

TAXPAYERS' INVESTMENT

The Economic Value of Morgan Community College | May 2017

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

MCC INCREASES TAX REVENUE

- Approximately **99%** of MCC's students remain in Colorado 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 government in Colorado will collect a present value of **\$31.5 million** in the form of higher tax receipts.

MCC REDUCES GOVERNMENT COSTS

- MCC 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 Colorado will see a present value of **\$1.9 million** in savings to government over the students' working careers.

MCC IS A SOLID INVESTMENT FOR STATE TAXPAYERS

- In FY 2015-16, state taxpayers in Colorado paid **\$7.5 million** to support the operations of MCC.
- For every \$1 of public money spent on MCC, 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 average annual internal rate of return on their investment in MCC. This return compares favorably with the 0.7% discount rate used by the federal government to appraise long-term investments.

SUMMARY OF THE TAXPAYER INVESTMENT



4.5
Benefit-cost ratio



10.2%
Rate of return