



# Executive Summary

FEBRUARY 2024



## The Economic Value of Northwestern Michigan College to Benzie County



**N**ORTHWESTERN MICHIGAN COLLEGE (NMC) promotes economic growth in Benzie 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 operations. In addition, NMC is one of the primary sources of higher education to Benzie County residents and a supplier of trained workers to county businesses, enhancing overall productivity in the county workforce.

This study measures the economic impacts created by NMC on the Benzie 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 Benzie County economy are measured in terms of added income.



Benzie County, Michigan

### Operations spending impact



Even though NMC's facilities are not located within Benzie County, some of the economic activity from the college flows through the county. NMC is an employer of county residents and purchases goods and services from vendors located in Benzie County. In FY 2021-22, total payroll paid to NMC employees living in Benzie County amounted to \$1.1 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 \$20.1 thousand at Benzie County vendors on day-to-day expenses related to supplies and professional services. The total gross effect of this spending in the county amounted to \$1.3 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 tuition money from students living in Benzie 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

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at a net total impact of \$974.3 thousand in income in FY 2021-22, which is equivalent to supporting 29 jobs.

## Alumni impact



The education and training NMC provides for county residents has a substantial impact. Since the establishment of the college, students have studied at NMC and entered the county workforce with greater knowledge and new skills. Today, hundreds of former NMC students are employed in Benzie 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 \$4.7 million in added income for the county economy, which is equivalent to supporting 89 jobs.

## Total impact

Summing the operations spending impact and the alumni impact, NMC added \$5.6 million in income to the Benzie County economy during the analysis year. For context, the \$5.6 million impact was equal to approximately 1.1% of the total gross regional product (GRP) of Benzie County.

NMC's total impact can also be expressed in terms of jobs supported. The \$5.6 million impact supported 118 county jobs, using the jobs-to-sales ratios specific to each industry in the county. This means that one out of every 70 jobs in Benzie County is supported by the activities of NMC and its students. In addition, the \$5.6 million, or 118 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 Construction industry sector added \$496.3 thousand in income in FY 2021-22. If the college did not exist, these impacts would not have been generated in Benzie County.

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### Impacts created by NMC in FY 2021-22 on Benzie County



Operations spending impact

**\$1.0 million**

+



Alumni impact

**\$4.7 million**



Total economic impact

**\$5.6 million**

OR

Jobs supported

**118**

### NMC impacts by industry (added income)



**\$733.0 thousand**

Retail Trade



**\$496.3 thousand**

Construction



**\$494.0 thousand**

Government, Non-Education



**\$486.0 thousand**

Health Care & Social Assistance



**\$437.1 thousand**

Accommodation & Food Services