

TAXPAYERS' INVESTMENT

The Economic Value of Thomas Nelson Community College | September 2016

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

THOMAS NELSON INCREASES TAX REVENUE

- Approximately **99%** of Thomas Nelson's students remain in Virginia 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 Virginia will collect a present value of **\$134.2 million** in the form of higher tax receipts.

THOMAS NELSON REDUCES GOVERNMENT COSTS

- Thomas Nelson 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 Virginia will see a present value of **\$8.2 million** in savings to government over the students' working careers.

THOMAS NELSON IS A SOLID INVESTMENT FOR STATE AND LOCAL TAXPAYERS

- In FY 2014-15, state and local taxpayers in Virginia paid **\$25 million** to support the operations of Thomas Nelson.
- For every \$1 of public money spent on Thomas Nelson, taxpayers receive a cumulative return of **\$5.70** over the course of students' working lives in the form of higher tax receipts and public sector savings.
- Taxpayers see an annual return of **20.1%** on their investment in Thomas Nelson. This return compares favorably with the 1.1% discount rate used by the federal government to appraise long-term investments.

SUMMARY OF THE TAXPAYER INVESTMENT

\$5.70

For every \$1 invested by state/local taxpayers

20.1%

Rate of Return