Students and society as a whole enjoy a range of benefits due to their educational investment in America’s community colleges. A portion of these benefits accrues to taxpayers in the form of higher tax receipts and a reduced demand for government-supported social services.

**America’s Community Colleges Increase Tax Revenue in the U.S.**

- As students earn more, they pay higher taxes. Employers also pay higher taxes through their increased output and spending.

- Federal, state, and local governments will collect a present value of $285.7 billion in the form of higher tax receipts over the students’ working lives.

**America’s Community Colleges Reduce Government Costs**

- 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, U.S. taxpayers will see a present value of $19.2 billion in savings to federal, state, and local governments over the students’ working careers.

**America’s Community Colleges Are a Solid Investment**

- In 2012, U.S. taxpayers paid $44.9 billion to support the operations of America’s community colleges.

- For every $1 of public money spent on the colleges, taxpayers receive a cumulative return of $6.80 over the course of students’ working lives in the form of higher tax receipts and public sector savings. The return on investment to taxpayers (i.e., the benefit-cost ratio less the cost of the original investment) comes to $5.80 returned over and above every $1 in costs.

- Taxpayers see an **14.3%** internal rate of return on their investment in America’s community colleges. This return compares favorably with the 1.1% discount rate used by the federal government to appraise long-term public sector investments.