

Taxpayer Perspective

STC Leverages Taxpayer Dollars

- An estimated 95% of STC students remain in Texas and contribute to economic growth. Students who enter the workforce expand the tax base by generating higher earnings and reducing social costs.
- Higher student earnings and associated increases in property income generate about \$3.8 million in added tax revenue each year.
- State and local governments will save approximately \$572,800 in avoided social costs each year, including savings associated with improved health, lower costs of law enforcement, and fewer welfare claimants.



STC Generates a Return on Public Investment



- State and local governments allocated about \$85.7 million in support of STC in FY 2008-09.
- State and local governments will receive a real rate of return of 3.2% on their investments in STC.¹
- This rate of return translates into a \$2.8 million dollar surplus to the state treasury over the course of the students' working careers.
- State and local taxpayers can take comfort in knowing that STC, like a public park, creates a wide range of social benefits and, perhaps more importantly, recovers all of the original investment.

¹ Real rates of return are adjusted to account for inflation. The more common nominal rate is 6.3%.