Santiago Canyon College

TAXPAYERS' INVESTMENT

The Economic Value of Santiago Canyon College's Continuing Education Program | April 2020

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

THE CE PROGRAM INCREASES TAX REVENUE

- Approximately **99%** of the CE program's students remain in California 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 California will collect a present value of **$30.4 million** in the form of higher tax receipts.

THE CE PROGRAM REDUCES GOVERNMENT COSTS

- CE program 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 California will see a present value of **$7.8 million** in savings to government over the students' working careers.

THE CE PROGRAM IS A SOLID INVESTMENT FOR STATE TAXPAYERS

- In FY 2018-19, state taxpayers in California paid **$14.1 million** to support the operations of the CE program.
- For every $1 of public money spent on the CE program, taxpayers receive a cumulative return of **$2.70** 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 **13.1%** on their investment in the CE program. This return compares favorably with the 1.0% discount rate used by the federal government to appraise long-term investments.

SUMMARY OF THE TAXPAYER INVESTMENT

2.7
Benefit-cost ratio

13.1%
Rate of return