

# The Value of an Associate Degree at Monroe County Community College

August 2023

## FACT SHEET

*Education has the power to raise students' earning potential and increase their employability. In return for their investment in education, MCCC's associate degree students will receive higher wages throughout their working lives.*

The Value of a Degree study results are calculated based on the average MCCC associate degree student across a five-year period, FY 2017-18 to FY 2021-22.

### Education is a key investment for students

- The average MCCC associate degree student pays an annual cost of **\$1,629** to cover the direct cost of completing the degree. These costs include tuition and fees (less federal loans) and books and supplies.<sup>1</sup> The average MCCC associate degree student spends **3.9 years** completing their degree.
- While at MCCC, students spend time focusing on their studies, time they would have otherwise spent working. The annual value of foregone time and earnings is estimated to be **\$3,716** for the average MCCC associate degree student. Across the 3.9 years of attendance, the total present value costs of direct outlays and opportunity cost sums to **\$19,593**.
- Many students take out student loans to attend the college, which are paid back over time. After graduation, the average associate degree student pays a total cost of **\$2,487** towards federal loans. Therefore, an average MCCC student pays **\$22,080** in present value direct outlays, student loans, and opportunity costs to complete an associate degree.

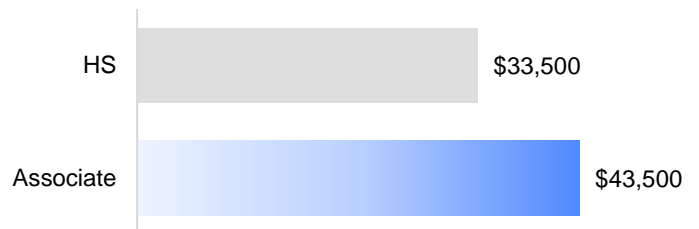
### Education increases earning potential

- An associate degree graduate experiences a substantial increase in earnings over a high school diploma. The average MCCC associate degree graduate earns **\$10,000** more compared to what they would have earned with only a high school diploma in Michigan.
- Over a working lifetime, the benefits of an associate degree amount to a present value of **\$115,011** in higher earnings per MCCC associate degree student.

### Associate degree return on investment

- In return for the costs of going to MCCC, students receive a stream of higher lifetime earnings. These wage gains fully recover the money students invested towards their associate degree and continue to grow throughout the students' working lives.
- On average, an MCCC associate degree student will receive **\$5,200** in higher future earnings for every **\$1,000** invested in education.
- The average MCCC associate degree student sees an annual internal rate of return of **19.5%** on their investment in education at MCCC, which is well above the U.S. stock and bond market's 30-year average annual rate of return of 9.6%.

A typical associate degree graduate from MCCC sees an increase in earnings of **\$10,000** annually compared to what they would have earned with a high school diploma working in Michigan.



<sup>1</sup> Costs of tuition and fees as well as books and supplies are adjusted to the percent of full-time equivalency of the average MCCC associate degree student.