



## SOCIOECONOMIC IMPACT STUDY

# Overview Fact Sheet

Northern New Mexico College plays a significant role in the local economy and is a sound investment from multiple perspectives. Students benefit from improved lifestyles and increased earnings. Taxpayers benefit from a larger economy and lower social costs. Finally, the community as a whole benefits from increased job and investment opportunities, higher business revenues, greater availability of public funds, and an eased tax burden.

## Investment analysis

### *Student Perspective*

- NNMC served **3,130** credit students and **521** non-credit students in the 2010–11 reporting year.
- Education increases lifetime income. The average income of someone with a bachelor's degree in North Central New Mexico is **94% higher** than that of someone with a high school diploma.

### ▶ **Students enjoy a 21.5% rate of return on their investment in NNMC**

- Throughout his or her working career, the average NNMC student's discounted lifetime income increases by **\$6.80** for every dollar invested in NNMC.
- Students enjoy an attractive **21.5%** average rate of return on their NNMC educational investment, recovering all costs (including tuition, fees, and forgone wages) in 7.1 years.

### *Social Perspective*

- Higher earnings of NNMC students and associated increases in state income expand the tax base in New Mexico by about **\$21.1 million** each year.
- New Mexico will see avoided social costs amounting to **\$1.7 million** per year due to NNMC students, including savings associated with improved health, reduced crime, and reduced welfare and unemployment.

### *Taxpayer Perspective*

- State government allocated approximately **\$10.2 million** in support of NNMC in FY 2010–11.
- For every dollar of this support, taxpayers see a cumulative return of **\$3.80** over the course of students' working careers (in the form of higher tax receipts and avoided costs).
- State and local governments see a rate of return of **13.2%** on their support for NNMC. This return compares very favorably with private sector rates of return on similar long-term investments.

## Economic Growth Analysis

### *College Operations Effect*

- The North Central New Mexico economy annually receives roughly **\$11.7 million** in income due to NNMC operations. This is a conservative figure adjusted to account for monies that leave the economy or are withdrawn from the economy in support of the college.

### *Student and Visitor Spending Effect*

- Non-local students who attend NNMC spend money for room and board, transportation, and other personal expenses. The off-campus expenditures of these students generates approximately **\$119,500** in added income in North Central New Mexico each year.
- Visitors who come to the college from outside the region also spend money for lodging, food, and other personal expenses. This creates an estimated **\$118,400** in added income each year.

### ▶ **Added income attributable to the accumulation of NNMC skills amounts to \$165.8 million each year**

### *Productivity Effect*

- The current North Central New Mexico economy embodies an estimated **988,700** credit hours that have accumulated over the past 30-year period as thousands of former NNMC students (completers and non-completers) enter the workforce year after year.
- NNMC skills translate to higher earnings for students and increased output of businesses. The added income attributable to the accumulation of NNMC credit hours in the workforce amounts to around **\$165.8 million** each year.

### *Total Effect*

- Altogether, the average annual added income due to the activities of NNMC and its former students equals **\$177.7 million**. This is approximately equivalent to 7.5% of the regional economy.