University *of* Idaho

The ECONOMIC VALUE *of the* UNIVERSITY OF IDAHO

Return on Investment to Taxpayers

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

UI INCREASES TAX REVENUE

- Approximately **73%** of UI's students remain in Idaho 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 government in Idaho will collect a present value of **$226.7 million** in the form of higher tax receipts.

UI REDUCES GOVERNMENT COSTS

- UI 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 Idaho will see a present value of **$86.2 million** in savings to government over the students' working careers.

UI IS A SOLID INVESTMENT FOR STATE TAXPAYERS

- In FY 2013-14, state taxpayers in Idaho paid **$128.8 million** to support the operations of UI.

- For every $1 of public money spent on UI, taxpayers receive a cumulative return of **$2.40** over the course of students' working lives in the form of higher tax receipts and public sector savings.

- Taxpayers see an annual return of **8.2%** on their investment in UI. This return compares favorably with the 1.1% discount rate used by the federal government to appraise long-term investments.

Comparing taxpayer rate of return to discount rate

	0%	2%	4%	6%	8%	10%
Discount rate	1.1%					
UI					8.2%	