LAMAR COMMUNITY COLLEGE

TAXPAYERS' INVESTMENT

The Economic Value of Lamar Community College | May 2017

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

LAMAR INCREASES TAX REVENUE

- Approximately **95%** of Lamar'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 government in Colorado will collect a present value of **$12.8 million** in the form of higher tax receipts.

LAMAR REDUCES GOVERNMENT COSTS

- Lamar 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 **$1.1 million** in savings to government over the students' working careers.

LAMAR IS A SOLID INVESTMENT FOR STATE TAXPAYERS

- In FY 2015-16, state taxpayers in Colorado paid **$4.5 million** to support the operations of Lamar.
- For every $1 of public money spent on Lamar, taxpayers receive a cumulative return of **$3.10** 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 **7.6%** on their investment in Lamar. 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

3.1
Benefit-cost ratio

7.6%
Rate of return

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