



Help Wanted: Knowledge Workers Needed

Return on Investment

Investing in our future:

An \$84 million investment (\$12 million annually for the next seven years) in adult literacy programs would produce \$370 million in taxes and savings. How?

Investing in adult workforce literacy produces increased dollars for our community in two ways:

- 1) **Increased tax revenue:** The more people who work in Philadelphia, the more the City collects in wage taxes. And, statistics show that the higher education one has, the greater their likelihood of gaining employment and the higher their salary.
 - The result: a \$12 million a year investment in literacy programs with proven results will impact roughly 3,117 additional people each year – producing \$423,818 in tax revenue for each group of students each year for the City.
 - Over 7 years, this will amount to \$11,866,904 in additional tax revenue.
- 2) **Decrease in social service spending:** High school drop-outs cost our community money, as it has to pay for services such as cash assistance, food stamps, the probability of using unemployment insurance, the probability of incarceration and court costs, among others...
 - The Center for Labor Market Studies estimates the annual cost per high school drop-out per year in Philadelphia is \$6,799.
 - The investment in literacy programs often helps people who were once dependent on government services, and significantly increases their probability of achieving employment and wage gains.
 - The result is our community saves an estimated \$21,130,143 a year for each group of students who enroll in adult workforce literacy classes.
 - 3,117 (amount of workers no longer needing benefits) * \$6,799 (average cost our community pays in benefits)

Total benefits: \$370 million = (total increase in wage taxes over 7 years) + (total reduction in costs over 7 years) – (investment of \$84 million).

Additional benefits:

- For the community, increased literacy means a stronger workforce better able to support economic growth, healthier children and greater overall wealth.
- For businesses, it means a more productive, proficient and profitable labor force, as well as increased retention and reduced recruitment and training costs.
- For individuals, increased literacy opens doors to better jobs, higher wages, more secure employment and additional education.

Excel Philadelphia is an initiative of the Philadelphia Workforce Investment Board, created to generate new knowledge and advocate for the issue of adult literacy.