



ASSESSING ACTUAL AND PERCEIVED POSTSECONDARY VALUE/ROI

SHEEO Community of Practice
10/23/24—Minneapolis, MN



UTAH
SYSTEM OF
HIGHER
EDUCATION

Why Utah is Answering the Value Question

- National conversations around the value of higher education have resonated in Utah
- Despite low tuition costs, low unemployment, and a growing economy, elected officials have put the Utah System of Higher Education (USHE) schools under the budget microscope
 - Warning sounded in 2023 legislative session
 - 64% of institutions' funding is state dollars
- In response, USHE board put resources toward understanding and messaging the value of higher education

Study #1: Assessing Utahns' Perceptions of the Value of Higher Education

- In November 2023, as a follow-up to a 2011 study, a survey of Utah adults was conducted to understand perceptions of the value of an individual's degree.
- For those surveyed who did not hold a degree, questions were asked about the barriers to finishing their degree
- Outcomes questions were asked of each group for comparison.

EXECUTIVE SUMMARY | Additional Key Findings and Recommendations



Study #2 Measuring the Value of Higher Education

- In February 2024, researchers at the Kem C Gardner Policy Institute used data from the USHE system and other publicly available datasets to compile statistics on the value of higher education
- Data included commonly highlighted metrics such as unemployment and income
- Also included statistics around less-commonly messaged benefits such as health care coverage, mental health, and civic engagement

The Value of Higher Education

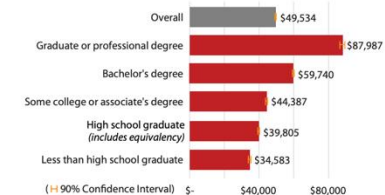
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The Utah System of Higher Education includes eight degree-granting public colleges and universities.¹ The economic data make clear that Utahns who secure higher education degrees earn more income, secure greater employment opportunities, achieve greater 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.

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

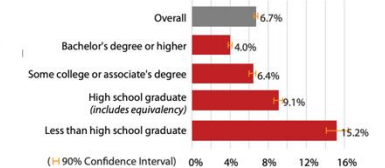
- **Increased earnings** – Median earnings rise with years of education attained while poverty rates and unemployment rates decline (Figures 1-3).
- **Better health outcomes** – Utahns with more years of education report higher rates of excellent, very good, or good health and higher rates of health 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

Study #3 Student ROI

- Researchers from the Utah Data Research Center used linked graduation-workforce records to measure actual salary increases post-graduation
- Were also able to employ effective tax rates to estimate aggregate tax income benefits to the state from increased educational attainment

June 2024
Ari Fenn



ROI of USHE Awards

1 | BACKGROUND

This analysis demonstrates a positive return on investment for individuals who completed postsecondary programs at a Utah System of Higher Education (USHE) institution. This study focused on individuals who obtained a two-year certificate, associate, or bachelor's degree at a USHE institution in the 2014-2016 cohort and who did not return to school. Wage data from the Department of Workforce Services Unemployment Insurance records for the year preceding the graduating year and five years following graduation were compared to individuals who attended up to one year at a postsecondary institution during 2013-2016 but did not earn an award between 2013 and 2021. The comparison group allows for DWS wage data to be linked for a cohort without a postsecondary award; this also allows cohorts to be compared to completers and serves as a group similar to those with only a high school diploma. All findings are presented in 2022 dollars.

2 | KEY FINDINGS

- The typical USHE graduate earned 79% to 167% higher wages the year after completion compared to before.
- Five years after completion, the typical USHE graduate earned 10% to 64% higher wages than the control group.
- After accounting for costs, the typical USHE graduate had higher cumulative wages eight years after completion.
- Spanning the five years after completion, the state collected approximately \$98,411,821 in additional tax revenue from USHE graduates.

3 | ANALYSIS

3.1 | Individual Returns

USHE completers earned higher wages the year after completing a certificate or degree than the year before completion (Table 1). On average, those who earned bachelor's degrees had the highest percentage wage change, followed by those who obtained a two-year certificate and then those who earned an associate degree. Short-term wages were higher across the board; the comparison group is used for long-term changes in wages rather than comparing wages pre- and post-completion.

Wages for completers are generally higher five years after program completion than for the comparison group (Table 2). The typical graduate earns higher median wages compared to the typical non-USHE award holder. The median wage

is 10% higher for certificate holders, 19% higher for associate degree holders, and 64% higher for bachelor's degree holders. The difference between negative mean and positive median wages among certificate holders is driven by some extremely high-wage earners from the 2014 and 2015 cohorts in the comparison group. These outliers may or may not reflect past or future experiences. Additionally, the typical award holder had explicit and opportunity costs for attending a postsecondary institution. These must be accounted for to fully address the long-term differences in returns on education.

Those who earned a postsecondary award incurred tuition expenses. In this analysis, the full-time

Table 1: Mean and median wages for the years preceding and following program completion, 2014-2016 USHE graduating cohorts.

Award	Mean				Median			
	Pre	Post	Diff	%	Pre	Post	Diff	%
2 Year Certificate	\$18,479	\$29,496	\$11,018	60%	\$12,225	\$26,237	\$14,012	115%
Associate	\$20,737	\$30,569	\$9,832	47%	\$14,365	\$25,707	\$11,342	79%
Bachelor's	\$19,915	\$38,510	\$18,595	93%	\$13,679	\$36,470	\$22,791	167%

Three Studies Were Not Enough

2024 Legislative Session

- USHE Institutions were told to prepare for a 10 percent budget cut during the 2025 session.
- Institutions were told to identify low-performing programs to cut.
 - Exceptions to the broad finding of value must exist
 - Political forces also putting specific programs under scrutiny

Current Status: Building Study #4

- At program level, gathering data to measure
 - Enrollments
 - Completions
 - Re-enrollments
 - Wages
- To empirically evaluate
 - Trends over time
 - Comparisons within institution, across institutions
 - When applicable, comparisons to external standards (e.g. median wages for all workers, unemployment rates)



QUESTIONS?

Study #1: https://ushe.edu/wp-content/uploads/pdf/agendas/2023/20231103/Cicero_Final_Reduced.pdf

Study #2: <https://d36oiwf74r1rap.cloudfront.net/wp-content/uploads/2024/02/HigherEd-PB-Feb2024.pdf>

Study #3: <https://udrc.ushe.edu/research/a1/index.html>

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