

TAXPAYERS' INVESTMENT

The Economic Value of Front Range Community College | May 2017

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

FRCC INCREASES TAX REVENUE

- Approximately **97%** of FRCC'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 **\$312.6 million** in the form of higher tax receipts.

FRCC REDUCES GOVERNMENT COSTS

- FRCC 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 **\$16.3 million** in savings to government over the students' working careers.

FRCC IS A SOLID INVESTMENT FOR STATE AND LOCAL TAXPAYERS

- In FY 2015-16, state and local taxpayers in Colorado paid **\$35.4 million** to support the operations of FRCC.
- For every \$1 of public money spent on FRCC, taxpayers receive a cumulative return of **\$9.30** 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 **30.7%** on their investment in FRCC. 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



9.3
Benefit-cost ratio



30.7%
Rate of return