

RETURN ON INVESTMENT TO STUDENTS

Demonstrating the Value of Lone Star College System

MAY 2014



Education has the power to raise students' earning potential and increase their employability. In return for their investment in education, LSCS's 2012-13 students will receive higher wages that will continue to grow throughout their working lives.

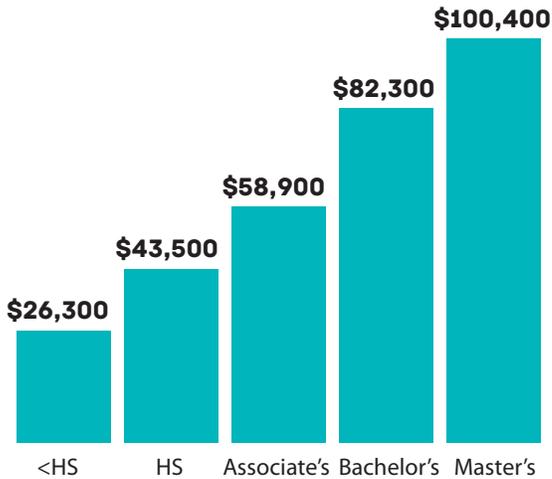
EDUCATION MAKES A DIFFERENCE IN PEOPLE'S LIVES

- LSCS provides an environment for students to learn the skills they need to gain and maintain productive employment.
- The training and credentials that students acquire at the college increase their earning potential and help put them on the path to fulfilling and prosperous careers.

EDUCATION RETURNS VALUE FOR MONEY SPENT

- To meet the costs of going to college, students rely on their own earnings or on the earnings of their families. At LSCS, students paid a total of **\$121.8 MILLION** in FY 2012-13 to cover the cost of tuition, fees, books, and supplies.
- While at college, students spend time focusing on their studies, time they would have otherwise spent in employment or with their families and friends. For LSCS students, the value of time and earnings forgone was estimated to be **\$820.7 MILLION** (less offsetting monies received from residual aid).

ANNUAL INCOME BY EDUCATION LEVEL AT CAREER MIDPOINT IN THE LSCS SERVICE AREA



- In return for the costs of going to college, students will receive a stream of higher lifetime income. These income gains will fully recover the money that students invested and will continue to grow throughout the students' working lives.

EDUCATION INCREASES PEOPLE'S EARNING POTENTIAL

- Average annual incomes increase as students attain higher levels of education. On average, associate's degree completers in the LSCS Service Area will earn \$58,900 at the midpoint of their careers, **\$15,400** more than someone with a high school diploma.
- Associate's degree completers will earn **\$2,591,600** (undiscounted) over their working lifetime, an increase of \$677,600 compared to someone with a high school diploma.

EDUCATION IS ONE OF THE BEST INVESTMENTS STUDENTS AND THEIR FAMILIES CAN MAKE

- LSCS's 2012-13 students will receive an average annual rate of return of **21.9%** on their investment in the college. This rate of return continues throughout their working lives.
- Had students and their families taken the money they spent on education and invested it instead in a standard bank savings account, they would have received a rate of return of less than 1%.
- On average, LSCS's 2012-13 students will receive a cumulative **\$6.60** in higher future income for every \$1 they invested in their education.