

Economic Impact of Veterans who Complete USHE Certificate and Degree Programs

Summary

When considering the short-term investment (tuitions and targeted programs [e.g. veterans services]) and the long term impacts on subsequent contributions back into the state's tax revenues then education is one of the best uses of state and local tax revenues. Also, considering the other benefits such as volunteerism, crime, etc. that education has on society then any investment that increases an individual's educational attainment level is money well spent.

Process

This report used data supplied from the American Communities Survey (ACS) 2013, one-year estimates for Utah tax contribution estimates from the Utah Taxpayers Association (2013), and data supplied to the Office of the Commissioner of Higher Education in the Utah System of Higher Education (USHE) by the eight colleges and Universities in the USHE system.

The economic impact is based on the estimated additional median earnings when compared to someone with a high school diploma.

4,473 Veterans
served by USHE institutions in
2013-2014 will go on to earn
\$47 million annually
in increased wages annually.

Findings

Data for Utah from the American Communities Survey provided estimates for wages, unemployment and poverty rate by educational attainment for the Utah population 25 and older (Table 1):

Utah 2013 ACS	Median Wages	Unemployment	Poverty
Less Than High School	\$22,290	4.2%	24%
High School	\$27,868	4.3%	12%
Some College or Associate Degree	\$31,843	2.4%	8%
Bachelor's Degree	\$44,668	2.2%	5%
Graduate or Professional Degree	\$61,774	1.8%	2%

Based on a reported 4,473 Veterans served by USHE institutions in the 2013-2014 Academic year, and assuming the same proportionate rate of degrees awarded to reach Utah's Goal of 66% of all adults (ages 25-35) earning a certificate or degree by the year 2020, then it is estimated that the incremental wage increase for these veterans would be approximately \$47 million per year and the annual increase to state and local tax revenues would be approximately \$4.6 million (Table 2).

Table 2. Economic Impact with 66% Completion

Degree Attainment	Wage Difference from HS Diploma	Degree Mix	Veteran (4,473)	Added Annual Wage	Added Annual Tax Revenue
Less Than High School	-\$5,578				
High School	\$0				
Certificates	\$3,975	8%	358	\$1,423,050	\$140,313
Associate Degree	\$3,975	14%	626	\$2,488,350	\$245,351
Bachelor's Degree	\$16,800	31%	1,387	\$23,301,600	\$2,297,538
Graduate or Professional Degree	\$33,906	13%	581	\$19,699,386	\$1,942,359
Total:		66%	2,952	\$46,912,386	\$4,625,561

If all veterans enrolled in USHE institutions completed a program of study (100% of those enrolled) at approximately the same mix as the USHE goal then increase to annual wages grows to over \$71 million per year and the additional state and local tax revenues is estimated at over \$7 million per year when compared to expected contributions for these same people if their degree attainment stayed at a high school diploma (Table 3).

Table 3. Economic Impact with 100% Completion

Degree Attainment	Wage Difference from HS Diploma	Degree Mix	Veterans (4,473)	Added Annual Wage	Added Annual Tax Revenue
Less Than High School	-\$5,578				
High School	\$0				
Certificates	\$3,975	12%	542	\$2,154,450	\$212,429
Associate Degree	\$3, 975	21%	949	\$3,772,275	\$371,946
Bachelor's Degree	\$16,800	47%	2,101	\$35,296,800	\$3,480,264
Graduate or Professional Degree	\$33,906	20%	881	\$29,871,186	\$2,945,299
Total:		100%	4,473	\$71,094,711	\$7,009,939

Sources:

- **Utah Taxpayers Association How Utah Compares** – FY2011 Taxes and Fees, OCT 2013
<http://www.utahtaxpayers.org/wp-content/uploads/2013/10/2013-HUC-Front-and-Back.pdf>
- **American Communities Survey** – 2013 Utah 1 year Estimates:
<http://factfinder2.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>
- **Utah State Board of Regents**, Building Utah's Wealth through Higher Education – Report, May 2014
<http://higheredutah.org/pdf/agendas/201405/TABDD.pdf>
- **Utah State Board of Regents**, Veterans Enrollment Report, November 2014