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

**SAC INCREASES TAX REVENUE**

- Approximately 99% of SAC’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 $393.6 million in the form of higher tax receipts.

**SAC REDUCES GOVERNMENT COSTS**

- SAC 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 $54.2 million in savings to government over the students’ working careers.

**SAC IS A SOLID INVESTMENT FOR STATE AND LOCAL TAXPAYERS**

- In FY 2016-17, state and local taxpayers in California paid $138.9 million to support the operations of SAC.
- For every $1 of public money spent on SAC, taxpayers receive a cumulative return of $3.20 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 9.7% on their investment in SAC. 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**

- Benefit-cost ratio: 3.2
- Rate of return: 9.7%