



# TAXPAYERS' INVESTMENT

The Economic Value of Rancho Santiago Community College District | July 2018

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

## RSCCD INCREASES TAX REVENUE

- Approximately **99%** of RSCCD'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 and local government in California will collect a present value of **\$592 million** in the form of higher tax receipts.

## RSCCD REDUCES GOVERNMENT COSTS

- RSCCD 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 **\$78.5 million** in savings to government over the students' working careers.

## RSCCD IS A SOLID INVESTMENT FOR STATE AND LOCAL TAXPAYERS

- In FY 2016-17, state and local taxpayers in California paid **\$205 million** to support the operations of RSCCD.
- For every \$1 of public money spent on RSCCD, taxpayers receive a cumulative return of **\$3.30** 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 **10.0%** on their investment in RSCCD. This return compares favorably with the 0.6% discount rate used by the federal government to appraise long-term investments.

### SUMMARY OF THE TAXPAYER INVESTMENT



**3.3**  
Benefit-cost ratio



**10.0%**  
Rate of return