

ENVIRONMENTAL SCAN 2024

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SECTION 1: EXECUTIVE SUMMARY

Economic, social, and political conditions over the past five years have been favorable for McHenry County College's (MCC's) enrollment, also benefiting from the expansion of new programs, services, facilities, and the development of external partnerships all contributing to its growth. Prospects for the coming five-year period may present more challenges and will require the College to adapt and innovate to overcome potential negative impacts on enrollment, funding, and opportunity.

Demographic shifts that began in the past several years are expected to continue with MCC's district population becoming more racial/ethnically diverse due to growth among Hispanic/Latine residents, in addition to continuing its shift toward a larger proportion of male residents. As the county demographic continues to change, the College can expect more growth among Latine students and will need to continue its work to ensure the success of this growing student population.

MCC will also begin to realize the impacts of an aging county demographic over the next five years. Declining birth rates that stemmed from the Great Recession in 2008 are expected to impact enrollments beginning in 2025 and are already being foretold by a decline among middle and high school students that could result in a loss in the number of dual credit/high school enrollments, as well as the number of high school graduates looking to transition to higher education in the near future. To offset this decline, the College will need to consider the needs and interests of more non-traditional age groups for its future planning.

A positive outcome of the aging county population is the number of job openings that will emerge from a need to replace retiring workers in the coming years. These openings will provide opportunities for MCC's Career and Technical Education completers, particularly in the field of Healthcare and Social Assistance. Aside from replacement jobs, added growth in new jobs for the county is projected to be minimal over the coming five years. There will be opportunity, however, for the College to focus on upskilling the incumbent workforce especially in emerging technologies such as Artificial Intelligence, Big Data, Design and User Experience, and other top skills for the future.

Finally, the current socio-political climate presents some potential challenges for the College that should be considered when planning for the next five years. While there is a great deal of uncertainty around federal policy changes, the College should be prepared for possible impacts on federal funding, student financial aid, protections for undocumented students, female, and transgender students, programming for Diversity, Equity, Belonging, and Inclusion, accreditation, and state/federal oversight. These possible changes, along with growing uncertainty about higher education and concerns about students' return on investment, may require the College to advocate for itself and its students more than it has had to in the past.

Although the College may face challenges over the next five years, it will also encounter opportunities to explore new avenues, innovate, and continue serving the community, provided it stays focused on its mission and goals while staying agile enough to navigate and adapt to any unforeseen changes that may arise during the implementation of its new Strategic Plan.

SECTION 2: INTRODUCTION

McHenry County College's (MCC's) strategic planning and continuous improvement process began in 2006 when it joined the national Academic Quality Improvement Program (AQIP) through the Higher Learning Commission. In 2010, the College's Educational Master Plan for 2011-2015 was unveiled, integrating the institution's Core Principles, Academic Plan, presidential goals, and the AQIP Systems Appraisal Portfolio.¹ Rebranding for MCC was a related initiative that aligned with this process, and, in 2011, the core values of *Change Ready*, *Quality*, and *Community* were introduced. These values were informed by input from current and prospective students, faculty and staff, alumni, high school guidance counselors, workforce and community development affiliates, and other community partners and stakeholders. MCC used the first environmental scan published in 2012 to inform a renewed strategic planning process using this report to help identify district-wide trends.

¹ McHenry County College Master Plan, August 2011, <http://www.mchenry.edu/emp/>

Because of the strategic planning process in 2013, the College committed to focus on five core initiatives through 2018:

- Increase student engagement, completion, and success.
- Maintain the College's financial stability, and expand infrastructure and technology to establish state-of-the-art learning environments that inspire postsecondary education and career development.
- Ensure high-quality services and learning opportunities through a culture of continuous improvement, innovation, and accountability.
- Engage in partnerships that enable MCC students to succeed in a global economy.
- Attract, develop, and retain quality instructors who are outstanding scholars/teachers and an excellent, diverse staff who are committed to the mission of MCC².

In July 2016, Northern Illinois University's Center for Governmental Studies was contracted by MCC to conduct a second environmental scan. That report was used to inform the strategic planning process for the 2019-2024 Strategic Plan under the same branding elements as the 2013 report. Under that plan, the college adopted eight values:

MCC Values

- | | | |
|-----------------|---------------------|---------------|
| • Inspiration | • Thoughtfulness | • Excellence |
| • Connectedness | • Community-Focused | • Passion |
| • Diversity | | • Stewardship |

In addition, MCC identified eight institutional goals for its 2019-2024 Strategic Plan:

1. Create accessible, high-impact student-focused services, interventions, and facilities that increase student engagement, completion, and career readiness.
2. Develop and execute transparent strategies for generating and sustaining financial resources necessary to drive College innovations and operations.
3. Deliver agile, secure, cost-effective, and sustainable infrastructure and technology solutions to drive institutional innovation and empower a positive learning and work environment.
4. Attract, retain, engage, and value diverse and dynamic faculty, staff, and administrators who are committed to excellence in our ever-changing context.

² McHenry County College Strategic Plan, August 2013, <http://www.mchenry.edu/strategicplan/>

5. Strengthen collaborations with the community and local industry to ensure that all College efforts are focused on improving the quality of life and economic development for those individuals who learn with us.
6. Inspire and challenge students in every learning experience through the careful professional expertise of faculty who engage and support students, and expect high levels of learning.
7. Articulate the College's key value propositions in order to strategically increase community engagement and support, improve enrollment, and prepare the next generation of learners.
8. Develop effective strategies in all our interactions with students and each other that welcome and value our diversity.

As the College develops its next strategic plan that will take it from 2025-2030, it has grounded its work in its mission: Learning is our focus. Student Success is our goal. As such, the College has focused its discussions around five components of the mission: Our; Focus; Learning; Student; and Success. This focus helped college leadership better understand the institution's strengths, opportunities, and aspirations. To contextualize these components of the mission, MCC identified the following definitions for each component:

- **Our:** This is us – MCC employees, the people who innervate our entire strategies.
- **Focus:** Where we direct our daily energies.
- **Learning:** The way in which our faculty and academic programs engage, collaborate, and grow.
- **Student:** Supporting the individuals we are all entrusted to serve.
- **Success:** The efforts in place to move the institution forward.

Purpose of the Report. The purpose of this environmental scan is to identify data that may be helpful to consider in making informed decisions about the current and future operation of MCC. A wide range of data sources addressing economic, demographic, educational, and workforce trends has been reviewed. While a level of subjectivity is involved in selecting which data elements to include, the intent is to stimulate conversation among MCC constituents, rather than to present an exhaustive inventory of available data or propose causal relationships. MCC has access to high-quality data through its partners, such as the McHenry County Workforce Investment Board, and through its own internal continuous improvement processes. As a result, MCC is in the best position to identify the more nuanced short- and long-term implications of the trends and characteristics included in this report. Potential uses of this scan are to confirm or change strategic directions, identify emerging issues to explore further, and educate MCC faculty, staff, and other key constituents about the environment in

which MCC operates. These uses can contribute to the knowledge and insight needed for MCC's continuous improvement journey.

SECTION 3: DISTRICT GEOGRAPHY

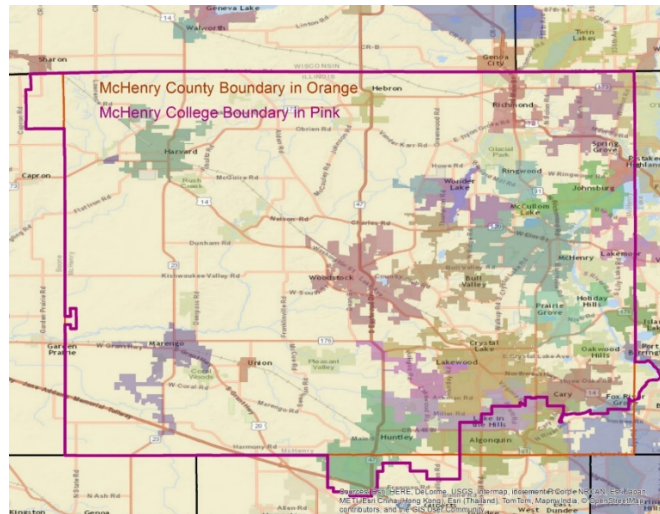
McHenry County College is in northeast Illinois on the Wisconsin border. MCC's district covers most of McHenry County and a small part of Boone, Lake, and Kane counties. As of the 2020 Census, there are 5 cities, 25 villages, 13 Census Designated Places (CDPs), 4 unincorporated communities, and 17 townships within McHenry County. In Wisconsin, two counties are on the border of the district, Walworth, and Kenosha Counties. McHenry County has 18 K-12 school districts with 76 schools; nine of the districts are public high school districts made up of 14 individual public high schools. Additionally, there is one private high school in the county.³ There are no four-year colleges or universities located in McHenry County; however, in 2024, MCC partnered with Aurora University, Roosevelt University, Northern Illinois University, and Southern Illinois University to provide access to a set of bachelor's and advanced degree programs through a University Center located at the College's Catalyst Campus in Woodstock.

MCC's boundaries were drawn many years ago, based upon K-12 school district boundaries and were not intended to be contiguous with the county border (see Figure 1 below). However, because MCC's district closely aligns⁴ with that of McHenry County, county level data is used throughout this report.

³ McHenry County College Strategic Plan, August 2013, <http://www.mchenry.edu/strategicplan/> (p. 2)

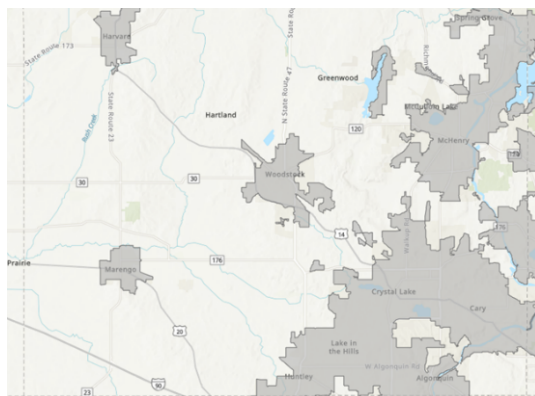
⁴ According to the 2015 Comprehensive Annual Financial Report, 97 percent of the district is in McHenry County (p. iii).

Figure 1. Map of McHenry County College District Boundary



McHenry County is one of five collar counties that border Cook County and is found on the western edge of the Chicago urbanized area. McHenry County is included in the Chicago-Naperville-Elgin Metropolitan Statistical Area (MSA)⁵. The county encompasses approximately 603 square miles of which only 1.3% (7.6 square miles) is water-based. McHenry County is the 34th largest county in Illinois by total area according to the U.S. Census Bureau.

Figure 2. McHenry County 2020 Census Urban Areas



Source : www.arcgis.com/apps/mapviewer

McHenry County as a whole is classified as “urban”, though approximately 14% of the county population lives in areas considered rural. Figure 2 highlights the census urban areas within McHenry County as defined by the U.S. Census Bureau based on data from the 2020 Census. All areas that fall outside of a census urban area can be considered rural.⁶

⁵ A metropolitan area is defined as counties with more than 25% of the working population commuting towards a central city such as Chicago.

⁶ <https://data.census.gov/table/DECENNIALDHC2020.P2?q=mchenry%20county.%20IL%20rural>

SECTION 4: COUNTY POPULATION

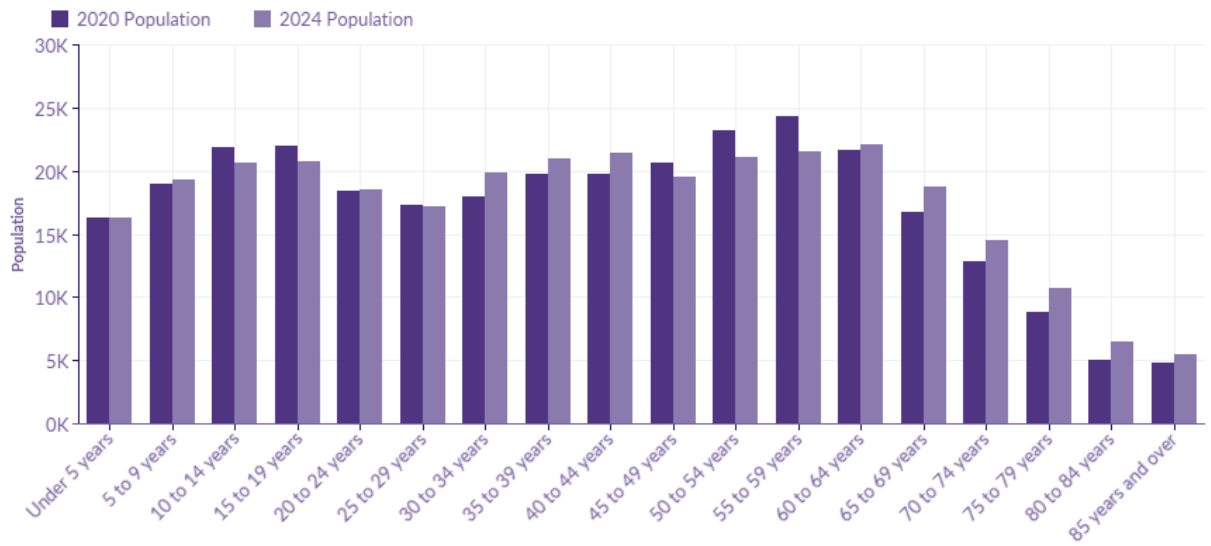
As of the 2020 Census, McHenry County had a population of about 310,229, making it the sixth most populous county in Illinois. As of 2024, McHenry County is home to roughly 314,867 residents, an increase of 2% (roughly 7,400 residents) over its population in 2019. McHenry County experienced a higher rate of growth than the state of Illinois between 2019 and 2024. While MCC's population has grown, the overall population within the state of Illinois has declined 1% during the same period.

Over the next five years, McHenry County's population demographic is projected to shift away from MCC's traditional student demographic, which has tended to be represented by higher proportions of 18- to 24-year-olds, females, and white students. Current trends indicate the College may need to adjust to meet the needs and interests of a constituency that is comprised of higher percentages of middle-aged residents, males, and racial/ethnic minorities.

Age. MCC's district population has aged substantially over the past twenty years and is slightly higher than the populations of the state and country. Based on data from the U.S. Census Bureau, the median age of McHenry County residents increased by six years from 2000 to 2022 with a change from 34.2 years to 40.5 years during that time. By comparison, the statewide median age increased by five years going from 34.7 years in 2000 to 39.5 years in 2022. The national median age as of 2022 was 38.5 years.

Figure 3 shows the shift in McHenry County's population by age group over the past five years. The shift toward an older population can be seen through 5-6% declines among the 10 to 14 and 15-19 age groups, MCC's key demographic of high school and pre-college age students, and increases among residents aged 30 to 44 and 60 years and older. Interestingly, the county also experienced declines in the 45-49 age group (-6%), the 50-54 age group (-9%) and the 55-59 age group (-11%) during this time. Fortunately for MCC, the county population of traditional college-age students (20 to 24 years) remained stable with a 1% growth during this time, however, projections show that over the next five years the county will experience a decline among traditional college-age residents.

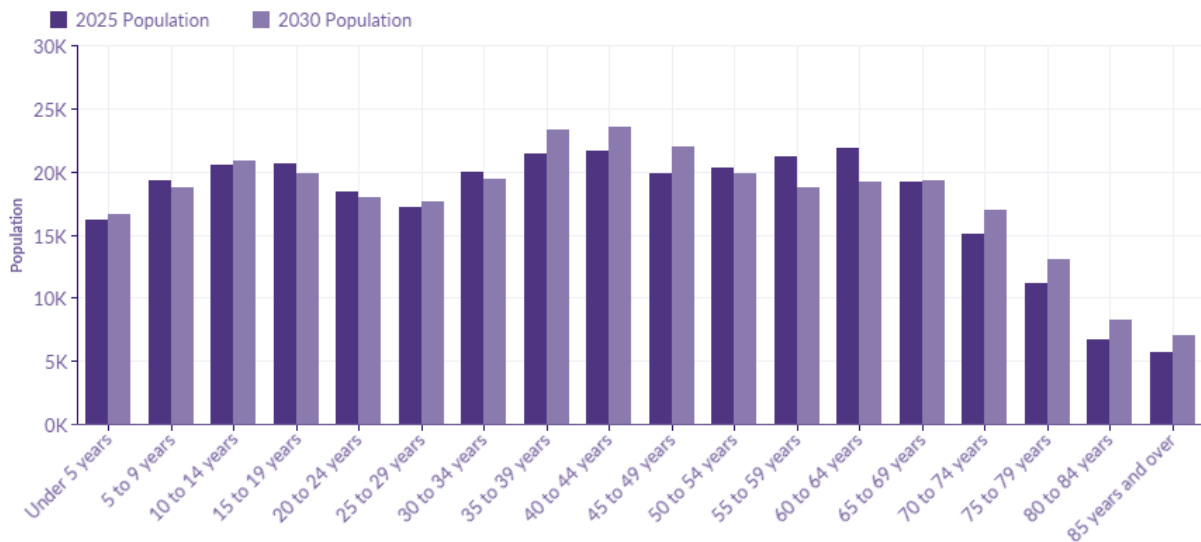
Figure 3. McHenry County Population Changes by Age Group 2020-2024



Source: Lightcast Data Analyst, October 2024.

From 2025 to 2023, the populations of McHenry County residents aged 15 to 19 and 20 to 24 are projected to decline 3% each along with declines among residents in the 30 to 34 and 50 to 64 age groups. Lightcast Data Analyst projects growth among the 35 to 49 age groups as well as in residents aged 65 and older. As the county continues to age, MCC will need to adjust its strategies to meet the needs of a more non-traditional college-age demographic.

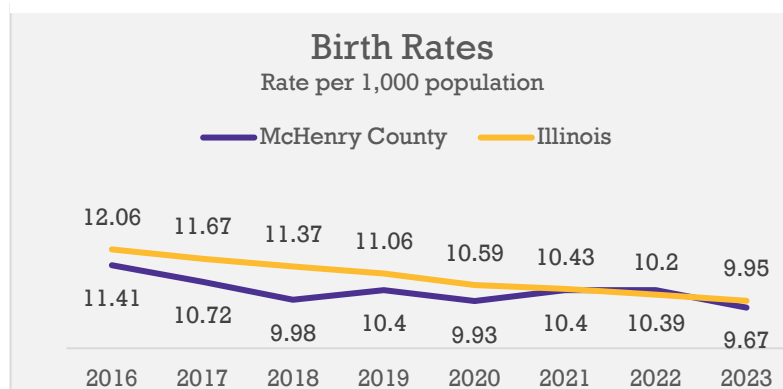
Figure 4. McHenry County Population Projection by Age 2025-2030



Source: Lightcast Data Analyst, October 2024.

Birth Rate. The trend of an aging county population seems partially driven by declines in births as birth rates across Illinois and McHenry County have been on the decline for 10+ years (Figure 5). In just in the last five years, the birth rate in McHenry County declined from 10.4 to 9.7 births per 1,000 population. While the county birth rate rose above the rate for Illinois in 2022, the county rate typically falls behind that of the state. Birth rates serve as an early predictor of college enrollment trends since changes in birth rates affect the number of graduating high school students

Figure 5. Birth Rates Trends for McHenry County and Illinois 2016-2023



eligible to enroll in college 18 years later. MCC, along with the rest of higher ed, is currently experiencing the impact of declining birth rates from 18 years ago, during the great recession, which is resulting in lower enrollment among traditional college-age students. Higher education has long been bracing for the impact of a large decline in high school seniors that was predicted to start around 2025⁷. Given the trend in declining birth rates that has continued since that time, along with projected changes in the age of McHenry County residents over the next five years, MCC should continue to prepare for changes in the average age of its student body for the near future.

School District Enrollment. Another way to look at the potential impact of an aging population and decline in birth rates within the county is through enrollment trends for MCC's feeder high school districts. Figure 6 shows a 7% decline in enrollments experienced throughout McHenry County's schools from 2018 to 2024.

⁷ Schuette, A. (2023). *Navigating the Enrollment Cliff in Higher Education*, Trellis Company.

Figure 6. McHenry County School District Enrollment Trend 2018-2024

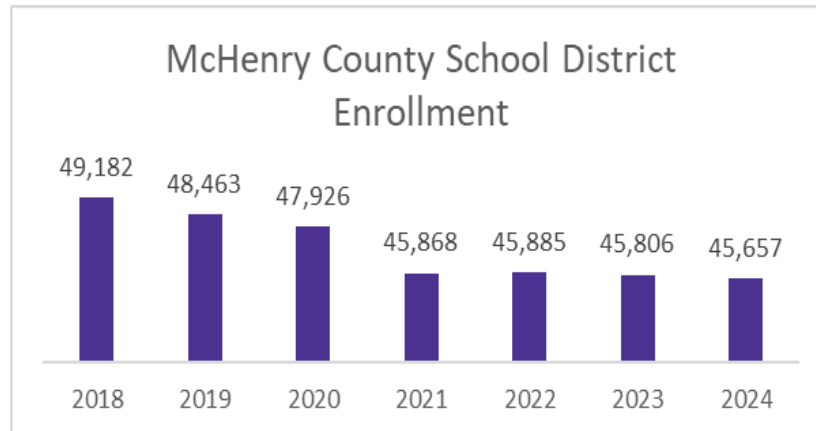


Table 1 on the following page shows the trend by school district. Richmond-Burton CHSD 157 experienced the largest drop in enrollment since 2019 with a 19.8% decline, or a loss of 468 students. Prairie Grove CSD 46 had the largest increase (28.6%, or an additional 195 students). MCC's largest feeder district, Harvard SD 36, experienced an 11.3% decline, a loss of 1,082 students. Overall, there were 3,525 fewer students in fiscal year 2024 as there were in fiscal year 2018. The peak year for student enrollment was in 2011; the numbers have incrementally declined since then coinciding with the trend of declining birth rates in the county. While declines have occurred among all grade levels, the largest declines from 2018 to 2024 occurred among 5th, 8th, and 11th grade students suggesting the impact on college enrollment may wax and wane for several years.

Collectively, McHenry County high schools have lost 1,321 9th to 12th grade students since 2018, an 8% loss.

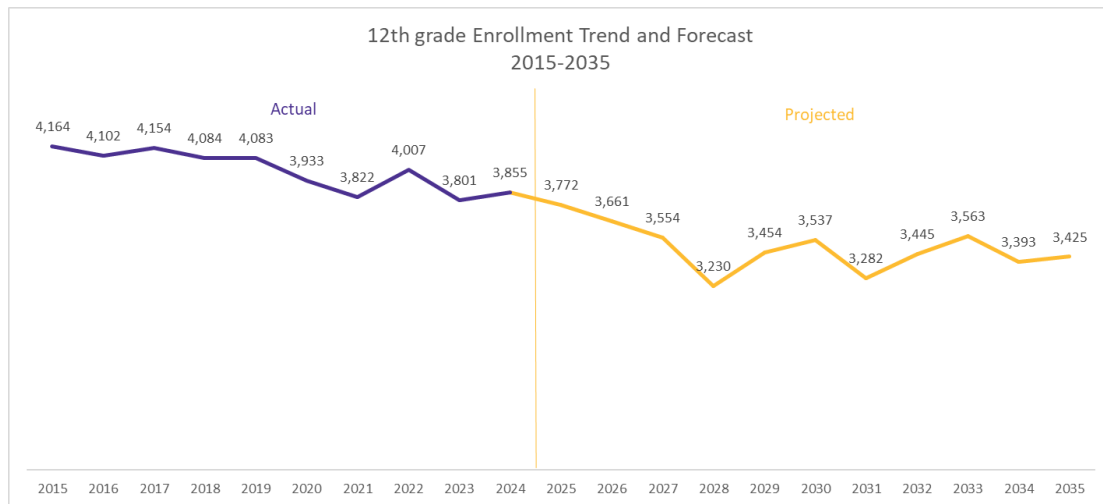
Table 1. Enrollment Trends by MCC Feeder School District 2018-2024

<i>District Name</i>	2018	2019	2020	2021	2022	2023	2024
Alden Hebron SD 19	414	428	421	377	413	438	416
Cary CCSD 26	2,475	2,526	2,492	2,316	2,369	2,302	2,333
CHSD 155	6,113	5,985	5,791	5,688	5,598	5,405	5,340
Consolidated SD 158	7,553	7,445	7,376	7,066	7,012	7,109	7,033
Crystal Lake CCSD 47	416	405	418	407	414	408	429
Fox River Grove Cons SD 3	395	422	391	376	368	402	420
Harrison SD 36	2,733	2,721	2,704	2,584	2,522	2,510	2,499
Harvard CUSD 50	9601	9353	9182	8843	8645	8595	8519
Johnsburg CUSD 12	1861	1797	1832	1701	1690	1703	1696
Marengo CHSD 154	701	681	672	673	673	685	689
Marengo-Union E Cons D 165	1,016	1,051	1,044	988	1,015	1,055	1,081
McHenry CCSD 15	4464	4401	4376	4100	4069	4079	4049
McHenry CHSD 156	2221	2184	2184	2186	2218	2222	2231
Nippersink SD 2	1,160	1,140	1,152	1,066	1,111	1,102	1,126
Prairie Grove CSD 46	683	690	720	688	773	813	878
Richmond-Burton CHSD 157	666	640	616	583	568	549	534
Riley CCSD 18	291	301	291	267	287	270	261
Woodstock CUSD 200	6,419	6,293	6,264	5,959	6,140	6,159	6,123
<i>Total, All Districts</i>	49,182	48,463	47,926	45,868	45,885	45,806	45,657

Source: Illinois State Board of Education, Fall Enrollment Counts by Fiscal Year

A reversal of the decline in high school students is not expected soon based on enrollment forecasts for the next ten years. Figure 7 shows the 12th grade enrollment history and trend from 2015 to 2035. If the district enrollment trends over the past five years stay roughly the same, the number of high school seniors is projected to continue declining through 2035 and would bottom out around 2028 with some periodic increases aligning with students aging up from some of the younger grade levels that have experienced increases over the past few years.

Figure 7. 12th Grade Enrollment Trend and Forecast 2015-2035



Source: MCC Office of Institutional Research, High School Enrollment Projection

Based on trends over the past five years, MCC can expect around 90% of the high school seniors to graduate and 22% of those graduates to attend MCC in the fall following their completion of high school. Given the decline in the number of high school seniors projected for 2025, MCC may see as much as a 6% decline in its fall enrollment from high school seniors in fall 2025 and as much as a 12% decline from 2024 to 2030, a loss of around 100 new students over five years. Table 2 shows the predicted impact in enrollment by year.

Table 2. Projected McHenry County Enrollment from Public HS Graduates

Projected McHenry County Enrollment from Public High School Graduates, Fall 2018-2035													
		Graduation Year											
		Actual						Projected					
		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Number of Students Enrolled	1st Grade	3,179	2,987	2,974	3,124	3,042	3,085						
	2nd Grade	3,172	3,234	2,914	3,070	3,229	3,105	3,134					
	3rd Grade	3,243	3,223	3,153	2,991	3,155	3,306	3,148	3,178				
	4th Grade	3,392	3,269	3,161	3,253	3,043	3,237	3,348	3,188	3,218			
	5th Grade	3,515	3,433	3,231	3,213	3,347	3,130	3,285	3,398	3,236	3,266		
	6th Grade	3,662	3,560	3,397	3,272	3,287	3,413	3,166	3,323	3,437	3,273	3,304	
	7th Grade	3,800	3,666	3,508	3,393	3,343	3,350	3,431	3,183	3,341	3,455	3,290	3,321
	8th Grade	3,738	3,811	3,616	3,531	3,451	3,391	3,369	3,450	3,200	3,359	3,474	3,308
	9th Grade	4,050	3,931	3,961	3,853	3,742	3,657	3,323	3,554	3,640	3,377	3,544	3,666
	10th Grade	3,901	4,037	3,823	3,828	3,765	3,692	3,584	3,257	3,483	3,567	3,309	3,473
	11th grade	3,890	3,758	3,821	3,667	3,744	3,668	3,560	3,455	3,140	3,358	3,439	3,191
	12th grade	4,083	3,933	3,822	4,007	3,801	3,855	3,772	3,661	3,554	3,230	3,454	3,537
Spring Graduates (est.) ^{1/}		4,032	3,895	2,654	3,976	3,741	3,677	3,395	3,295	3,199	2,907	3,109	3,184
Public HS Student Fall Enrollment at MCC (est.) ^{2/}		893	909	895	836	818	795	747	725	704	639	684	700
% Change from previous year ^{3/}		7%	1.79%	-1.54%	-6.59%	-2.15%	-2.81%	-6.05%	-2.94%	-2.94%	-9.12%	6.96%	2.40%

^{1/} Graduation rate projection is based off of a 5-year rolling average graduation rate projection for McHenry County high schools (as reported on ISBE Report Cards)

^{2/} Market share calculation is based off of a 5-year rolling average HS yield projection from 2020-2024.

^{3/} May not add up due to rounding

To mitigate predicted declines among recent high school graduates, MCC will need to look at ways to increase its enrollment of other age demographics such, as high school/dual credit students as well as older non-traditional age groups.

Educational Attainment. As McHenry County College considers the potential to increase enrollment among its population of older county residents, current levels of educational attainment will be a key factor. Based on data from Lightcast Data Analyst, as of 2024, 67% of McHenry County residents aged 25 and older have at least some college, while 26% have a high school diploma and 6% have not graduated high school. These percentages have shifted slightly since 2019 when 66% of residents had at least some college.

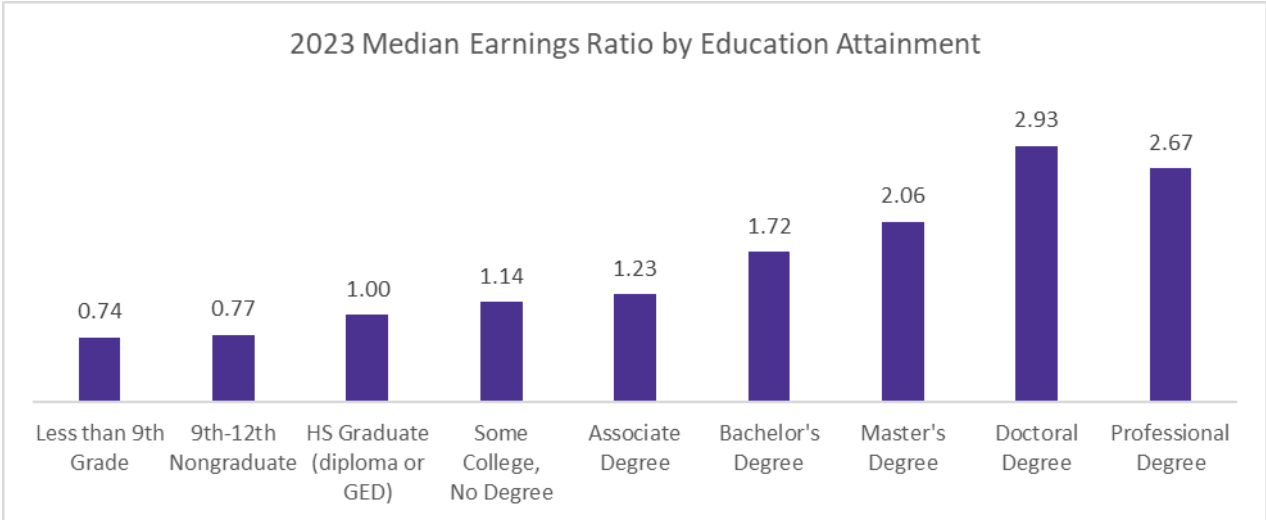
Educational attainment in McHenry County differs by race/ethnicity and gender. As of 2024, 48% of white, non-Hispanic residents aged 25 and older had a college degree compared to 43% of Black, non-Hispanic residents, 64% of Asian, non-Hispanic residents, and 36% of Hispanic residents of any race. Among the Black population of the county aged 25 and older, 50% have a high school diploma. Among the Hispanic population of the county aged 25 and older, 52% have a high school diploma. By gender, 43% of male residents aged 25 and older and 48% of female residents have a college degree. Males from historically underrepresented racial/ethnic groups have the lowest levels of educational attainment.

There are many factors that affect one's ability to pursue higher education including cost, flexibility with work and home responsibilities, and accessibility. MCC should continue working to understand and address the potential barriers to a college degree for the approximately 58,000 residents in its district who currently have a high school diploma and may benefit from completing at least some level of college.

One way to appeal to residents who may not currently have a college education is by making the connection between education level and median earnings. As Figure 8 shows, progression in education is a strong determinant of earnings. If one earns a bachelor's degree, it would be expected they would earn an average of 72% more in earnings than someone with a High School diploma. Those with at least some college and those with an associate's degree earn 14% to 23% more than those with high school diplomas or GEDs, respectively. In addition, the Bureau of Labor Statistics finds that unemployment rates are inverse to educational attainment; those with lower levels of education tend to have higher unemployment rates compared to

those with higher levels of education. In 2023, the unemployment rate for persons aged 25 and older with a high school diploma was 3.9 compared to 2.7 for those with an associate’s degree and 2.2 for those with a bachelor’s degree.

Figure 8. Median Earnings Ratio by Education Attainment

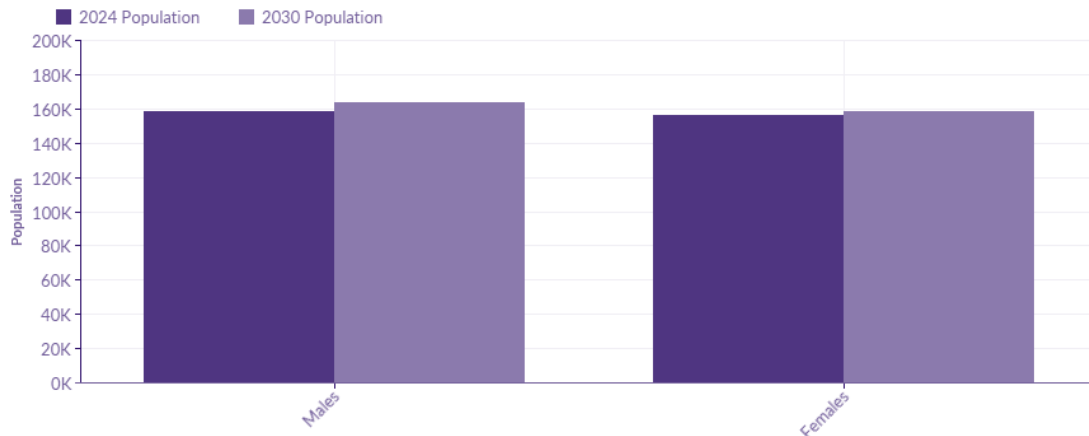


Source: U.S. Census Bureau, 2024, Table PINC-03

Gender. McHenry County is split nearly evenly regarding gender with 50.3% of the population assigned as males and 49.7% assigned as females as of 2024. The number of male residents grew 4% from 2019 to 2024 while the rate of growth for female residents was only 1%. Figure 9 shows the comparison of male and female county residents for 2024 and 2030. By 2030, the number of male residents is projected to grow another 3% compared to 1% for females, which will result in a slightly higher proportion of males (50.9%) by 2030 compared to females (49.1%).

Currently, MCC’s core credit student population is predominantly female. While the shift toward more male residents of the county may seem small and therefore inconsequential, the predicted county population gender shift could have implications for the College’s recruitment and student support strategies. As the male county population increases, MCC may need to develop strategies for attracting and retaining male students as well as for improving male student success, which currently lags behind success and completion rates for female students.

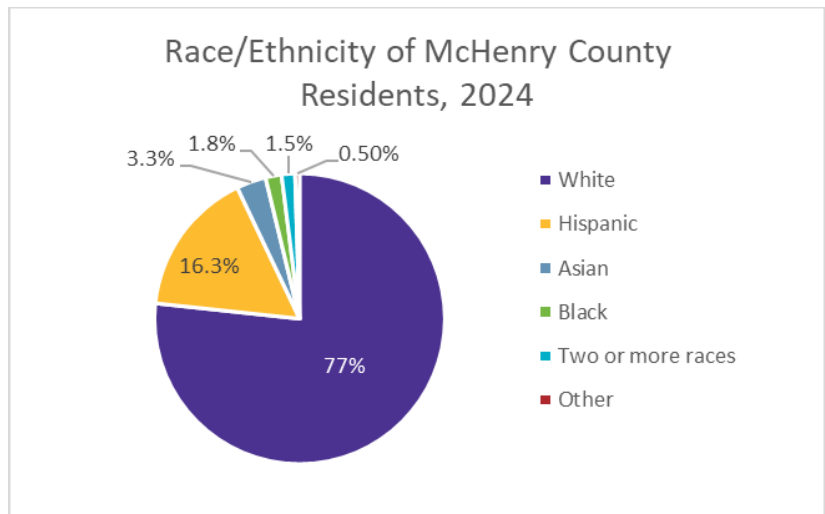
Figure 9. McHenry County Population by Gender 2024 and 2030



Source: Lightcast Data Analyst, Retrieved October 2024

Race/Ethnicity. As of 2024, the racial/ethnic composition of the McHenry County population (Figure 10) is predominantly white, non-Hispanic with 77% of residents reported as such. The remaining population is reported as 16% Hispanic, 3% Asian (non-Hispanic), and 2% Black (non-Hispanic). The racial/ethnic composition of the county has shifted over the past several years, however, and is predicted to continue shifting into the near future. Notably, the proportion of Hispanic residents in the county has

Figure 10. Race/Ethnicity of McHenry County Residents 2024



increased since 2018 and is projected to continue increasing through 2030 when roughly 19% of the population is expected to be reported as Hispanic.

MCC has already started seeing a shift in its student population that corresponds with the increase in Hispanic residents within the county. As of 2024, nearly 26% of the overall student population at MCC identified as Hispanic/Latine. As more of MCC's student population identifies as Hispanic/Latine, the College will need to find academic and student success strategies to address equity gaps in student outcomes as shown in the College's 2024 *Equity*

Plan. Specifically, the plan shows gaps in Latino student persistence, retention, graduation, and advancement rates compared to their peers in addition to credit accumulation and retention gaps among Latinas. Given the increase in its Hispanic/Latine student population and projected growth among this population for the future, MCC has already begun the process of pursuing a Hispanic Serving Institution (HSI) designation and potential related grant opportunities for the near future. This designation and any accompanying opportunities will elevate the need for the College to develop strategies to meet the needs of its Hispanic/Latine students both academically and socially.

Community Indicators. There are several other characteristics of the county population, beyond age, gender, and ethnicity, that could affect MCC’s plans for its future. Table 3 provides information about various community indicators intended to provide a more comprehensive understanding of the McHenry County population to inform the College’s development of strategies for the next five years.

Table 3. McHenry County Community Indicators, 2023

Foreign Born (Mexico, India, Poland most common origins)	9.0%
U.S. Citizenship	95.9%
Disabled	9.7%
Veteran Status (Vietnam most common service period)	5.4%
Median Household Income	\$100,884
Median House Value	\$270,600
Below the Poverty Level (predominantly white female)	6.2%
Severe Housing Problems	12%
Households with a Computer	96.8%
Households with Broadband Internet	94.7%
Language other than English Spoken at Home (predominantly Spanish)	17.3%

Sources: U.S. Census Bureau, McHenry County Profile, 2023 ACS; DataUSA

SECTION 5: REGIONAL LABOR MARKET

Understanding the regional labor market is critical to MCC's focus on meeting the needs of its community and ensuring its graduates are prepared for employment in high skill, high wage, and high demand occupations upon fulfilling their academic goals. By understanding current and future trends in the top industries, occupations, skills, and qualifications employers are seeking, the College can align its program offerings to meet future needs.

While much of the demand for new and replacement workers will be in fields that do not require a College education and do not pay a high wage, these are not the types of occupations that MCC should focus on. Instead, the College should be more attuned to in-demand careers that will require upskilling and additional education for incumbent workers, as well as the top-paying career opportunities that require higher educational attainment. Particular attention should be paid to anticipated growth within the Health Care and Social Assistance industry as the market for jobs in the Manufacturing industry is projected to slow.

Top Industries. As Figure 11 shows, the top three industries for McHenry County are Retail Trade, Manufacturing, and Health Care and Social Assistance. Data from the Illinois Department of Employment Security (IDES) for McHenry County show 759 retail trade establishments employing an average of 12,819 workers, 516 manufacturing establishments employing an average of 12,723 workers, and 643 healthcare and social assistance establishments employing an average of 10,995 workers. Rounding out the top five industries in the county are Accommodation and Food Services with 585 establishments employing an average of 9,235 workers and Construction with 1,141 establishments employing an average of 6,630 workers.

Figure 11. Top Industries for McHenry County

The graph below shows the q1 2023 data for McHenry County for Multiple Industries, private ownership.



Source: Illinois Department of Employment Security Quarterly Census of Employment and Wages
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Table 4 provides the change in employment by industry from 2019 to 2024. The largest increase over the past five years has been a 33% increase in wholesale trade employment for a gain of 1,434 workers in that industry. The largest meaningful decline was in the Manufacturing industry, which lost 14% of its workforce since 2019 (2,059 workers). While still being among the top industries for the county, Manufacturing has been on the decline since as far back as 2000 losing roughly 41% of its workforce (roughly 9,000 workers) since then. McHenry's other top industries, Retail Trade and Health Care and Social Assistance, grew since 2000, 8% (951 workers) and 64% (4,696 workers), respectively. Over the past five years alone, Health Care and Social Assistance grew its workforce by 7% (808 workers) while Retail Trade remained stable with 1% growth (88 workers). Overall, McHenry County lost 1% of its workforce, 574 workers, since 2019.

Table 4. McHenry County Employment by Industry 2019-2024

Industry Description	Employment		Change 2019 - 2024	
	2019	2024	Number	Percent
Wholesale Trade	4,367	5,801	1,434	33%
Mining, Quarrying, and Oil and Gas Extraction	50	59	9	18%
Transportation and Warehousing	2,327	2,645	318	14%
Health Care and Social Assistance	11,243	12,051	808	7%
Construction	8,719	9,115	396	5%
Professional, Scientific, and Technical Services	4,715	4,882	167	4%
Utilities	99	101	2	2%
Real Estate and Rental and Leasing	1,117	1,136	19	2%
Other Services	6,159	6,229	70	1%
Accommodation and Food Service	9,707	9,787	80	1%
Retail Trade	13,484	13,572	88	1%
Government	15,004	14,715	-289	-2%
Educational Services	1,458	1,380	-78	-5%
Finance and Insurance	2,060	1,937	-123	-6%
Administrative and Support and Waste Management and Remediation Services	7,781	7,303	-478	-6%
Information	699	632	-67	-10%
Agriculture, Forestry, Fishing, and Hunting	1,618	1,449	-169	-10%
Arts, Entertainment, and Recreation	2,202	1,949	-253	-11%
Manufacturing	14,936	12,877	-2,059	-14%
Unclassified Industry	18	14	-4	-22%
Management of Companies and Enterprises	994	549	-445	-45%
Total, All Industries	108,757	108,183	-574	-1%

Source: Lightcast Analyst, 2024

Industry Concentrations. Specializations or concentrations of related industries are a widely recognized economic development phenomenon and play a vital role in promoting and maintaining the vitality of cities, regions, and states. Location quotients (LQ), or employment concentrations, are one of several methodological tools used in research to quantify and compare concentrations of industries in a particular area to another and are critical for assessing an area's economic strengths and weaknesses. Location quotients are especially useful in showing both the distinguishing industries and the commonalities between regional economies. They can serve to confirm the intuitively obvious or show emerging trends as economies change, grow, and diversify. If the LQ is 1.0, that industry has the same share of employment as the U.S. If the LQ is greater than 1.0, it has a greater share of local area employment than the national average, and if less than 1.0, a smaller share. For example, the LQ for the entertainment industry in Los Angeles, California is well above 1.0 because of the high concentration of employment in that sector.

Industries with high LQs are usually export-oriented, which is important because they bring money into an area, rather than recirculate it like retail and food service operations do. LQs also help identify industries that distinguish McHenry County from the surrounding region.

Given the importance of this information to program and curriculum planning and helping students connect with local employers, a more detailed look at the industries (3-digit NAICS) that have a location quotient greater than 1.5 is presented in Table 5. Manufacturing is dominating the field with several related industries that have a high presence in McHenry County.

Table 5. Industries with Location Quotients Greater than 1.5, McHenry County, Illinois

NAICS Code/Industry Description	Location Quotient	Major Sector	Employment 2024
NAICS 326 Plastics and Rubber Products Manufacturing	3.77	Manufacturing	1,760
NAICS 313 Textile Mills	3.46	Manufacturing	207
NAICS 333 Machinery Manufacturing	3.42	Manufacturing	2,477
NAICS 323 Printing and Related Support Services	2.74	Manufacturing	653
NAICS 332 Fabricated Metal Product Manufacturing	2.71	Manufacturing	2,504
NAICS 335 Electrical Equipment, Appliance and Component Manufacturing	2.41	Manufacturing	646
NAICS 111 Crop Production	2.32	Agriculture	1,266
NAICS 237 Heavy and Civil Engineering Construction	2.31	Construction	1,674
NAICS 455 General Merchandise Retailers	2.15	Retail Trade	4,278

NAICS 423 Merchant Wholesalers, Durable Goods	2.08	Wholesale Trade	4,504
NAICS 331 Primary Metal Manufacturing	1.81	Manufacturing	426
NAICS 482 Rail Transportation	1.79	Transportation & Warehousing	242
NAICS 327 Nonmetallic Mineral Product Manufacturing	1.77	Manufacturing	481
NAICS 811 Repair and Maintenance	1.55	Other Services	1,783
NAICS 903 Local Government	1.52	Government	13,637

Source: Lightcast Analyst, 2024.

Industry Projections. Current labor market projections anticipate minimal growth in the County's workforce from 2024 to 2030 with only a 2% increase, around 2,000 added jobs, across all industries. Table 6 details projections by industry for McHenry County at the 2-digit NAICS level. Among McHenry County's largest industries, Health Care and Social Assistance is expected to have the largest growth in terms of jobs added at 699 while Retail Trade is expected to remain steady with a 1% increase (137 added jobs). Manufacturing, however, is expected to have the largest loss in jobs over the next five years among all industries with a loss of 358 jobs, a 3% decline. Within Manufacturing, the largest losses are projected in Plastics Product Manufacturing (-304 jobs, -19%), Medical Equipment and Supplies Manufacturing (-129 jobs, -46%), and Electrical Equipment Manufacturing (-69 jobs, -12%). The largest area for growth in the Health Care and Social Assistance industry for McHenry County is projected to be in Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly (246 jobs, 20%). Industry projections are calculated by Lightcast as a general guide and external circumstances can change the course of some of these expected trends.

Trends at the state level show some similarities and differences when compared to the county projections. Overall, Illinois is projected to increase 3% in jobs over the next five years. Like the county, the highest area of growth at the state level is also Health Care and Social Assistance with a projected growth of 7%, roughly 64,421 additional jobs. Manufacturing is projected to fare better at the state level, however, with a projected 2% growth amounting to around 12,135 added jobs. Retail Trade, on the other hand, is projected to have the largest loss at the state level with a -1% decline, a loss of 7,399 jobs.

Table 6. Industry Employment Projections, McHenry County, Illinois

Industry Description	2024	2030	Change	Percent
Health Care and Social Assistance	12,051	12,750	699	6%
Wholesale Trade	5,801	6,263	462	8%
Other Services	6,229	6,670	441	7%
Accommodation and Food Services	9,787	10,104	317	3%
Government	14,715	15,021	306	2%
Administrative and Support and Waste Management and Remediation Services	4,882	4,961	79	2%
Transportation and Warehousing	2,645	2,816	171	6%
Retail Trade	13,572	13,709	137	1%
Professional, Scientific, and Technical Services	1,136	1,153	17	1%
Mining, Quarrying, and Oil and Gas Extraction	59	63	4	7%
Agriculture, Forestry, Fishing and Hunting	1,449	1,445	-4	0%
Utilities	101	96	-5	-5%
Educational Services	1,380	1,366	-14	-1%
Construction	9,115	9,077	-38	0%
Information	632	582	-50	-8%
Arts, Entertainment, and Recreation	1,949	1,870	-79	-4%
Management of Companies and Enterprises	549	453	-96	-17%
Finance and Insurance	1,937	1,778	-159	-8%
Manufacturing	12,877	12,519	-358	-3%
Total, All Industries	108,183	110,296	2,113	2%

Source: Lightcast Data Analyst, 2024.

Occupation Projections. Another lens for examining area employment trends and forecasts is through occupation classification. While industry sectors focus on the type of production associated with enterprises, such as manufacturing or transportation, occupational classifications focus on specific roles and job responsibilities, such as janitor or manager, that may span across multiple industries. Occupational trends are particularly important for postsecondary institutions as they have implications for program and curriculum development and certifications.

Occupation projections developed by Lightcast report on the number of expected openings resulting from growth (i.e., new jobs) and replacements due to turnover and retirement over a set period (see Table 7). Growth in employment comes as firms add production. Replacements are due to retirements or someone leaving for another occupation. Most openings in each occupation group are replacements as the county's workforce continues to age into retirement.

Table 7. Projected Employment Growth by Occupation Group, McHenry County, Illinois

Occupation Group	2024	2030	Job Growth 2024-2030			Median Salary
			New	Replacement	Total	
Transportation and Material Moving Occupations	10,641	11,111	481	8,504	8,985	\$17.51
Food Preparation and Serving Related Occupations	9,759	10,115	400	11,206	11,606	\$13.74
Healthcare Practitioners and Technical Occupations	5,584	5,845	335	1,897	2,231	\$33.82
Educational Instruction and Library Occupations	7,500	7,706	213	3,991	4,203	\$24.90
Healthcare Support Occupations	3,411	3,612	232	3,002	3,234	\$17.92
Installation, Maintenance, and Repair Occupations	4,306	4,490	220	2,281	2,501	\$24.40
Building and Grounds Cleaning and Maintenance Occupations	4,118	4,298	190	3,357	3,547	\$16.69
Management Occupations	9,303	9,460	233	4,341	4,573	\$45.69
Personal Care and Service Occupations	3,377	3,511	180	3,532	3,712	\$14.78
Community and Social Service Occupations	1,508	1,640	132	807	939	\$22.90
Computer and Mathematical Occupations	1,794	1,919	128	653	781	\$41.27
Business and Financial Operations Occupations	4,825	4,907	143	2,321	2,464	\$34.34
Sales and Related Occupations	10,030	10,080	177	8,036	8,212	\$15.92
Architecture and Engineering Occupations	1,461	1,507	51	567	617	\$38.65
Life, Physical, and Social Science Occupations	524	557	34	242	277	\$34.91
Protective Service Occupations	2,130	2,159	41	1,389	1,430	\$31.00
Farming, Fishing, and Forestry Occupations	491	516	34	441	475	\$14.26
Military-only occupations	326	347	20	219	239	\$15.02
Arts, Design, Entertainment, Sports, and Media Occupations	1,575	1,575	50	951	1,000	\$22.28
Unclassified Occupation	0	0	0	0	0	\$0.00
Legal Occupations	633	632	4	215	219	\$46.43
Construction and Extraction Occupations	6,036	6,032	119	3,037	3,156	\$30.90
Production Occupations	8,827	8,578	94	5,499	5,593	\$18.20
Office and Administrative Support Occupations	10,026	9,700	74	6,780	6,855	\$19.46
Total, All	108,183	110,296	3,583	73,267	76,850	\$24.79

Source: Lightcast Data Analyst, 2024

As of 2024, the top occupation groups for McHenry County were Transportation and Material Moving Occupations, Sales and Related Occupations, Office, and Administrative Support Occupations. By 2030, Food Preparation and Serving Related Occupations are expected to surpass Office and Administrative Support Occupations in the top three occupation groups for

the county. Unsurprisingly, these areas are also those with the highest projected growth over the next five years.

Many of the occupations in these top groups do not require a college degree or certification and do not provide livable wages and, as such, are not likely areas the College would develop programming around. However, as part of MCC's *Comprehensive Local Needs Assessment* as part of its Perkins grant reporting in 2024, the College identified occupations that are considered high wage, high skill, and high demand that represent opportunities for its CTE program graduates and help to identify areas for future focus in terms of program development, modification, and expansion that would result in gainful employment. Top occupation groups that meet the high demand, high wage, and high skill criteria include Management Occupations, Business and Financial Operations Occupations, Construction and Extraction Occupations, and Healthcare Practitioners and Technical Occupations.

Current Demand for Workers. The real-time demand for workers, as well as the required skills, credentials, and other attributes can be assessed through web-based technologies that scan millions of job and applicant postings on popular sites such as Monster, SimplyHired, and Indeed or posted by various state and local employment bureaus. Lightcast Data Analyst, a product developed through a merger between EMSI and Burning Glass Technologies, is one such tool for measuring current demand for workers across a broad variety of industries and occupations. While some employers do not post job listings on public job sites, it does give a sense of the types of jobs available within the McHenry County College District.

Table 8 lists the top ten occupations currently in demand for McHenry County based on the number of unique job postings appearing in the past year. In addition to being indicative of regional demand, the postings for Registered Nurses and other healthcare professionals also reflect a strong nationwide demand.

Table 8. Top Occupations Requiring a Degree by Number of Job Postings, McHenry County

Occupation Title	Unique Job Postings
Registered Nurses	379
Licensed Practical and Licensed Vocational Nurses	229
Medical Assistants	72
Dental Hygienists	50
Pharmacy Technicians	48
First-Line Supervisors of Retail Sales Workers	46
Maintenance and Repair Workers, General	46
Teaching Assistants, Except Postsecondary	39
Medical and Health Services Managers	38
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	30

Source: Lightcast Data Analyst, 2024.

The top occupations shown in Table 8 align with the most popular job qualifications mentioned in job postings for the county (Table 9). These qualifications were found within the job ads and ranked according to the number of postings in which they appeared. Aside from a driver's license, Registered Nurses and other healthcare related certifications appeared most often. This is not surprising as the healthcare sector has shown substantial growth, and several major hospitals and clinics are in the region. The demand for healthcare occupations is not expected to slow soon given the predominance of the Health Care and Social Assistance industry in McHenry County and its projections for continued growth.

Table 9. Top Qualifications Listed in Job Postings, McHenry County, Illinois

Qualification	Total Citations
Valid Driver's License	2,431
Registered Nurse	1,428
Cardiopulmonary Resuscitation (CPR) Certification	1,100
Basic Life Support (BLS) Certification	904
Certified Nursing Assistant (CNA)	420
Licensed Practical Nurse (LPN)	401
First Aid Certification	300
Advanced Cardiovascular Life Support (ACLS) Certification	220
Certified Pharmacy Technician	188
Certified Medical Assistant (CMA)	183
Automated External Defibrillator (AED) Certification	180
Emergency Medical Technician (EMT)	155
Teaching Certificate	152
Nurse Practitioner (APRN-CPN)	151

Source: Lightcast Data Analyst, 2024.

Employability Skills. When analyzing the top skills requested by employers, duplication is clear as most job ads list multiple skillsets (Tables 10 and 11). It gives a sense of the kinds of skills that employers are looking for in new employees, although it is difficult to assess how and to what degree employers evaluate these skills (i.e., are they based on the applicant’s on-the-job experience, credentials obtained, or pre-employment testing). However, it is clear that “soft skills” or “people skills” such as communication, initiative and leadership, and customer service, are highly valued for a wide range of jobs and that skills like critical thinking and problem solving continue to be highly sought by employers. Skills like ethical standards and conduct, planning, multitasking, time management, organizational skills, and teamwork are growing while self-motivation is rapidly growing and is likely to be more prominent in the future.

Table 10. Top 10 Skill Subcategories by Number of Job Postings

Skill Subcategory	Unique Job Postings
Communication	9,440
Personal Attributes	8,748
Initiative and Leadership	7,764
Customer Service	6,906
General Sales Practices	4,786
Regulation & Legal Compliance	4,663
Business Management	4,596
Critical Thinking & Problem Solving	4,181
Business Operations	4,061
Physical Abilities	3,437

Source: Lightcast Data Analyst, 2024.

Table 101. Software Skills by Number of Job Postings

Software Skill	Unique Job Postings
Microsoft Office	1,180
Microsoft Excel	1,020
Microsoft Outlook	643
Microsoft PowerPoint	421
Microsoft Word	332
Epic EMR	206
Spreadsheets	156
SAP Applications	150
Salesforce	110
AutoCAD	107

Source: Lightcast Data Analyst, 2024.

In addition to the top skill subcategories, job postings data are used to understand trends in top software skills sought by employers. Top software skills are listed in Table 11. As of 2024, the top software skills by number of job postings are dominated by Microsoft Office systems. These software skills are all projected to grow with Outlook, PowerPoint, Spreadsheets, SAP Applications, and Salesforce projected to be rapidly growing according to Lightcast Data Analyst.

Figure 12 lists the most valuable skills for the workforce of today and in the future according to the World Economic Forum.

Figure 12. The Most Valuable Skills for Jobs of the Future

What are the Most Valuable Skills for Jobs of the Future?

According to research by the World Economic Forum (Future of Jobs Report, 2023), 44% of employers surveyed said that the top 10 employability skills will change over the next five years. The Table below lists the top skills of the current job market and the top skills predicted for jobs of the future.

Current Skills	Future Skills
1. Analytical Thinking	1. Analytical Thinking
2. Creative Thinking	2. Creative Thinking
3. Resilience, Flexibility, Agility	3. AI and Big Data
4. Motivation and Self-Awareness	4. Leadership and Social Influence
5. Curiosity and Lifelong Learning	5. Resilience, Flexibility, and Agility
6. Technological Literacy	6. Curiosity and Lifelong Learning
7. Dependability & Attention to Detail	7. Technological Literacy
7. Empathy and Active Listening	8. Design and User Experience
8. Leadership and Social Influence	9. Motivation and Self-Awareness
9. Quality Control	10. Empathy and Active Listening

Over the next several years, skills like AI and Big Data as well as Design and User Experience will emerge in the top 10 taking the place of skills like Dependability and Attention to Detail and Quality Control. Other skills in the current top 10 will become more prominent, particularly Leadership and Social Influence which is expected to move up in importance.

MCC should assess how its courses and programs align with the emerging skills of the future to ensure students are competitive in the future workforce.

Commuting and Workforce Mobility. Worker commuting patterns can be indicators of the true size and scope of the regional labor markets, and in metropolitan environments they can indicate the degree of economic interdependency with the surrounding region. An area's ability to pursue economic development depends in part on the supply and mobility of workers. Matching local talent with local jobs is not easily done in a labor market as large, mobile, and diverse as the Chicago metropolitan area. The larger communities within the McHenry County (Algonquin, Crystal Lake, Harvard, McHenry, and Woodstock) are major regional business centers, employing significantly more workers than live within the county. At the same time, many District residents commute to jobs in the surrounding metropolitan area. Although this situation presents workers and employers tremendous opportunities for employment, as well as talent acquisition, it also creates considerable challenges for educational institutions in deciding the types training or degree programs to offer. Nevertheless, understanding overall trends in workers commuting patterns, location of regional centers of business activity and the projected employment demand for key industries and occupations offer important insights into how the community college system can best position itself to serve the needs of future students and the business community.

Commuting patterns are best described as worker outflow (employed residents in a specified area that work outside the area) and worker inflow (workers living in other areas but employed in a specified area). The regional labor force consists of those who live in McHenry County but are employed in the surrounding areas, those who are employed in the county but live elsewhere, and those who both live and work in the county. Labor market data for the county show a substantial number of workers commute to jobs outside the county but in the nearby region. Data from the 2016-2020 American Community Surveys show 160,951 workers living in McHenry County, compared with employment of 114,450 workers within the county, resulting in a net outflow of 46,501 workers to jobs in the surrounding areas (Table 12). This net outflow of workers has decreased compared to 2014 but still is higher than net outflow from years prior to that even as employment and the number of workers living in the county have continued to grow. Since 2014, the number of workers employed in the county increased by 45%. Meanwhile, the number of employed residents (who may work inside or outside the county) has grown 24%.

Table 11. Commuter Inflow/Outflow for McHenry County 2006-2020

	2020		2014		2010		2006	
	Count	Share	Count	Share	Count	Share	Count	Share
Working in the District	114,450	100.0%	78,799	100.0%	84,527	100.0%	77,135	100.0%
Living in the District	160,951	140.6%	129,330	164.1%	126,021	149.1%	117,038	151.7%
Net Job Inflow (+) or Outflow (-)	-46,501	-	-50,531	-	-41,494	-	-39,903	-

Source: U.S. Census Bureau, American Community Surveys.

Roughly three quarters (76%; 8,417 workers) of the county workforce lives in the county while the remaining quarter, or 28,000 workers, commute from outside the county. Of those commuting in for work, 26% come from Kane County, 25% come from Lake County, 16% come from Cook County, 13% come from out of state (the vast majority from Wisconsin), and 8% come from Boone County.

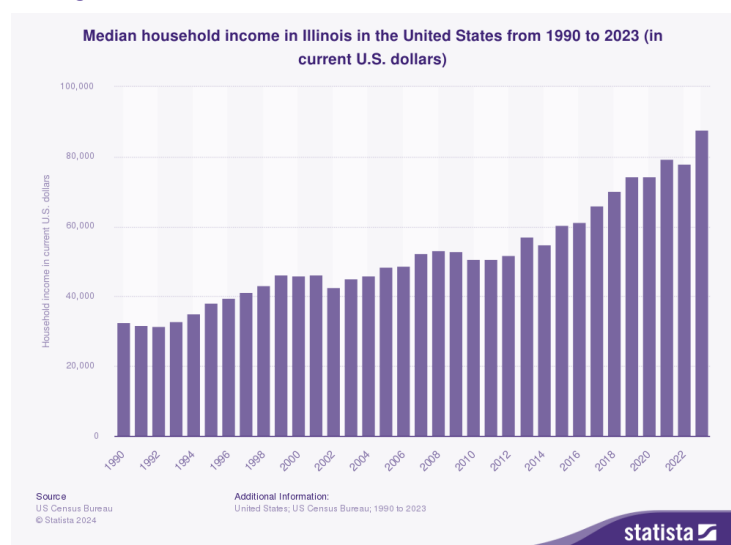
Among McHenry County's resident workforce, roughly 48% (86,417) work within the county. Most of the resident workforce (51%; 74,500 individuals) commutes to other counties for work. The region's transportation network permits for easy access for McHenry County residents to a variety of employment opportunities around the greater Chicago area while allowing them to live a more affordable suburban or rural lifestyle. Overall, 18% (29,257) of McHenry's resident workforce commutes to Cook County, 12% (19,805) commutes to Lake County, and 8% (12,217) commutes to Kane County.

SECTION 6: LOCAL ECONOMY

An examination of the state of the local economy provides essential insight the strengths and challenges faced by district residents, and therefore potential and current students. These insights help guide the College's beliefs, goals, and strategies around meeting students' basic needs. While unemployment rates have come down since the pandemic period, the cost of living for the county has increased. As housing prices and other expenses increase, residents have less income to spend on their educational pursuits and may need to rely more on alternate financing options.

Median Household Income and Financial Need. As Figure 13 shows, the median household income for Illinois climbed to \$87,820 as of 2023, up 17% from 2020. As of 2022, the median household income for the state was around \$3,000 higher than the national median. At the county level, the median household income was \$25,000 above the national median and around \$22,000 higher than the state median for 2022. McHenry County's median

Figure 13. Median Household Income in Illinois 1990-2023



household income in 2023 was reported as \$100,884, up 12% from 2020. Based on data from the 2023 American Community Survey from the U.S. Census Bureau, roughly 29% of McHenry County households have an annual income of \$150,000 or more while 22% have an income between \$100,000 and \$149,000, 13% have an income between \$75,000 and \$99,000, and 36% have an income below \$75,000.

While the McHenry County median household income is higher than the statewide median, incomes vary significantly throughout the county. City level median incomes range from a low of \$65,528 in Fox Lake up to \$172,891 in Lakewood (Table 13). As of 2023, none of the communities had median annual incomes below the sustainable 'living wage' level of \$63,086 (\$30.33 per hour for 2080 hours per year) calculated by the Massachusetts Institute of

Technology as needed for two working adults and two children.⁸ However, based on 2018-2022 American Community Survey five-year estimates from the U.S. Census Bureau, more than 25,000 households have an annual income well below the local living wage.

Table 12. Median Household Income Trends within McHenry County

Area Name	2023 Median Household Income
Algonquin village, Illinois	\$129,658
Cary village, Illinois	\$107,158
Crystal Lake city, Illinois	\$103,018
Fox Lake village, Illinois	\$65,528
Gilberts village, Illinois	\$120,568
Harvard city, Illinois	\$67,938
Huntley village, Illinois	\$83,357
Island Lake village, Illinois	\$91,852
Johnsburg village, Illinois	\$110,000
Lake Barrington village, Illinois	\$126,316
Lake in the Hills village, Illinois	\$110,988
Lakemoor village, Illinois	\$100,764
Lakewood village, Illinois	\$172,891
Marengo city, Illinois	\$71,196
McHenry city, Illinois	\$83,651
Spring Grove village, Illinois	\$137,891
Wonder Lake village, Illinois	\$126,711
Woodstock city, Illinois	\$82,287

Source: U.S. Census Bureau, American Community Survey, 2023

As median household income has grown, the cost of living for the region has increased as well. McHenry County continues to have a higher cost of living than the state and national medians. The Lightcast Cost of Living Index for McHenry County is 103, roughly .3% higher than the national cost of living (100) and 3.2% higher than the cost of living for the state (99.8), which means residents of the county pay more for goods and services than residents of other communities across the state but roughly the same as the national average. In general, grocery, health, housing, and utilities costs for the county are lower than costs at the national level

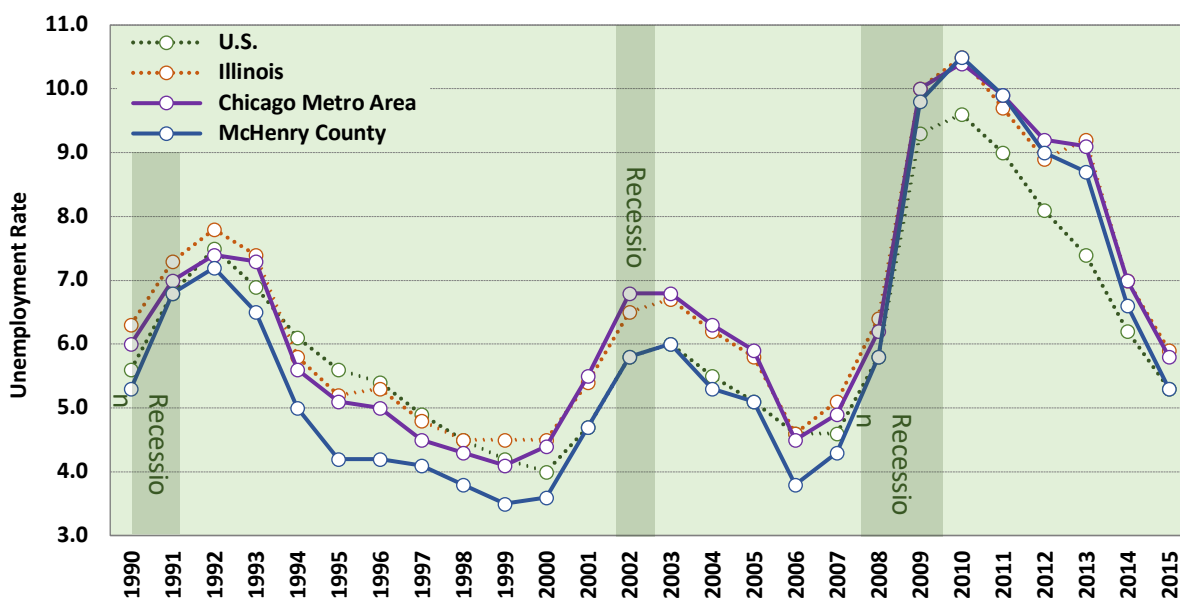
⁸ Glasmeier, A.K. (2024). Poverty in America Living Wage Calculator. Massachusetts Institute of Technology. <http://livingwage.mit.edu/>.

though higher than the state. Transportation and miscellaneous costs for the county tend to be higher for the county compared to the state.

In the post-pandemic period, costs for goods and services across the country rose significantly as inflation rate reached a peak value of 9% nationally and 7.6% regionally in 2022. At the same time, growth in income lagged resulting in a reduction in overall buying power for most Americans. The good news is that nation-wide inflation has fallen back to 2.6% as of July 2024 and the national inflation-adjusted median household income has since rebounded and has returned to its pre-pandemic level. At the regional level, inflation has reduced to 3.1% in the first half of 2024 though it remains higher than pre-pandemic levels.

Unemployment. Figure 14 shows the unemployment rate trend comparison for McHenry County, Illinois, and the U.S. from 1990 to 2015. During this period, there were several fluctuations in the unemployment rates with increases coinciding with times of recession. The pattern is consistent across the county, state, and nation. Unemployment rates peaked around 10% in 2010 because of the Great Recession (2007 to 2010) but fell to 5.5-6% by 2015.

Figure 14. Unemployment Rate Comparison 1990-2015

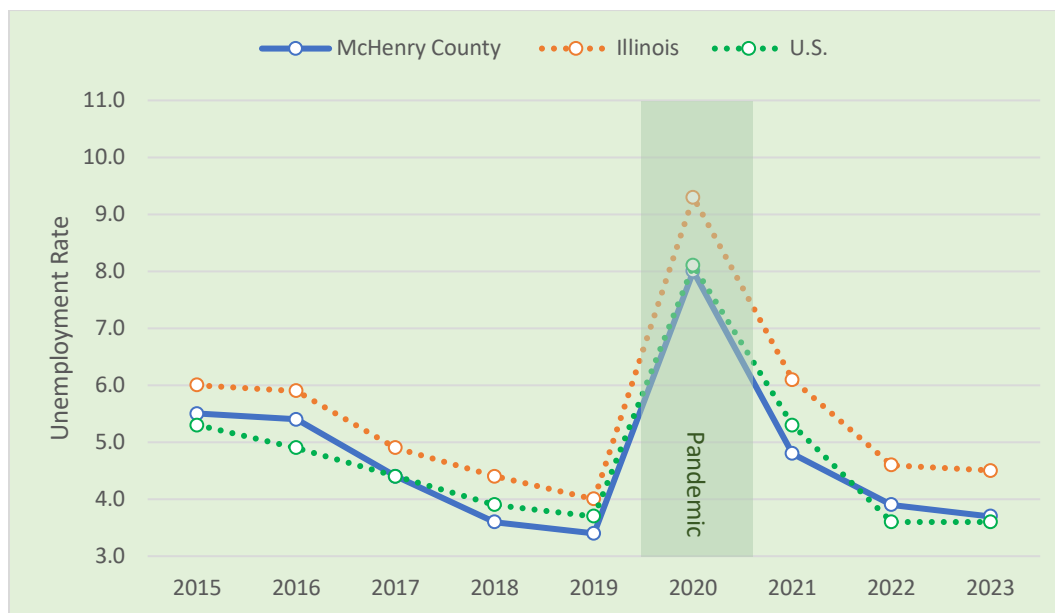


Source: U.S. Bureau of Labor Statistics, 2016.

Since 2015, rates continued to fall to a low of 3.4% to 4% in 2019 before rising sharply back up to rates of 8-9% in 2020 due to the COVID-19 Pandemic in 2020. Rates have since declined

over the past three years back down to pre-pandemic rates of 3.7% for McHenry County, 4.5% for Illinois, and 3.6% for the U.S. overall (Figure 15).

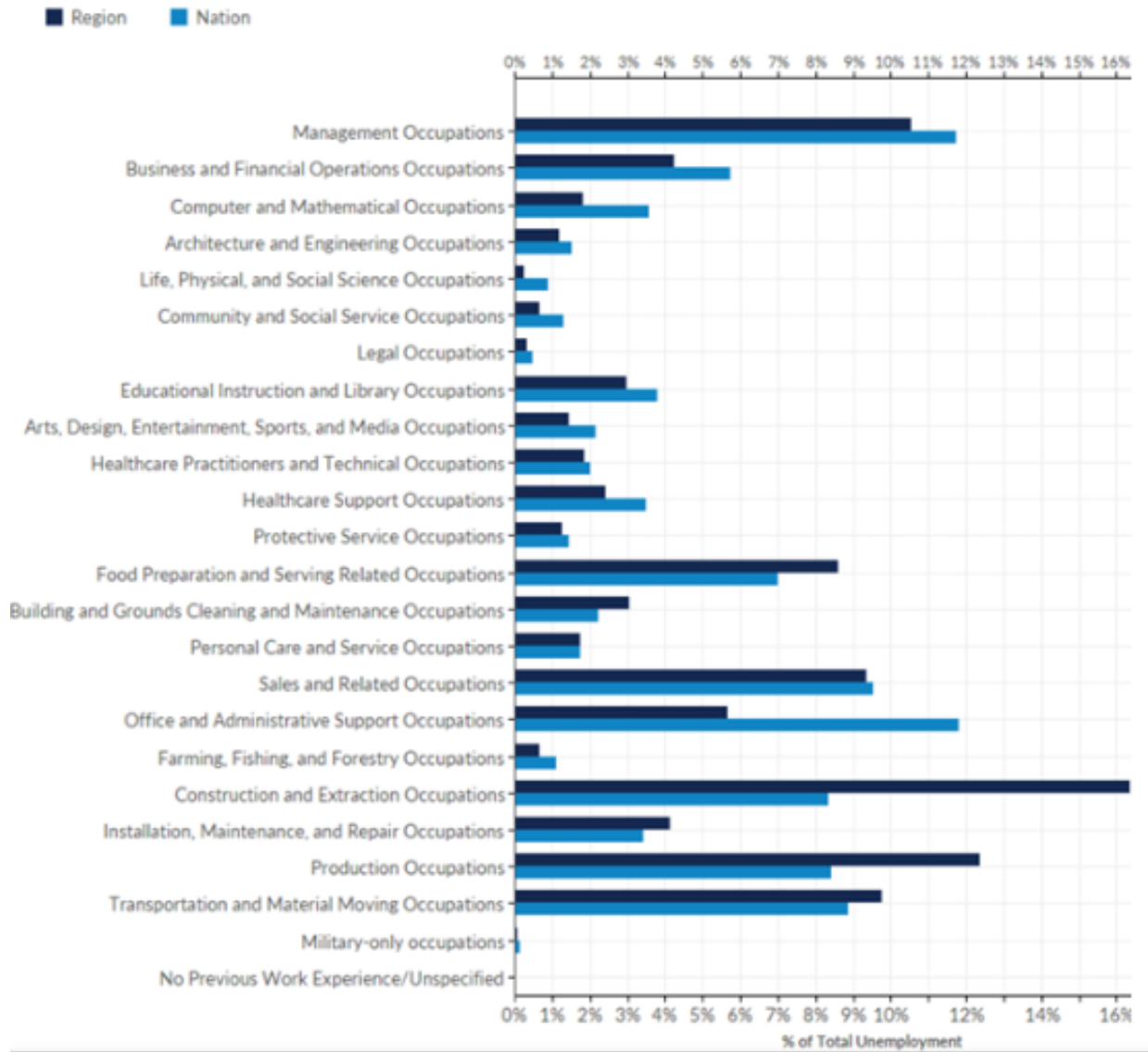
Figure 15. Unemployment Rate Comparison 2015-2023



The sharp increase in unemployment during the pandemic was largely due to mandatory government shutdowns of area businesses that were implemented to curb the spread of the virus. Once area businesses were able to re-open, most of the jobs were recovered. Figure 19 shows unemployment rates by occupation for McHenry County as of June 2024. Construction and Extraction occupations comprise the highest percent of regional unemployment at 16% (1,557 workers), followed by Production occupations (1,177 workers) at 12%, Management Occupations (1,001 workers) Transportation and Material Moving occupations (927 workers) each at 10%, and Sales and Related Occupations (890 workers) and Food Preparation and Serving Related Occupations (819 workers) each at 9% of the region's unemployed workforce. As of June 2024, there were 9,546 unemployed workers in McHenry County.

Unemployment tends to be positively correlated with college credit enrollment. During times of high unemployment, community colleges tend to experience an uptick in their credit student population. As unemployment rates continue to decline in the region, however, enrollment at the College may be negatively affected. As college credit enrollments decline, there could be more opportunities to provide training to upskill incumbent workers through workforce and community programming.

Figure 16. Unemployment Rates by Occupation

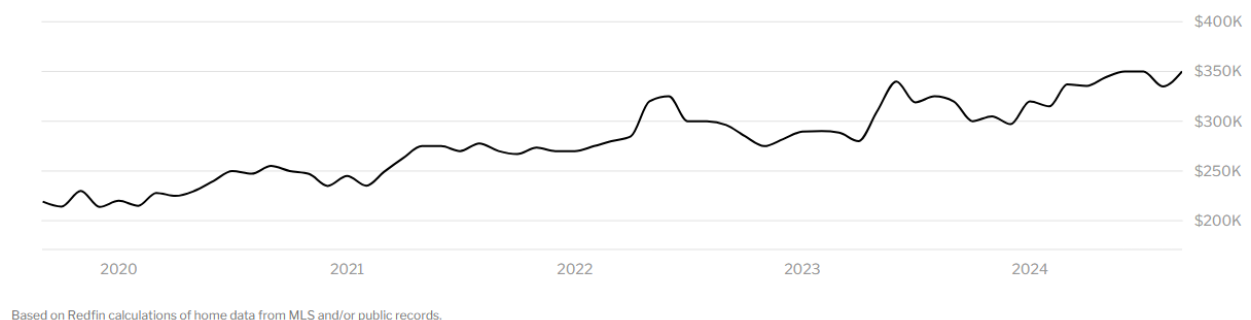


Source: Lightcast Data Analyst, Q3 2024

Labor Force Participation. The unemployment rate estimates the percentage of workers in the labor force who are currently unemployed but seeking work, while the labor force participation rate is the percentage of the population 16 and older who are either working or actively seeking work. Many analysts believe that the official unemployment rate understates the employment situation because it does not account for people who have dropped out of the labor force. The participation rate is affected by the number of discouraged workers who are no longer seeking employment, so it is important to consider labor force participation along with the unemployment rate. Based on the most recent 5-year average (2018-2022) data reported by the U.S. Census Bureau, McHenry County has a civilian labor force participation rate of 69.9%. This means that roughly 70% of county residents aged 16 and older participate in the civilian labor force, which excludes anyone on active duty in the United States Armed Forces. By comparison, the labor force participation rate for Illinois was 65% as of August 2024 and the rate for the U.S. was around 63%.

Housing. McHenry County is currently experiencing a rise in median home sale prices that is inversely correlated with a decrease in inventory that was worsened by the COVID-19 pandemic. The median sale price for homes in McHenry County reached \$350,000 in September 2024 (+9.4% over the prior year) with 375 homes sold (-13% from the prior year).

Figure 17. Median Sale Price Trend for McHenry County 2020-2024



A similar trend has occurred across the state of Illinois. The median sale price for homes in Illinois reached a high of \$290,000 in September 2024, an increase of 45% from September 2019 (pre-pandemic). At the same time, there was a low in the number of closed sales at 10,700 in September 2024 compared to 13,051 in September 2019 (-18%). Home sales have steadily

declined each year since 2020 while sale prices have incrementally increased over the past five years.

The trend of increasing home sale prices is good news for higher education institutions as it suggests greater fiscal stability from property taxes in the long-term. Due to the low inventory, however, the inflow of new residents to the county may be negatively impacted until policy changes are enacted to offer more housing opportunities and increase affordability in the region.

Financing College. The availability of financial aid has an enormous impact upon the ability of low-income students and students of color to attend a postsecondary institution. Compared with students at four-year public and private institutions, community college students are much more likely to come from low-income households, to be first-generation college students, and to attend part time while working or taking care of children.⁹ Even modest increases in tuition can require families to make difficult budget decisions and defer or destroy the dreams of students. McHenry County College fares well in comparison to the average for Illinois Community Colleges regarding tuition and fees. For 2025, MCC's total tuition and fees per credit hour is \$138.25, compared to \$160.42 for the state. MCC's tuition and fees consistently falls below, but within 80% of, the state average.

In addition to low tuition and fee costs for students, financial aid is a primary tool used to enhance the affordability of postsecondary education. Within the past few years, changes in federal financial aid have been focused on making grant funding accessible to a broader contingent of students. Despite the intent, many colleges experienced declines in their first-year student enrollment in Fall 2024, which was largely attributed to challenges with changes to the Free Application for Federal Student Aid (FAFSA)¹⁰. This shift was particularly pronounced among four-year institutions and may have positively impacted community college enrollments, which increased this fall, due to the more affordable nature of those institutions drawing in students who would have otherwise chosen to attend another institution

⁹ National Center for Education Statistics. (2009). *National postsecondary student aid study: 2007-08* (NPSAS:08). Washington, DC: U.S. Department of Education. Available from <http://www.nces.ed.gov/das>

¹⁰ Source: Inside Higher Ed (2024). *First-Year Enrollments Take a Tumble*. Retrieved on October 31, 2024 from <https://www.insidehighered.com/news/admissions/traditional-age/2024/10/23/after-fafsa-issues-steep-drop-first-year-enrollment>.

had they received their financial aid in time. As challenges with the FAFSA are resolved, community colleges may experience a subsequent decline in enrollments.

Despite being the more affordable option compared to four-year institutions, community colleges still see a high degree of student financial need and reliance on financial aid programs. Financial aid comes in a variety of forms through federal funding via Pell and SEOG Grants, Stafford Loans, and workforce development grants. It is also provided at the state level through grants, scholarships, and loans. According to the Illinois Student Assistance Commission (ISAC), students in Illinois may receive up to \$15,795 in federal funding if they qualify for Pell and Map grants.

The Free Application for Federal Student Aid (FAFSA) completion rate can provide insights on the number of seniors that anticipate attending college since data shows that seniors who complete the FAFSA are more likely to enroll in college immediately after graduating from high school. In McHenry County, there were roughly 3,700 high school seniors attending public high schools in 2023-2024 of whom 2,200 (60%), completed the FAFSA (see Table 14).

Table 13. FAFSA Completions in Public High Schools

High Schools	# FAFSA Completed	Seniors in School	FAFSA Completion Rate
Alden-Hebron High School	10	30	33%
Cary-Grove Community High School	232	362	64%
Crystal Lake Central High School	241	395	61%
Crystal Lake South High School	204	340	60%
Harvard High School	60	171	35%
Huntley High School	475	720	66%
Johnsburg High School	96	154	63%
Marengo High School	74	137	54%
McHenry High School	300	545	55%
Prairie Ridge High School	187	284	66%
Richmond-Burton High School	67	142	47%
Woodstock High School	140	233	60%
Woodstock North High School	122	206	59%

Source: Illinois Student Assistance Commission (<https://www.isac.org/home/fafsa/2024.html>)

SECTION 7: TRENDS IN HIGHER EDUCATION

It is important for the College to keep abreast of the ever-changing landscape for higher education to anticipate impacts on its people and processes. While it is not possible to anticipate all future changes and impacts, some have already begun to emerge that should be considered as colleges plan for the future.

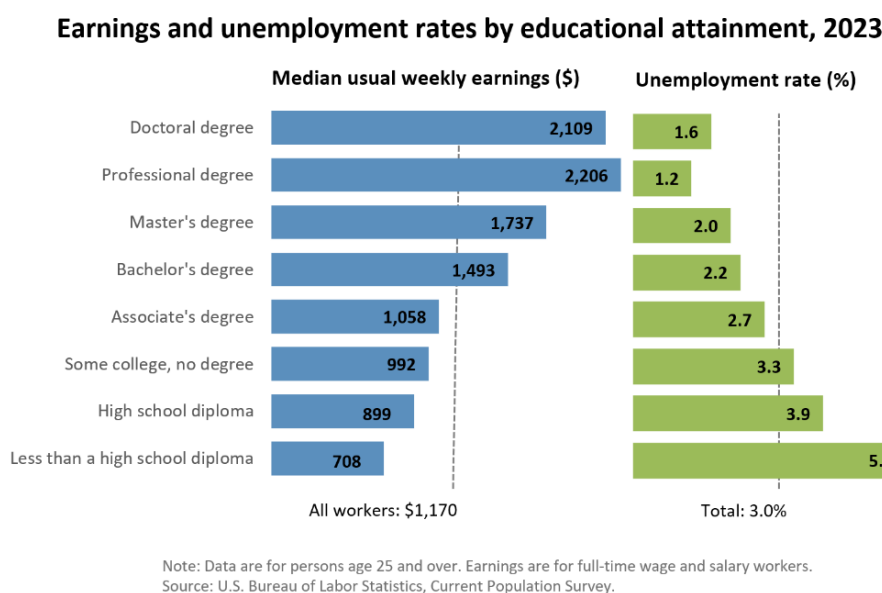
Return on Investment. Over the past four years, there was a considerable effort at the federal level to address issues of student loan repayment resulting in the cancellation of loans for many people who experienced a high degree of debt incurred through their pursuit of higher education. This effort was met with a high degree of controversy though it highlighted the importance of considering the return on investment in college for many. As higher education continues to fall under the microscope, there has been considerable discussion about the value of pursuing a degree or certificate and whether college is worth the expense. A study by the Pew Research Center¹¹ found that economic outcomes have improved for young adults both with and without college degrees, leading some to question the value add of a college degree. Nearly 30% of U.S. adults surveyed by Pew indicated that the cost of getting a four-year degree is not worth it, and 47% indicated it was worth it only if they could do so without taking out loans leaving less than one quarter (22%) of respondents saying a college degree is worth it even with loans. The perceived importance of a college degree is also changing over time with half of respondents saying that it is less important to have a college degree to get a well-paying job today than it was 20 years ago. Interestingly, these results vary based on partisanship with 33% of democratically leaning respondents saying it is extremely or very important for someone to have a degree to get a well-paying job in today's economy compared to 17% of republican leaning respondents. This is a particularly important distinction given that McHenry County tends to lean more conservative in its partisanship and may need to make a stronger value proposition to attract potential students within the district.

The federal government has renewed requirements for schools to provide gainful employment data for students along with more transparency in reporting student loan repayment rates to provide a better understanding for students who may be seeking out a degree or certificate.

¹¹ Pew Research Center (2024). *Is College Worth It?* <https://www.pewresearch.org/social-trends/2024/05/23/is-college-worth-it-2/>

This transparency is intended to enable students to make more informed decisions about their educational pursuits though it may not do much to combat current perceptions about of the value of a college education compared to workers without a college credential. Colleges may need to rely on other data to make the case that a college degree is worthwhile. The Bureau of Labor Statistics continues to provide data showing the positive correlation between earnings and educational attainment as well as an inverse relationship between unemployment rate and education level as shown in figure 18.

Figure 18. Earnings and Unemployment Rates by Educational Attainment



Additionally, in 2021, the Illinois Community College Board commissioned Northern Illinois University's Center for Governmental Studies (CGS) to conduct a statewide economic impact analysis as well as provide individual community college impact analyses each individual college. The reports analyzed earnings outcomes for program completers. Education at a community college can be viewed as an investment. Students attending college pay for their education in both cash and in foregone earnings. The net cash price is the cost of tuition, fees, books, and room and board. Foregone earnings result when a student spends time going to school and studying in place of earning money at work.

The analysis in the 2021 Economic Impact Study focused on the return on investment of students that completed a program, referred to as 'completers', in FY 2018. The cost of attending school during the FY 2017 and FY 2018 school years is compared with projected

earnings over a 40-year post graduation period. The results are net present value (NPV) and internal rate of return (IRR) estimates for the average completer in FY 2018.

The net cash price of attending school was obtained from the National Center for Education Statistics' College Navigator tool. College Navigator employs Integrated Postsecondary Education Data System (IPEDS) data from the National Center for Education Statistics to calculate the 'average net price' for annual attendance at each school.

The other major cost for college attendees is their foregone earnings, often referred to as the 'opportunity cost' of attending college. The estimate for foregone earnings is based on the average earning level of high school graduates in the state, which was \$9,751 for 20-year-olds and \$10,919 for 21-year-olds according to the U.S. Census Bureau 2014-2018 American Community Survey.

The major benefit of completing college is the resulting increased earnings. Pre-enrollment to post-completion earnings gains were calculated for graduates of 2-year Associate of Applied Science and 2-year certificate programs at McHenry County College. These are the completers most likely to directly enter the workforce and not pursue additional education directly following their community college completion. Table 26 presents the net return analysis for MCC students over a 40-year period. Overall, MCC FY 2018 graduates were estimated to earn around \$567,000 more after 40 years than workers without an AAS or long-term certificate.

The net present value of investing in an MCC associate's degree or long-term certificate over 2 years is about \$224,000. If a student put \$31,873 in an investment that returned 40 annual payments equivalent to the earnings gains from an associate's degree or long-term certificate, they would earn interest at a rate of 25.6%. This analysis is conservative because it is based on increased earnings in the first post-completion year and earnings for many program completers grow significantly in the second through fifth post-completion years.

Table 14. Estimated Net Return on Investment for MCC Associate Degree Completers²⁸

Year	Net Price	Opportunity Cost	Total Cost	Increased Earnings	Discounted Cash Flow	
-1	\$5,497	\$9,751	\$15,248		-\$15,858	
0	\$5,706	\$10,919	\$16,625		-\$16,625	
1				\$9,174	\$8,807	
2				\$9,816	\$9,047	
3				\$10,503	\$9,293	
4				\$11,239	\$9,546	
5				\$12,025	\$9,805	
...	
38				\$15,763	\$3,342	
39				\$15,763	\$3,208	
40					\$3,080	
		Total Increased Earnings		\$567,011	NPV	\$224,340
					IRR	25.6%

While this return on investment is substantial, it is worth noting that the 40-year earnings gain for FY 2018 completers is around 34% lower than the estimated earnings gains ICCB reported for FY 2011 completers (\$760,269) in the 2014 Economic Impact Study. For FY 2018 completers, the total cost during the two years the student was in school, including out of pocket expenses and foregone earnings was \$32,483, an increase of roughly 7% over the cost for completers in FY 2011 (\$30,466). While the cost of attending college continues to increase, MCC graduates are not experiencing as much of an income gain compared to their peers who did not complete a degree/certificate.

In the most recent ICCB analysis, the earnings outcome results for McHenry County College were lower than the statewide average for all Illinois community college completers. Statewide, the average net present value for completers of 2-year Associate of Applied Science and 2-year certificate programs was about \$239,000. The average ROI across the state, based on a typical initial investment of \$33,368, was 26.8%¹².

Diversity, Equity, and Inclusion (DEI). There was a boom in higher ed's focus on diversity, equity, and inclusion that followed a period of racial unrest in 2020 that resulted in many

¹² Source: Center for Governmental Studies (2021). *Illinois Community Colleges' Economic Impacts and Student Employment Outcomes*.

schools adopting more inclusive policies and practices, creating DEI offices and positions, and updating their values and goals to enhance equitable outcomes for students. DEI has since come under the microscope in the past two years, and DEI efforts among colleges and universities have slowed or even reversed in many parts of the country. Currently, Illinois has not been negatively affected by DEI legislation at the state level, though many institutions across the nation have made changes to their DEI offices, jobs, statements, trainings, and other DEI-related activities¹³. As this landscape continues to evolve and become more refined, colleges will need to decide the best approaches for continuing this work in the years that follow, particularly as new state and federal guidelines emerge that may not align with institutional mission and values.

Federal Policy. Over the past four decades, the American public has become increasingly skeptical of higher education as an unquestioned public good. This skepticism is expected to intensify over the next four to five years. From 2017 to 2020 there was a period of increased oversight over for-profit colleges, implementation of new Title IX rules, and removal of institutions' affirmative action policies. While much of these efforts were reversed from 2021-2023, experts are predicting additional changes over the next four-to-five years at the federal level that could impact higher education institutions, including the potential dissolution of the U.S. Department of Education, changes to college accreditation, impact on specific student populations, restrictions on campus protests, and plans to bring about a "revolution in higher education". The next administration is expected to undo several of the current higher education policies including those related to student loan repayment and civil rights protections.¹⁴ While many of these proposed changes would require congressional approval and updates to the Higher Education Act, which are considered to be unlikely, many colleges and universities are looking ahead to prepare for any impacts these policy implementations and reversals could have on their students and operations. Institutions should remain agile and be prepared to pivot over the next several years to adjust their policies and practices based on changes at the federal level.

¹³ Chronicle of Higher Education (2024). *Tracking Higher Ed's Dismantling of DEI*.
<https://www.chronicle.com/article/tracking-higher-eds-dismantling-of-dei>

¹⁴ Inside Higher Ed (2024). *What Trump's Victory Means for Higher Ed*.
<https://www.insidehighered.com/news/government/politics-elections/2024/11/06/what-trumps-victory-means-higher-ed>

Technology. Since the pandemic, there has been a substantial shift in the types of technologies students, faculty, and college staff are using to do their jobs, along with a greater emphasis on protecting the digital environment. Students are still looking for online and hybrid learning options that enhance access to higher education and there is a focus among many colleges on continuously improving student outcomes in those modalities. In addition, the use of new and emerging Artificial Intelligence (AI) tools has grown rapidly over the past few years and is expected to play a more prominent role in offering personalized learning experiences for students in the future. The expansion of AI comes with potential costs, however, as colleges address concerns about information literacy and the ethical use of AI systems for students. The use of design statements for written assignments is expanding as schools work to promote responsible use of AI tools. In addition, many colleges are developing AI literacy frameworks and incorporating AI training into their courses and programs to ensure students are knowledgeable and have AI skills that will make them competitive in the future workforce. AI use is not limited to teaching and learning, however, as AI tools are being developed and marketed toward the community college workforce as well. Workshops and courses focusing on prompt development and highlighting use cases for AI in Human Resources, Institutional Research, Information Technology, and other offices all point to future expansion of these tools in the world of work. Other trends in the workplace include continued demand for remote work arrangements and an increasing need to address cybersecurity concerns and enhance data protections. According to Educause¹⁵, here are the top five information technology trends impacting community colleges' technology strategies, policies, and practices in 2024:

Figure 19. Educause Top IT Trends, 2024

Rank	Trend
1	Increasing need for data security and protection against threats to personal privacy
2	Demand for continued hybrid and remote work arrangements
2 (tie)	Increased focus on improving hybrid and online learning
3	More calls for data-informed decision-making and reporting
4	Increased efforts towards creating equitable and inclusive environments and experiences
5	More attention to well-being and mental health
6	Growing efforts towards digital transformation and institutional resilience

¹⁵ Source: Educause (2024). *2024 Higher Education Trend Watch*.

New Education Models. As higher education institutions search for ways to expedite progress and cut costs for their students, several potential models have emerged that would change the way students have traditionally acquired a college education. Potential models that would allow students to complete a credential faster and for less money include the K-14 and K-16 models, which entail partnerships between high schools, community colleges, and four-year institutions that encourage students to acquire credits toward associate's degrees and certificates while in high school and/or expedite the completion of a bachelor's degree at the community college level. Other models aim to get students into the workforce faster by involving students in more paid work experiences while they complete their education. Colleges should remain flexible to considering and exploring new models that shift the traditional college experience to one that is designed to provide earlier, faster, and more affordable pathways for students to meet their academic goals.

The College Safety Net. Since the COVID-19 pandemic, there has been an increased emphasis on the importance of colleges and universities providing services and resources to ensure students' basic needs are being met to support their academic success. Students who have challenges meeting their basic needs for food and housing as well as those in need of transportation, computer/Internet access, and mental health treatment often struggle to meet their academic goals due to lower retention, persistence, course success, and completion rates. Many institutions have shifted to a holistic model for providing wraparound student support services to address these needs. As student populations continue to shift toward higher proportions of traditionally underrepresented and historically minoritized and marginalized groups of students, institutions will need to continue their efforts to provide safety net services such as emergency financial assistance, campus mental health services, food and transportation waivers, loaner laptop and Internet hotspot programs, and empathetic faculty and staff who are ready and able to provide support to address students' non-academic needs.