

The Value of Higher Education

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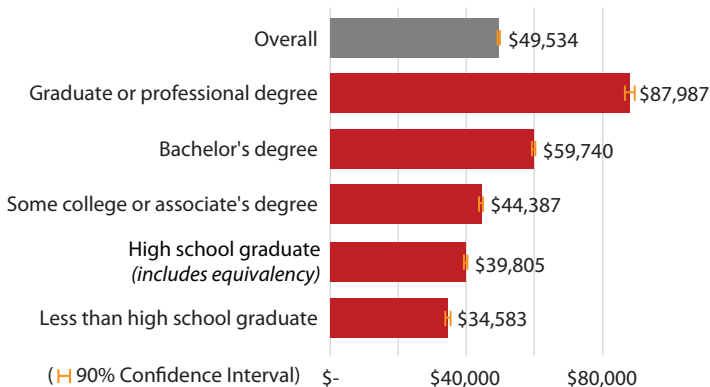
The Utah System of Higher Education includes eight degree-granting public colleges and universities.¹ The economic data make clear that Utahns who secure higher education degrees earn more income, secure greater employment opportunities, achieve greater upward mobility, participate less in public assistance programs, and garner a variety of other positive individual and societal benefits. Utah’s degree-granting institutions also train Utah’s workforce, generate significant economic contributions as major employers in the communities they serve, and create new discoveries that improve life quality.



Individuals with higher educational attainment enjoy greater incomes, economic stability, and life quality.

- **Increased earnings** – Median earnings rise with years of education attained while poverty rates and unemployment rates decline (Figures 1-3).
- **Better health outcomes** – Utahns with more years of education report higher rates of excellent, very good, or good health and higher rates of health care coverage (Figure 6-7).
- **Reduced disparities and higher economic mobility** – Students with a family member with a postgraduate degree are far more likely to complete postsecondary education (Figure 4). The share of individuals with family income higher than their parents is greater among those with a college degree (Figure 5).
- **Improved outlook** – Individuals with a postgraduate degree or certificate are happier, healthier, and more confident in their future (Figure 8).

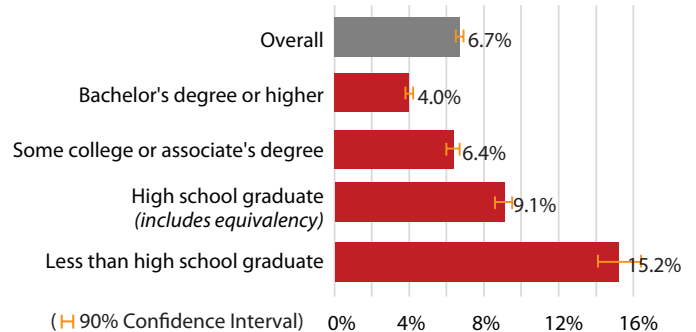
Figure 1: Utah Adult Median Earnings by Educational Attainment, 2022



Note: Data is reported for the population age 25+. Earnings are wages or salary from a job, or income from being self-employed. These are survey-based estimates subject to sample variation. Each estimate is shown with its 90% confidence interval. This interval represents a range of population values that are plausible in light of information in the sample, with a 90% degree of confidence. Reported values for groups with non-overlapping error bars are statistically different to the same degree of confidence.

Source: U.S. Census Bureau, 2022 5-Year American Community Survey estimates

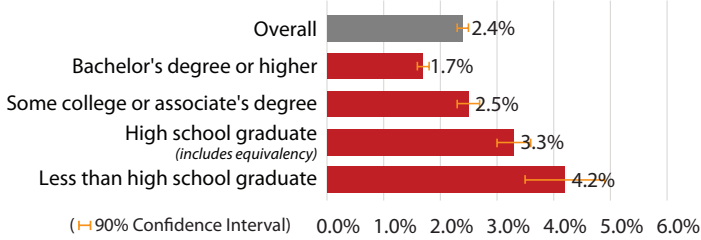
Figure 2: Utah Adult Poverty Rate by Educational Attainment, 2022



Note: Data is reported for the population age 25+. These are survey-based estimates subject to sample variation. Each estimate is shown with its 90% confidence interval. This interval represents a range of population values that are plausible in light of information in the sample, with a 90% degree of confidence. Reported values for groups with non-overlapping error bars are statistically different to the same degree of confidence.

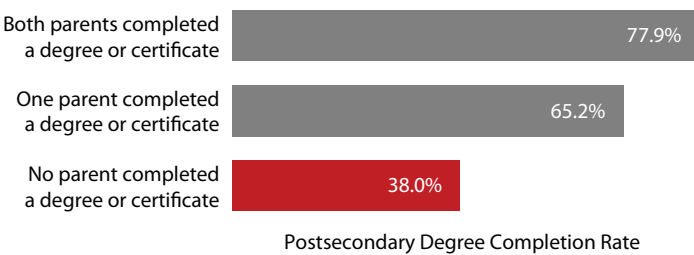
Source: U.S. Census Bureau, 2022 5-Year American Community Survey estimates

Figure 3: Utah Adult Unemployment Rate by Educational Attainment, 2022



Note: Data is reported for the population age 25-64. These are survey-based estimates subject to sample variation. Each estimate is shown with its 90% confidence interval. This interval represents a range of population values that are plausible in light of information in the sample, with a 90% degree of confidence. Reported values for groups with non-overlapping error bars are statistically different to the same degree of confidence. Source: U.S. Census Bureau, 2022 5-Year American Community Survey estimates

Figure 4: Utah Postgraduate Degree Completion by Family Educational Attainment, 2023



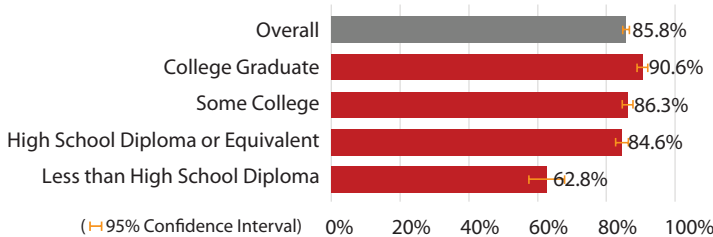
Note: Degree completion includes those who have received a certificate or associate's, bachelor's, or postgraduate degree. Degree noncompletion includes those who discontinued high school, earned a high school diploma/GED, or attended some college. Source: Cicero High Ed. (July 2023). Utah System of Higher Education Qualitative Benchmark Findings

Figure 5: U.S. Economic Mobility by Child's Education Level



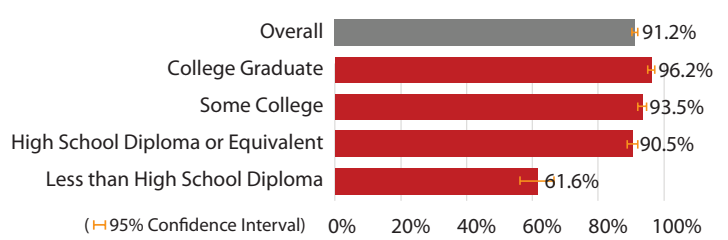
Note: Share of children with family income above their parents' family income. Parental generation of the 1960s and 1970s and their adult children. Source: Haskins, R. (2016). Education and Economic Mobility. Brookings Institute.

Figure 6: Share of Utah Adults Who Report Excellent, Very Good, or Good General Health by Educational Attainment, 2022



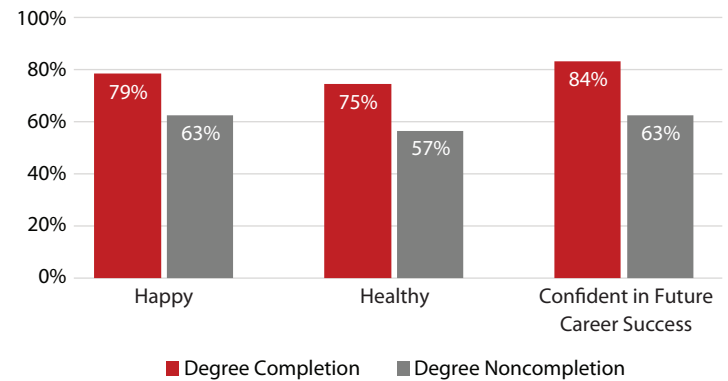
Notes: Age-adjusted. Respondents asked if they would say that their health is excellent, very good, good, fair or poor? These are estimates subject to variation. Each estimate is shown with its 95% confidence interval. This interval represents a range of population values that are plausible in light of information in the sample or population, with a 95% degree of confidence. Reported values for groups with non-overlapping error bars are statistically different to the same degree of confidence. Source: Behavioral Risk Factor Surveillance System, Office of Public Health Assessment, Center for Health Data and Informatics, Utah Department of Health and Human Services. Retrieved 18 January 2024 from the Utah Department of Health and Human Services, Indicator-Based Information System for Public Health web site: <http://ibis.health.utah.gov>

Figure 7: Share of Utah Adults with Health Care Coverage by Educational Attainment, 2022



Notes: Age-adjusted. Respondents asked if they have any kind of health care coverage, including health insurance, prepaid plans such as HMOs, or government plans such as Medicare? These are estimates subject to variation. Each estimate is shown with its 95% confidence interval. This interval represents a range of population values that are plausible in light of information in the sample or population, with a 95% degree of confidence. Reported values for groups with non-overlapping error bars are statistically different to the same degree of confidence. Source: Behavioral Risk Factor Surveillance System, Office of Public Health Assessment, Center for Health Data and Informatics, Utah Department of Health and Human Services. Retrieved 18 January 2024 from the Utah Department of Health and Human Services, Indicator-Based Information System for Public Health web site: <http://ibis.health.utah.gov>

Figure 8: Life Quality Metrics for Utah Adults by Educational Attainment, 2023



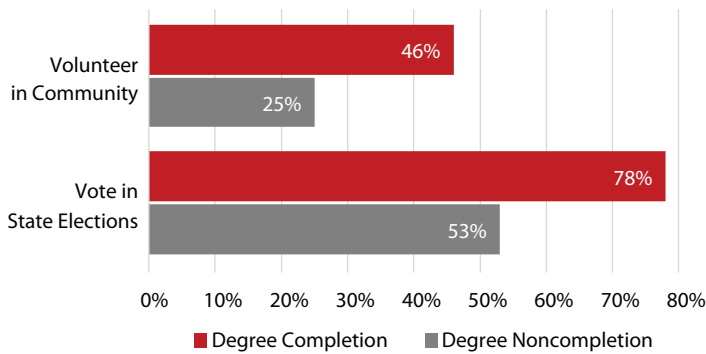
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Society derives valuable benefits from an educated citizenry.

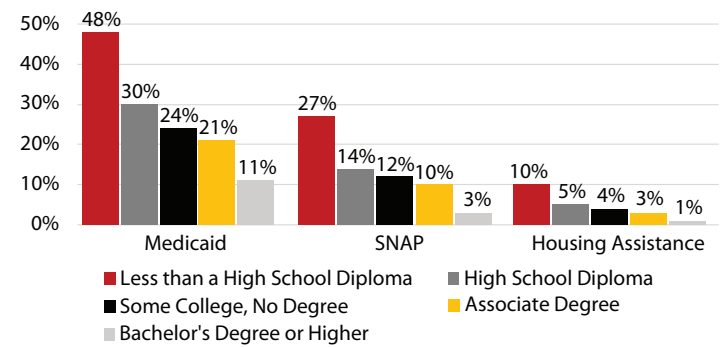
- **More civic engagement** – Individuals with more education are more involved in their community with higher volunteer rates and voter participation (Figures 9).²
- **Decreased reliance on public assistance** – As individuals receive more education, they rely less on public assistance (Figure 10). Several studies show postsecondary degree attainment significantly reduces the use of public assistance among Utahns, including one study that found nearly half of graduates with bachelor’s degrees that previously used SNAP never participated in SNAP again.^{3,4}
- **Return on investment** – It is estimated that every \$1 the state invests in public higher education returns \$3 in tax revenues from increased wages of Utah college and university graduates.⁵
- **Increased tax revenue** – Workers with a bachelor’s degree or higher pay 1.8 to 3.4 times more in taxes than high school graduates (Figure 11).

Figure 9: Utah Rates of Civic Engagement by Educational Attainment, 2023



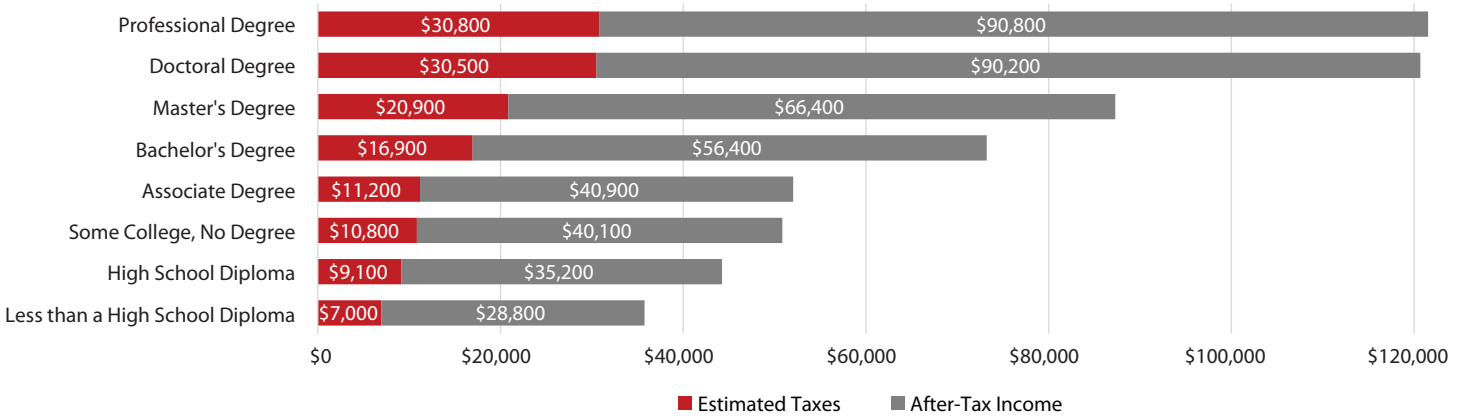
Note: Degree completion includes those who have received a certificate or associate’s, bachelor’s, or postgraduate degree. Degree noncompletion includes those who discontinued high school, earned a high school diploma/GED, or attended some college. Source: Cicero High Ed. (July 2023). Utah System of Higher Education Qualitative Benchmark Findings

Figure 10: U.S. Public Assistance Participation by Educational Attainment, 2021



Note: Share of U.S. adults 25+ living in households participating in various public assistance programs. Supplemental Nutrition Assistance Program (SNAP), also referred to as food stamps, provides food benefits to low-income families. Source: CollegeBoard report analysis of U.S. Census Bureau Current Population Survey data

Figure 11: Median Earnings and Tax Payments of Full-Time Year-Round U.S. Workers by Educational Attainment, 2021



Note: The bars show median earnings at each education level. The red segments represent the estimated average federal income, Social Security, Medicare, state and local income, sales, and property taxes paid at these income levels. The grey segments show after-tax earnings. Data is reported for the population age 25+. Source: U.S. Census Bureau, Income, Poverty, and Health Insurance in the United States, 2021, Table PINC-03; Internal Revenue Service, 2020; Wiehe et al., 2018; calculations by the authors. Retrieved from The CollegeBoard, Education Pays 2023, The Benefits of Higher Education for Individuals and Society.

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Higher education benefits Utah's economy through job and business creation, workforce development, and innovation.

- **Major employer** – Utah’s public higher education system supported an estimated 130,000 jobs in 2023, making it one of the largest employers in the state (Table 1).
- **Substantial economic contribution** - Public higher education contributes \$11.3 billion in GDP to Utah's economy. Because of their research mission, Utah's R1 research universities (U of U and USU) generate 82.6% of this economic impact (Table 2).
- **Workforce development** – Approximately 203,000 students are enrolled in a USHE degree-granting institution as of Fall 2023, gaining knowledge and skills to prepare them to contribute to Utah’s workforce.⁶ These graduates will generate increased earnings, economic activity, and tax revenue.
- **Skilled workforce** – Utah’s employers consistently report skilled labor as one of their greatest needs. An estimated 71% of USHE graduates received high-yield degrees in 2022, filling critical Utah workforce needs (Figure 12).⁷
- **Research and innovation** – Utah’s research universities bring in outside research funding, fueling innovation and leading to the creation of new companies, high-impact innovation, and field-changing discoveries (Figure 13).
- **Education multiplier** - Education services in Utah have a relatively high economic multiplier of 2.1. That means every direct contribution related to education services multiplies within the economy over two times (Table 3).

Table 1: Public Higher Education's Estimated Economic Contributions to Utah's Economy, 2023

| Economic Indicator | Direct Contribution | Total Contribution |
|--------------------|---------------------|--------------------|
| Jobs | ~70,000 | ~130,000 |
| GDP | ~\$5.3 billion | ~\$11.3 billion |
| Total Output | ~\$10.5 billion | ~\$22.1 billion |

Note: Estimates for USHE degree-granting institutions. Conservative estimates based on operating expenses.
Source: Kem C. Gardner Policy Institute using IMPLAN

Table 2: Public Higher Education Institutions' Estimated Economic Contributions to Utah's Economy, 2023

| Institution Type | Direct Value Added (GDP) | Total Value Added (GDP) | % Total Value Added (GDP) |
|-------------------|--------------------------|-------------------------|---------------------------|
| Research | ~\$4.3 billion | ~\$9.3 billion | 82.6% |
| Regional | ~\$0.7 billion | ~\$1.4 billion | 12.0% |
| Community College | ~\$0.2 billion | ~\$0.4 billion | 3.5% |
| Technical College | ~\$0.1 billion | ~\$0.2 billion | 1.9% |
| USHE total | ~\$5.3 billion | ~\$11.3 billion | 100% |

Note: Conservative estimates based on operating expenses. Direct USHE GDP estimates total \$5.3 billion. Direct USHE GDP includes labor income and excludes property, profit, income, and taxes. Labor income is a conservative, lower-bound, estimate of the direct contribution of USHE to state GDP.
Source: Kem C. Gardner Policy Institute using IMPLAN

Figure 12: Share of High-yield Degrees Awarded to USHE Graduates, 2022

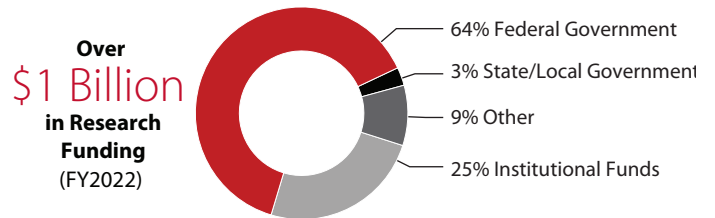


Note: High-yield degrees are degrees or awards that map to high-wage/high-demand jobs as defined by the Utah Department of Workforce Services' biennial four-and-five-star jobs publication. By formula, increases in High-yield graduates will be captured as the count of High-yield graduates relative to all graduates in the 2022 base year plus new High-yield graduates.
Source: Utah System of Higher Education

Endnotes

1. The Utah System of Higher Education also includes eight technical colleges, which enrolled 34,616 students during the 2022-23 school year.
2. Cicero High Ed. (July 2023). Utah System of Higher Education Qualitative Benchmark Findings.
3. Britnee Johnston. (2020). The Relationship between Educational Attainment and Reliance on Government Assistance Among Utahns. Utah Data Research Center.
4. Ari Fenn. (2022). Public Assistance Usage and Higher Education. Utah Data Research Center.

Figure 13: Research Funding for Utah Public Higher Education Institutions by Source of Funding, FY2022



Note: Federal government includes agencies such as the Department of Health and Human Services (under which the National Institutes of Health funding is counted), the Department of Defense, the National Aeronautics and Space Administration, the Department of Energy, the National Science Foundation, and the Department of Agriculture. Other includes business, nonprofit organizations, and all other sources. Utah public higher education institutions reporting research funding include the University of Utah, Utah State University, Utah Valley University, Southern Utah University, and Weber State University.
Source: National Center for Science and Engineering Statistics, Higher Education Research and Development Survey (FY 2022)

Table 3: Education Multiplier Compared to Other Selected Industries in Utah, 2023

| Industry | Multiplier |
|-------------------------------------|------------|
| Construction | 2.3 |
| Hospitals | 2.2 |
| Professional and technical services | 2.1 |
| Educational services | 2.1 |
| Motor vehicle manufacturing | 2.0 |
| Air transportation | 2.0 |
| Motion picture and sound recording | 1.8 |
| Oil and gas extraction | 1.8 |
| Real estate | 1.6 |

Source: RIMS Type II Output Multiplier

5. Curtin, J. & Palica, M., (2018 January). Return on Investment of USHE Graduates: Individual and State benefits of Postsecondary Education. USHE. <https://ushe.edu/wp-content/uploads/2018/01/2018-1-ROI-of-College-Joe-Curtin-Mike-Palica.pdf>
6. USHE.
7. USHE. Finance & Facilities. Performance Funding, 2022.