

# TAXPAYERS' INVESTMENT

The Economic Value of Trinidad State Junior College | May 2017

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

## TSJC INCREASES TAX REVENUE

- Approximately **84%** of TSJC'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 **\$21.9 million** in the form of higher tax receipts.

## TSJC REDUCES GOVERNMENT COSTS

- TSJC 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 **\$2.1 million** in savings to government over the students' working careers.

## TSJC IS A SOLID INVESTMENT FOR STATE TAXPAYERS

- In FY 2015-16, state taxpayers in Colorado paid **\$9.9 million** to support the operations of TSJC.
- For every \$1 of public money spent on TSJC, taxpayers receive a cumulative return of **\$2.40** 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 **6.2%** on their investment in TSJC. 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



**2.4**  
Benefit-cost ratio



**6.2%**  
Rate of return