

# RETURN ON INVESTMENT TO TAXPAYERS

*Demonstrating the Economic Value of Santa Rosa Junior College*

DECEMBER 2015



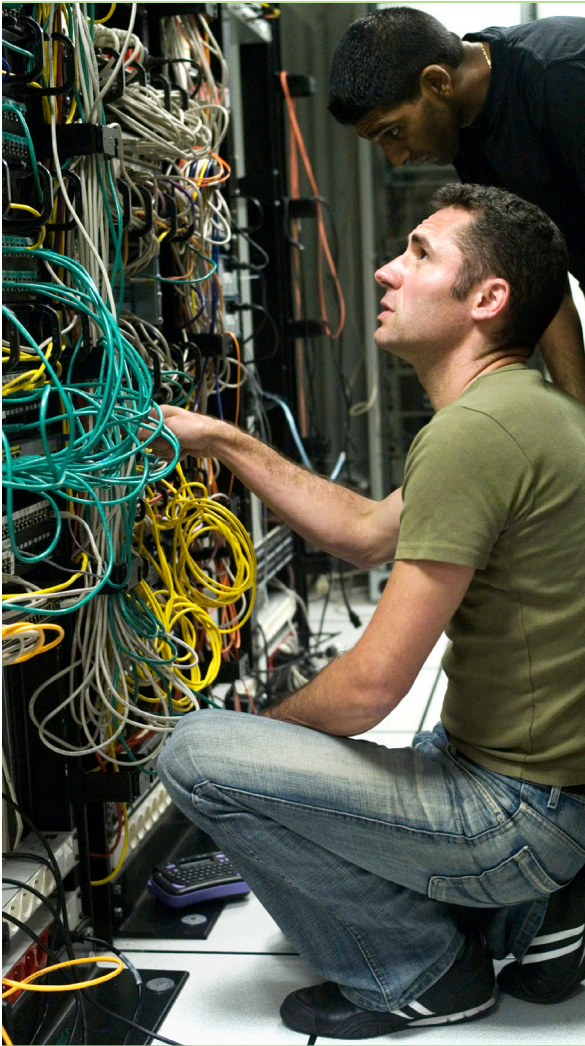
*Students and society as a whole enjoy a range of benefits due to their educational investment in SRJC. A portion of these benefits accrues to state and local taxpayers in the form of higher tax receipts and a reduced demand for government-supported social services.*

## SRJC INCREASES TAX REVENUE

- Approximately **98%** of SRJC's students remain in California upon completing their educational goals. As students earn more, they pay higher taxes. Employers also pay higher taxes through their increased output and spending.
- Over the students' working lives, state and local government in California will collect a present value of **\$492.2 MILLION** in the form of higher tax receipts.

## SRJC REDUCES GOVERNMENT COSTS

- SRJC students who achieve higher levels of education are statistically less likely to have poor health habits, commit crimes, or claim welfare or unemployment benefits.
- The improved lifestyles of students result in a reduced demand for government-supported services. Better health leads to reduced health care costs. Reduced crime leads to a reduced burden on the criminal justice system. Further, increased employability leads to fewer claims for welfare and unemployment benefits.



- As a result, taxpayers in the state of California will see a present value of **\$57.9 MILLION** in savings to government over the students' working careers.

## SRJC IS A SOLID INVESTMENT FOR STATE AND LOCAL TAXPAYERS

- In FY 2014-15, state and local taxpayers in California paid **\$123.1 MILLION** to support the operations of SRJC.
- For every \$1 of public money spent on SRJC, taxpayers receive a cumulative return of **\$4.50** over the course of students' working lives in the form of higher tax receipts and public sector savings.
- Taxpayers see an annual return of **14.8%** on their investment in SRJC. This return compares favorably with the 1.1% discount rate used by the federal government to appraise long-term investments.

### COMPARING TAXPAYER RATE OF RETURN TO DISCOUNT RATE

