Evidence on the advantages of education is compelling. Individuals with more education have higher earnings, better health, are more economically independent, and less likely to be involved in the criminal justice system. Taxpayers benefit: income tax revenues are increased and government spending on health, criminal justice, and welfare is reduced. And society benefits: firms have access to a more skilled workforce; and there are fewer victims of crime.

The benefits of education are particularly powerful for disadvantaged students: those at the margin of dropping out of school or struggling in college; those in neighborhoods with high-poverty or with few educational opportunities; and those who do not have the financial resources or family supports to allow them to invest in their own education.

The economic value of the RFSP may be calculated as the gains to participants and the New Jersey taxpayer as a result of accumulating more education. Using research evidence and data for New Jersey, the potential economic value of the RFSP for participants and for New Jersey taxpayers can be calculated, relative to if the students had remained in their regular school program. Full details of the economic method used to calculate this economic are given in Belfield (2010).*

To calculate the economic value of the RFSP, we predict lifetime profiles for participants and compare these to the profiles for non-participants. We use national and New Jersey data. We calculate profiles for:

- earnings;
- state and federal tax payments;
- government expenditures on crime and justice;
- government health expenditures; and
- welfare payments.

These profiles are expressed in present values from the perspective of an 8th grader and so can be compared directly to the costs of the program. They measure the lifetime economic consequences of investments in 8th graders, expressed as a present value lump sum amount.

*Relfield, CR. 2010. The Economic Value of the Rutgers Future Scholars Program. Monograph, Queens College, City University of New York, belfield@qc.cuny.edu.
A scholar participating in RFSP will earn significantly more over their lifetime compared to a student in the regular public school system.

The net gain in earnings is $286,000 for male scholars and $253,000 for female scholars over the lifetime (Figure 1).

New Jersey taxpayers benefit from higher state tax revenues, as well as lower state spending on government services for crime, health, and welfare.

The direct gain from the RFSP to the state government is $70,000 per male scholar and $48,000 per female scholar. The sources of savings are shown in Figure 2.

The RFSP also generates savings to the federal government through higher taxes and lower spending. If state and federal savings are counted, the value of the RFSP increases significantly.

The total fiscal gain from the RFSP to New Jersey residents is $203,000 per male scholar and $110,000 per female scholar. The sources of these savings are shown in Figure 3.