

# DEMONSTRATING THE VALUE OF THE *West Yorkshire Consortium of Colleges*

## TAXPAYERS

## ANALYSIS OF THE SOCIAL & ECONOMIC IMPACT OF LEARNING

### OVERVIEW

Benefits created by the West Yorkshire Consortium of Colleges (WYCC) extend to far more people than just learners. As learners and employers enjoy higher earnings and increased output, society as a whole benefits from an expanded economy and a range of savings associated with a reduced demand for public services. All of these benefits trickle down to the taxpayers in the form of higher tax receipts and avoided costs, leading to a more prosperous economy and a reduced burden on taxpayers.

## WYCC RAISES NATIONAL PROSPERITY

- Learners earn more because of the **skills** and **qualifications** they acquire at WYCC member colleges. Further, employers earn more because the added skills of learners make their businesses more **productive**.
- Together, increases in earnings and business output stimulate corresponding increases in value added and employment throughout the national economy. The present value of the added income created in the UK as a result of the added skills of the learners at WYCC member colleges comes to **£3.5 billion**.
- As learners earn more, they pay higher income taxes and National Insurance contributions. They also tend to spend more, leading to higher VAT receipts. Employers make higher corporation tax and VAT payments as well through their increased output and higher spending power.
- Altogether, the higher tax receipts collected by the Exchequer from the added taxable income generated in the UK comes to a present value of **£578.2 million**.

**£3.5 BILLION**  
Present Value  
Added Income

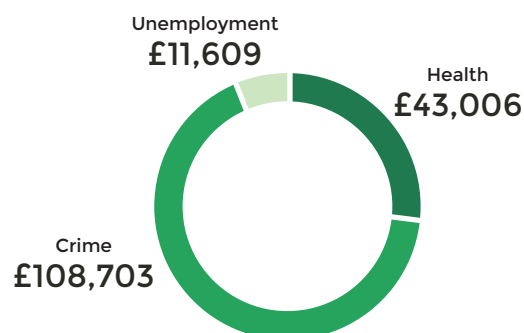


**£578.2 MILLION**  
Present value  
Tax Receipts

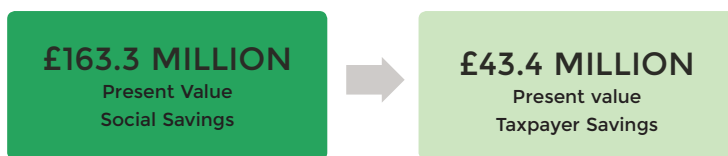
## WYCC IMPROVES QUALITY OF LIFE

- As learners at WYCC member colleges achieve higher levels of education, they are statistically more likely to develop good health habits. This leads to a present value of **£43 million** in savings to learners and to society as a whole for medical treatment related to tobacco abuse, obesity, and mental disorders.
- Learners enjoy better employment opportunities as a result of their education at the WYCC member colleges. This makes them less likely to commit criminal offences and less likely to require income assistance. Both effects translate to a present value of **£108.7 million** in law enforcement savings and **£11.6 million** in unemployment-related savings to learners and to society as a whole.

Present value of savings to society (£ thousands)



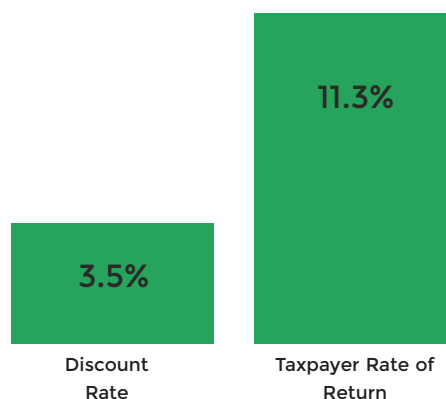
- Altogether, savings to learners and to society as a whole amounts to a present value of **£163.3 million**, equal to the sum of avoided costs related to health, crime, and income assistance.
- As the **improved lifestyles** of learners generate savings to themselves and to society as a whole, taxpayers benefit from a **reduced demand for government-supported services**. Improved health leads to a reduced demand on the National Health Services. Reduced criminal activity places less of a burden on the Criminal Justice System. Finally, increased employability leads to fewer claims for Jobseekers' Allowance benefits.
- Of the total savings to learners and to society as a whole, taxpayers see avoided public sector costs with a present value of **£43.4 million**.



## WYCC IS A SOLID PUBLIC INVESTMENT

- Taxpayers in the UK paid **£219.3 million** from such organisations as the Skills Funding Agency to support the operations of WYCC member colleges in 2011-12.
- For every £1 of public money spent on WYCC member colleges, taxpayers receive a cumulative return of **£2.80** over the course of learners' working lives in the form of higher tax receipts and avoided public sector costs.
- Taxpayers see an annual return of **11.3%** on their investment in WYCC member colleges. This return compares favourably with the 3.5% long-term discount rate defined by the HM Treasury Green Book for appraising 30-year investments.

Comparison of Taxpayer Rates of Return



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