

The Economic Value of Montgomery County Community College Pottstown Campus



Montgomery County Community College (MCCC) Pottstown Campus 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) 2021-22.



MCCC POTTSTOWN CAMPUS
SERVICE REGION, PA

Economic impact analysis

In FY 2021-22, MCCC Pottstown Campus added **\$57.4 million** in income to the MCCC Pottstown Campus Service Region¹ economy. Expressed in terms of jobs, MCCC Pottstown Campus's impact supported **692 jobs**.

Operations spending impact

- MCCC Pottstown Campus employed 146 full-time and part-time faculty and staff. Payroll amounted to \$4.8 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 \$3.4 million on day-to-day expenses related to facilities, supplies, and professional services (excluding construction).

¹ For the purposes of this analysis, the MCCC Pottstown Campus Service Region is comprised of the following 70 zip codes: 18062, 18011, 19539, 19535, 19442, 19375, 19352, 19360, 19330, 19365, 19367, 19345, 19383, 19453, 19474, 19457, 19421, 19358, 19316, 19519, 19472, 19545, 19301, 18074, 18076, 19505, 19503, 18070, 18041, 18073, 18054, 18056, 19475, 19456, 19468, 19464, 19473, 19492, 19426, 19312, 19333, 19343, 19425, 19087, 19460, 19380, 19363, 19465, 19310, 19348, 19355, 19382, 19390, 19341, 19335, 19320, 19372, 19520, 19344, 19604, 19547, 19607, 19508, 19518, 19562, 19504, 19435, 19512, 19525, and 19606.



- The net impact of the college's operations spending added **\$5.7 million** in income to the regional economy in FY 2021-22.

Construction spending impact

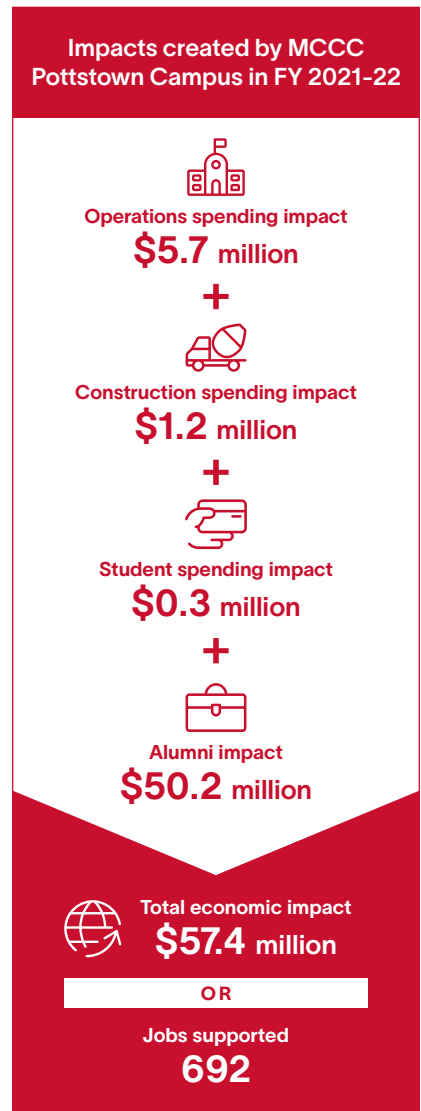
- MCCC Pottstown Campus invests in construction each year to maintain its facilities, create additional capacities, and meet its growing educational demands, generating a short-term infusion of spending and jobs in the regional economy.
- The net impact of MCCC Pottstown Campus's construction spending in FY 2021-22 was **\$1.2 million** in added income for the MCCC Pottstown Campus Service Region.

Student spending impact

- Around 24% of credit students attending MCCC Pottstown Campus originated from outside the region. Some of these students relocated to the MCCC Pottstown Campus Service Region. In addition, some in-region students, referred to as retained students, would have left the MCCC Pottstown Campus Service Region for other educational opportunities if not for MCCC Pottstown Campus. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at regional businesses.
- The expenditures of relocated and retained students in FY 2021-22 added **\$303.8 thousand** in income to the MCCC Pottstown Campus Service Region economy.

Alumni impact

- Over the years, students have studied at MCCC Pottstown Campus and entered or re-entered the workforce with newly-acquired knowledge and skills. Today, thousands of these former students are employed in the MCCC Pottstown Campus Service Region.



- The net impact of MCCC Pottstown Campus's former students currently employed in the regional workforce amounted to **\$50.2 million** in added income in FY 2021-22.

Investment analysis

Student perspective

- MCCC Pottstown Campus's FY 2021-22 students paid a present value of **\$3.1 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent **\$2.1 million** in money that they would have earned had they been working instead of attending college.
- In return for their investment, students will receive a cumulative present value **\$27.2 million** in increased earnings over their working lives. This translates to a return of **\$5.20** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **18.1%**.

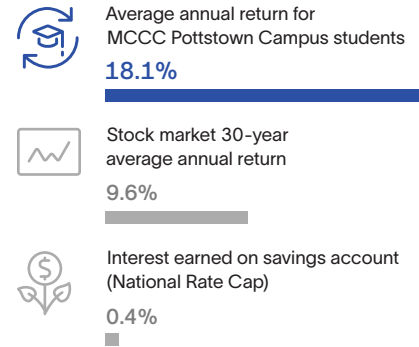
Taxpayer perspective

- Taxpayers provided MCCC Pottstown Campus with **\$4.4 million** of funding in FY 2021-22. In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$8.6 million**. A reduced demand for government-funded services in Pennsylvania will add another **\$663.2 thousand** in benefits to taxpayers.
- For every dollar of public money invested in MCCC Pottstown Campus, taxpayers will receive **\$2.10** in return, over the course of students' working lives. The average annual rate of return for taxpayers is **4.2%**.

Social perspective

- In FY 2021-22, Pennsylvania invested **\$16 million** to support MCCC Pottstown Campus. In turn, the Pennsylvania economy will grow by **\$114 million**, over the course of students' working lives. Society will also benefit from **\$1.8 million** of public and private sector savings.
- For every dollar invested in MCCC Pottstown Campus in FY 2021-22, people in Pennsylvania will receive **\$7.20** in return, for as long as MCCC Pottstown Campus's FY 2021-22 students remain active in the state workforce.

Students see a high rate of return for their investment in MCCC Pottstown Campus



Source: Forbes' S&P 500, 1992-2021. FDIC.gov, 2-2022.

