

# The Economic Value of Miami Dade College to Miami Dade County



Miami Dade College (MDC) 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) 2022-23.

## Economic impact analysis

In FY 2022-23, MDC added **\$5.0 billion** in income to the Miami Dade County economy, a value approximately equal to **2.5%** of the county's total gross regional product (GRP). Expressed in terms of jobs, MDC's impact supported **62,393 jobs**. For perspective, the activities of MDC and its students support **one out of every 35 jobs** in Miami Dade County.



### Operations spending impact

- MDC employed 5,681 full-time and part-time faculty and staff. Payroll amounted to \$314.0 million, much of which was spent in the county for groceries, mortgage and rent payments, dining out, and other household expenses. The college paid another \$130.1 million in bills related to its day-to-day expenses related to facilities, supplies, and professional services (excluding construction).
- The net impact of the college's operations spending added **\$434.1 million** in income to the county economy in FY 2022-23.

### Construction spending impact

- MDC 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 county economy.
- The net impact of MDC's construction spending in FY 2022-23 was **\$64.6 million** in added income for Miami Dade County.

### Student spending impact

- Around 24% of students attending MDC originated from outside Miami Dade County. Most of these students relocated to Miami Dade County. In addition, some in-county students, referred to as retained students, would have left Miami Dade County for other educational opportunities if not for MDC. These relocated and retained students spent money on groceries, mortgage and rent payments, and other living expenses at county businesses.
- The expenditures of relocated and retained students in FY 2022-23 added **\$838.6 million** in income to the Miami Dade County economy.

### Alumni impact

- Over the years, students have studied at MDC and entered or re-entered the workforce with newly acquired knowledge and skills. Today, hundreds of thousands of these former students are employed in Miami Dade County.
- The net impact of MDC's former students currently employed in the county workforce amounted to **\$3.7 billion** in added income in FY 2022-23.

#### Impacts created by MDC in FY 2022-23



Operations spending impact

**\$434.1 million**

+



Construction spending impact

**\$64.6 million**

+



Student spending impact

**\$838.6 million**

+



Alumni impact

**\$3.7 billion**



Total economic impact

**\$5.0 billion**

OR



Jobs supported

**62,393**





## Investment analysis

### Student perspective

- MDC's FY 2022-23 students paid a present value of **\$131.6 million** to cover the cost of tuition, fees, supplies, and interest on student loans. They also forwent a value of **\$68.9 million** in time and money had they all been working full-time instead of attending college. MDC students often work while pursuing their education. Students frequently have part-time jobs.
- In return for their investment, students will receive a cumulative present value of **\$2.2 billion** in increased earnings over their working lives. This translates to a return of **\$11.00** in higher future earnings for every dollar students invest in their education. Students' average annual rate of return is **29.8%**.

### Taxpayer perspective

- Taxpayers provided MDC with **\$222.4 million** of funding in FY 2022-23 (i.e., state and local government funding). In return, they will benefit from added tax revenue, stemming from students' higher lifetime earnings and increased business output, amounting to **\$617.1 million**. A reduced demand for government-funded services in Florida will add another **\$66.3 million** in benefits to taxpayers.
- Total taxpayer benefits amount to **\$683.4 million**, the present value sum of the added tax revenue and public sector savings. For every dollar of public money invested in MDC, taxpayers will receive **\$3.10** in return over the course of students' working lives. The average annual rate of return for taxpayers is **10.1%**.

### Social perspective

- In FY 2022-23, Florida invested **\$707.3 million** to support MDC. In turn, the Florida economy will grow by **\$10.4 billion**, over the course of students' working lives. Society will also benefit from **\$157.8 million** of public and private sector savings. Hence, society will receive a present value of **\$10.6 billion** in combined benefits.
- For every dollar invested in MDC in FY 2022-23, people in Florida will receive **\$15.00** in return, for as long as MDC's FY 2022-23 students remain active in the state workforce.

### Students see a high rate of return for their investment in MDC



Average annual return for MDC students

**29.8%**



Stock market 30-year average annual return

**10.1%**



Interest earned on savings account (national deposit rate)

**0.5%**

Source: Forbes' S&P 500, 1994-2023; FDIC.gov, March 2023

### For every \$1...



**Students** gain in lifetime earnings

**\$11.00**



**Taxpayers** gain in added tax revenue and public sector savings

**\$3.10**



**Society** gains in added income and social savings

**\$15.00**

