

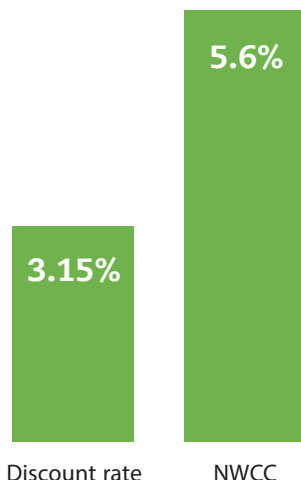
BENEFITS TO TAXPAYERS

Demonstrating the Value of Northwest Community College

DECEMBER 2013

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

Comparing taxpayer rate of return to discount rate



NWCC INCREASES TAX REVENUE

- Approximately **97%** of NWCC's students remain in British Columbia upon completing their educational goals. With their new education, NWCC students enjoy an increase in their earning potential. As students earn more, they pay higher taxes. Employers also pay higher taxes through their increased output and spending from increased worker productivity.
- Over the students' working lives, provincial government in British Columbia will collect an additional **\$30.6 million** in higher tax receipts.

NWCC REDUCES GOVERNMENT COSTS

- NWCC students who achieve higher levels of education are statistically less likely to have poor health habits, commit crimes, or require employment-related income assistance.
- 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 employment insurance and social assistance.
- Taxpayers in British Columbia will see a present value of **\$1.4 million** in savings to government over the students' working careers.

NWCC IS A SOLID INVESTMENT FOR PROVINCIAL TAXPAYERS

- In 2012-13, provincial taxpayers in British Columbia paid **\$25 million** to support the operations of NWCC.
- For every \$1 of public money spent in NWCC, taxpayers receive a cumulative return of **\$1.30** 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) thus comes to **\$0.30** returned over and above every \$1 in costs.
- Taxpayers see an internal rate of return of **5.6%** on their investment in NWCC. This rate of return compares favourably with the 3.15% discount rate used by government to appraise long-term investments.