results

The results of the analysis demonstrate that SC4 is a strong investment for all three major stakeholder groups—students, taxpayers, and society. As shown, students receive a great return for their investments in an education from SC4. At the same time, taxpayers’ investment in SC4 returns more to government budgets than it costs and creates a wide range of social benefits throughout Michigan.

Summary of investment analysis results

 Student perspective		 Taxpayer perspective		 Social perspective	
Present value benefits	\$78.9 million	Present value benefits	\$33.2 million	Present value benefits	\$371.9 million
Present value costs	\$19.8 million	Present value costs	\$22.1 million	Present value costs	\$47.9 million
Net present value	\$59.1 million	Net present value	\$11.0 million	Net present value	\$324.0 million
Benefit-cost ratio	4.0	Benefit-cost ratio	1.5	Benefit-cost ratio	7.8
Rate of return	13.6%	Rate of return	3.0%	Rate of return	n/a*

* The rate of return is not reported for the social perspective because the beneficiaries are not necessarily the same as the original investors.

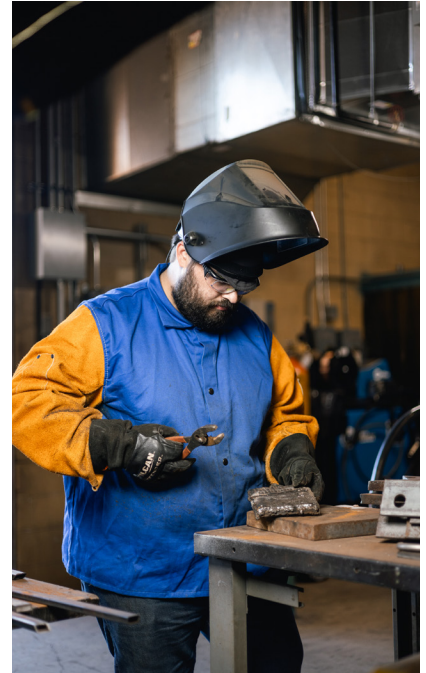
Conclusion

*The results of this study demonstrate that SC4 creates value from **multiple perspectives**.*

The college benefits businesses in the county by increasing consumer spending in the county and supplying a steady flow of qualified, trained workers to the workforce. SC4 enriches the lives of students by raising their lifetime earnings and helping them achieve their individual potential. The college benefits state and local taxpayers through increased tax receipts and a reduced demand for government-supported social services. Finally, SC4 benefits society as a whole in Michigan by creating a more prosperous economy and generating a variety of savings through the improved lifestyles of students.

About the study

Data and assumptions used in the study are based on several sources, including the FY 2024-25 academic and financial reports from SC4, industry and employment data from the U.S. Bureau of Labor Statistics and U.S. Census Bureau, outputs of Lightcast's Multi-Regional Social Accounting Matrix model, and a variety of studies and surveys relating education to social behavior. The study applies a conservative methodology and follows standard practice using only the most recognized indicators of economic impact and investment effectiveness. For a full description of the data and approach used in the study, please contact the college for a copy of the main report.



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