

TAXPAYERS' INVESTMENT

The Economic Value of Red Rocks Community College | May 2017

Students and society as a whole enjoy a range of benefits due to their educational investment in RRCC. 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.

RRCC INCREASES TAX REVENUE

- Approximately **86%** of RRCC'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 and local government in Colorado will collect a present value of **\$140 million** in the form of higher tax receipts.

RRCC REDUCES GOVERNMENT COSTS

- RRCC 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 **\$8.6 million** in savings to government over the students' working careers.

RRCC IS A SOLID INVESTMENT FOR STATE AND LOCAL TAXPAYERS

- In FY 2015-16, state and local taxpayers in Colorado paid **\$27.9 million** to support the operations of RRCC.
- For every \$1 of public money spent on RRCC, taxpayers receive a cumulative return of **\$5.30** 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 of **15.7%** on their investment in RRCC. 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



5.3

Benefit-cost ratio



15.7%

Rate of return