

# TAXPAYERS' INVESTMENT

The Economic Value of College of the Mainland | May 2017

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

## COM INCREASES TAX REVENUE

- Approximately **98%** of COM's students remain in Texas 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 Texas will collect a present value of **\$94.2 million** in the form of higher tax receipts.

## COM REDUCES GOVERNMENT COSTS

- COM 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 Texas will see a present value of **\$5.1 million** in savings to government over the students' working careers.

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

- In FY 2015-16, state and local taxpayers in Texas paid **\$29.6 million** to support the operations of COM.
- For every \$1 of public money spent on COM, taxpayers receive a cumulative return of **\$3.40** 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 **9.8%** on their investment in COM. 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



**3.4**  
Benefit-cost ratio



**9.8%**  
Rate of return