

RETURN ON INVESTMENT TO TAXPAYERS

Demonstrating the Economic Value of Southwest Texas Junior College

DECEMBER 2014



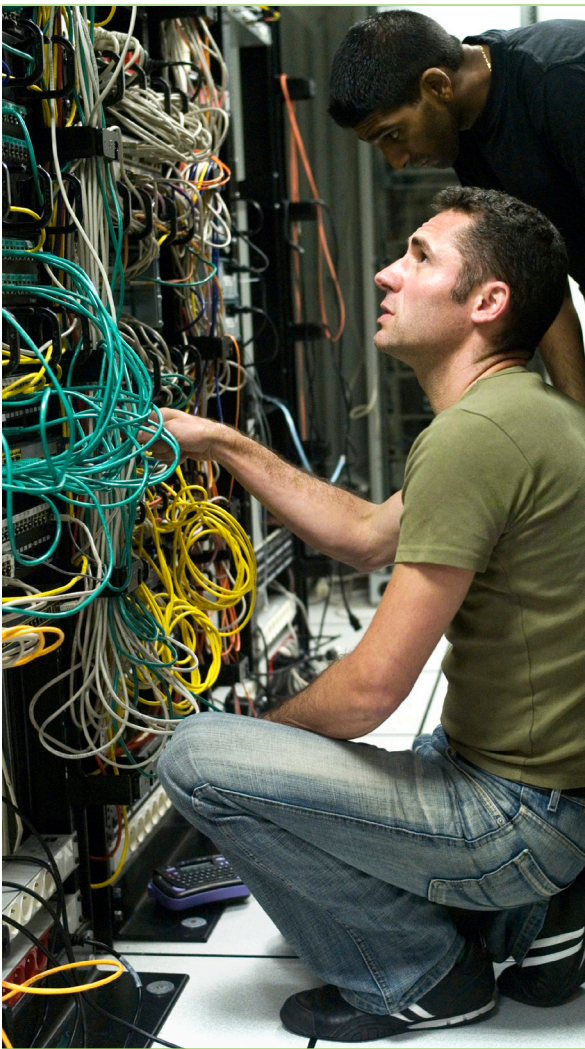
Students and society as a whole enjoy a range of benefits due to their educational investment in SWTJC. A portion of these benefits accrues to state and local taxpayers in the form of higher tax receipts and a reduced demand for government-supported social services.

SWTJC INCREASES TAX REVENUE

- Approximately **99%** of SWTJC's students remain in Texas 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 Texas will collect a present value of \$95.1 million in the form of higher tax receipts.

SWTJC REDUCES GOVERNMENT COSTS

- SWTJC 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 Texas will see a present value of **\$6.7 MILLION** in savings to government over the students' working careers.

SWTJC IS A SOLID INVESTMENT FOR STATE AND LOCAL TAXPAYERS

- In FY 2012-13, state and local taxpayers in Texas paid **\$11.8 MILLION** to support the operations of SWTJC.
- For every \$1 of public money spent on SWTJC, taxpayers receive a cumulative return of **\$8.70** over the course of students' working lives in the form of higher tax receipts and public sector savings.
- Taxpayers see an annual return of **20.0%** on their investment in SWTJC. 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

