

Higher Education Insights

Economic Value, Demographic Cliff, and Research Agenda

Utah Board of Higher Education

June 6, 2024

INFORMED DECISIONS™

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Summary

- **THE BABY** – Education economic success stories...a sampling.
- **ECONOMIC VALUE** – Higher education lifts people, builds societies, and benefits the economy.
- **DEMOGRAPHIC CLIFF** – Now is the time to make huge strides.
- **RESEARCH AGENDA** – Includes economic contribution studies for each institution and budget stress testing.



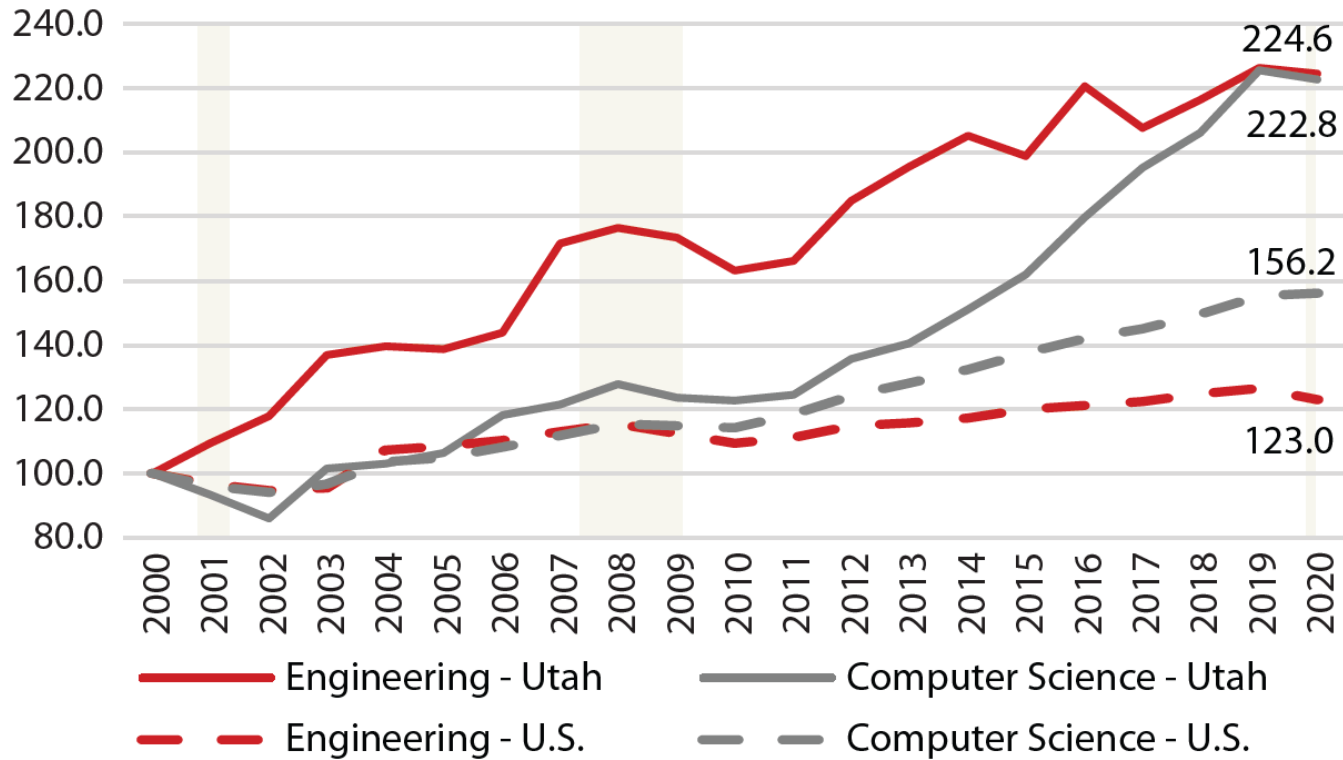
**Don't
throw the
baby out
with the
bathwater!**

Three Utah Education Success Stories

1. Engineering initiative (2000-2020)
2. COVID-19 math scores (2020-2022)
3. Social capital (all years)

Engineering Initiative

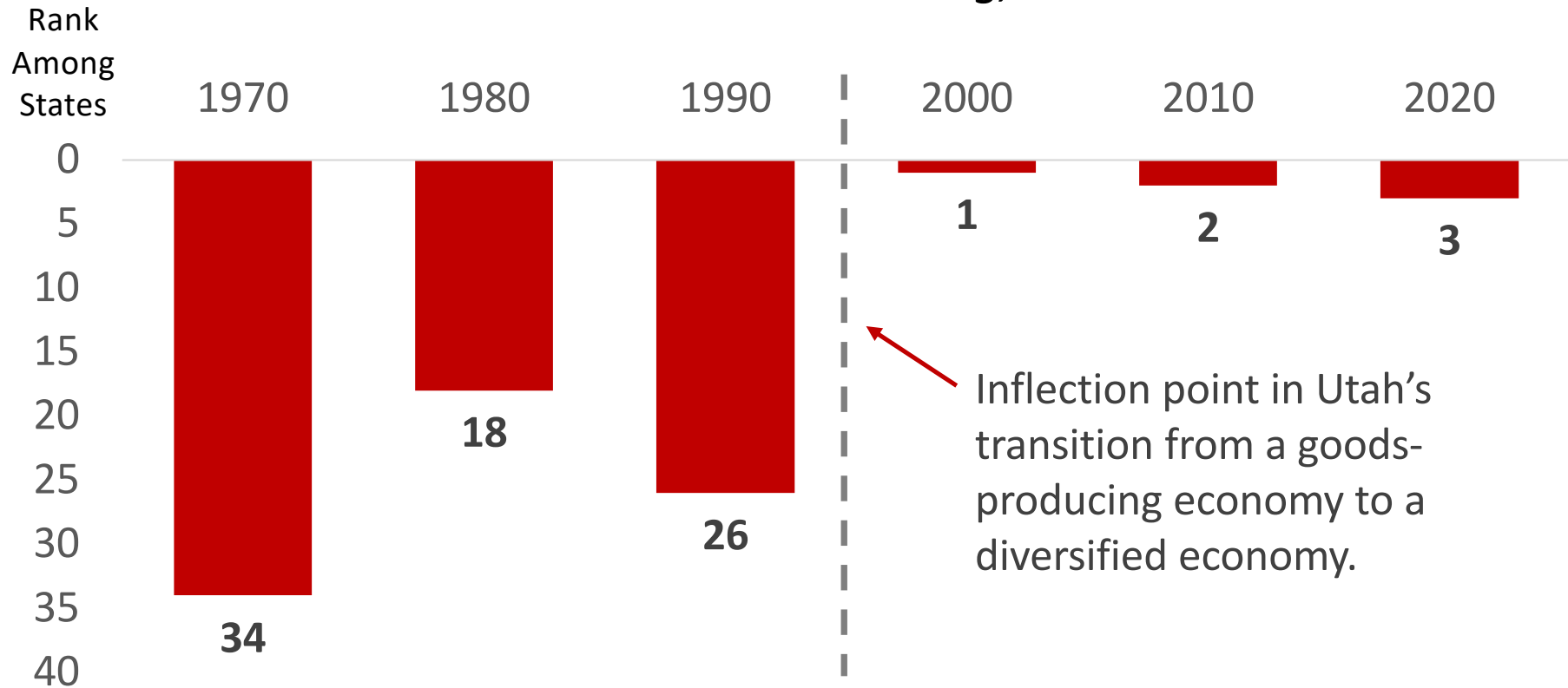
Computer Science and Engineering Jobs; 100=Number of Jobs in 2000



Source: Compiled by Kem C. Gardner Policy Institute, based on U.S. Bureau of Labor Statistics data

Utah Economic Diversity

Hachman Index State Ranking, 1970-2020

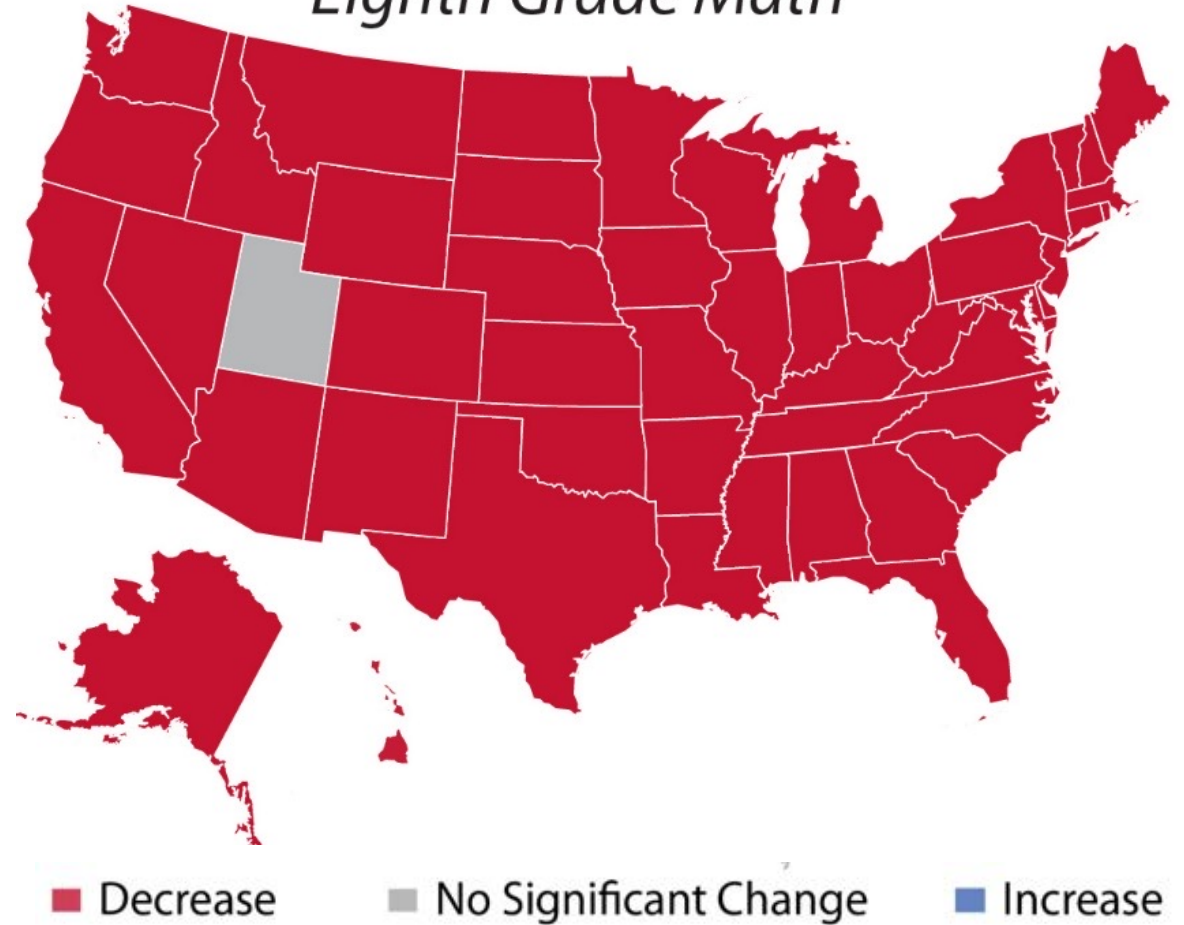


Source: Compiled by Kem C. Gardner Policy Institute

Change in Average Scores Between 2019 and 2022 for Public School Students

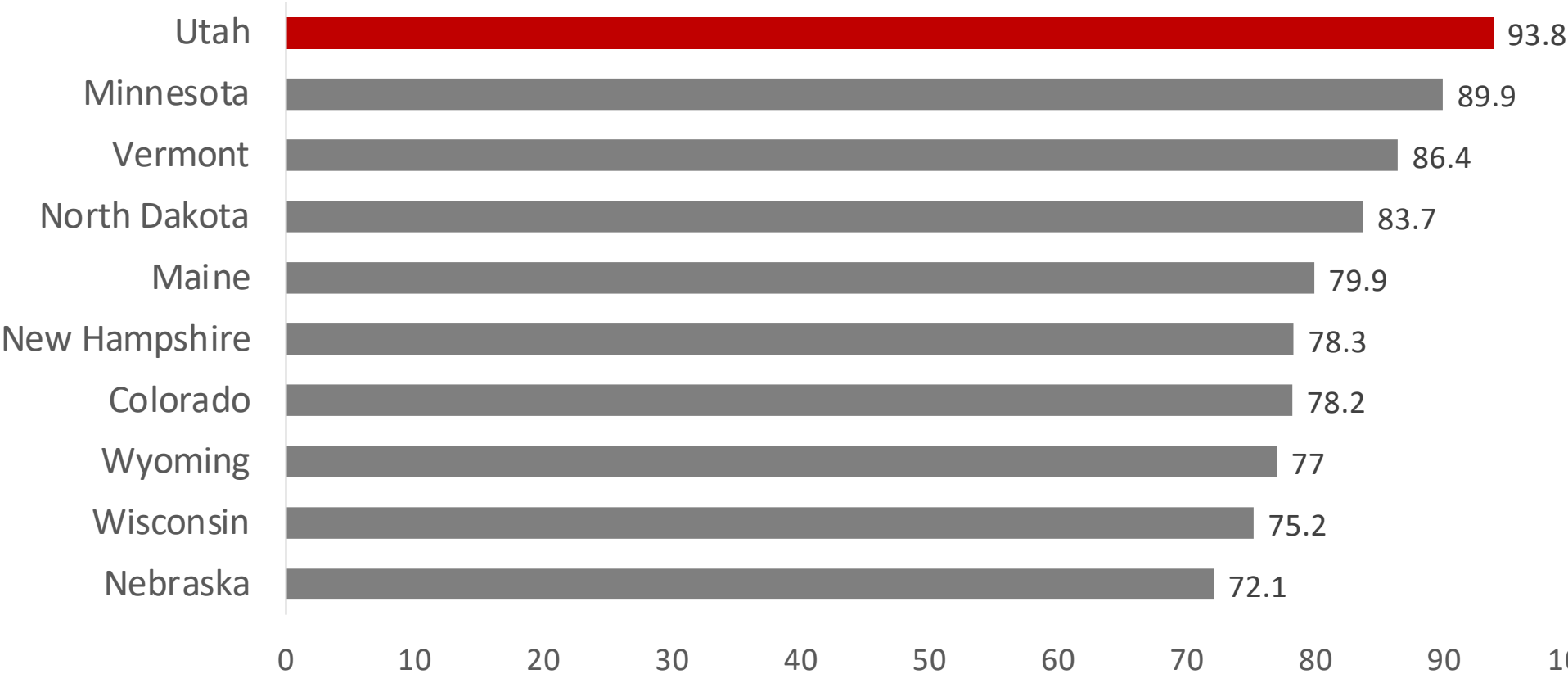
Source: The Nation's Report Card National
Assessment of Educational Progress (NAEP)

Eighth Grade Math



Social Capital Index, Top Ten States

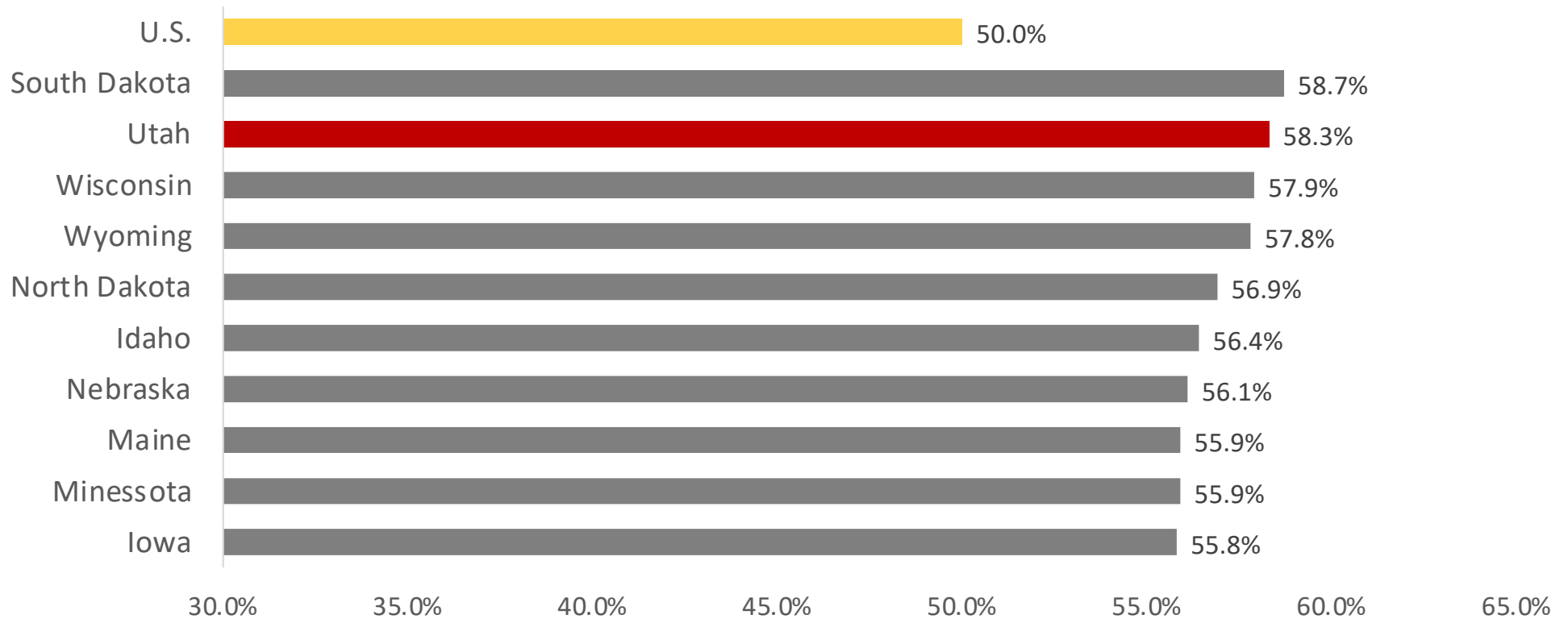
2021



Source: Utah Foundation

Middle Class, Top Ten States

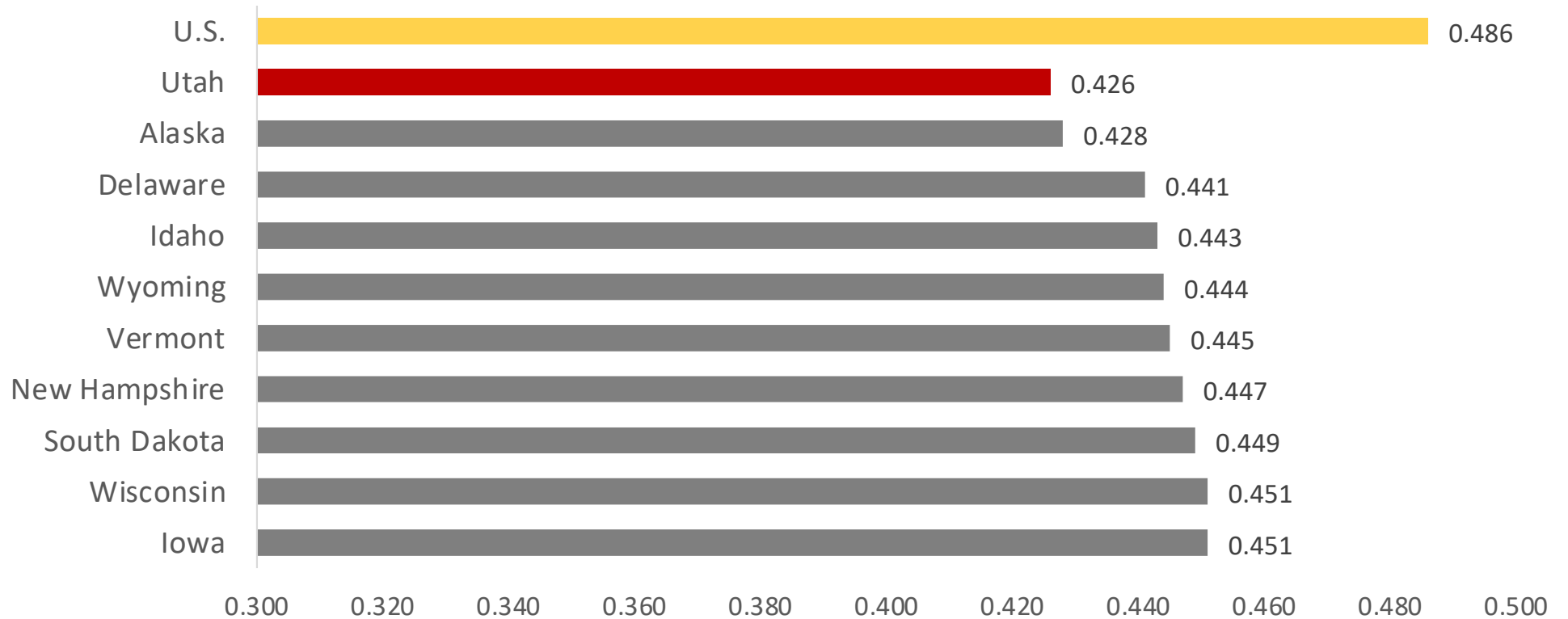
Share of households that make between two-thirds or double the median household income, 2019



Note: Income measures adjusted for household size.
Source: Census Bureau, 1-Year, American Community Survey, 2019

Equality of Income, Top Ten States

Gini Coefficient, 2022



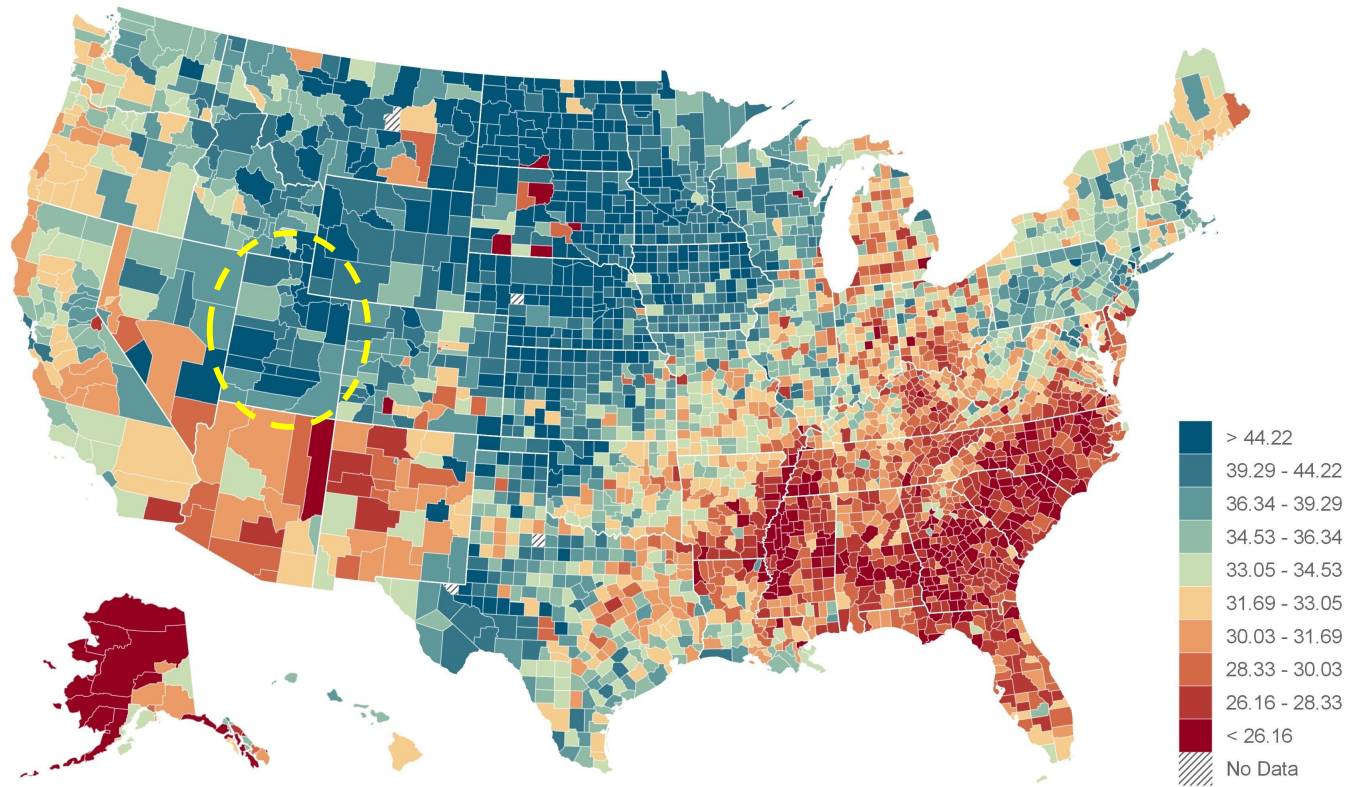
*A higher Gini coefficient indicates greater income inequality.

Note: Axis starts at 0.3 to show differences.

Source: Census Bureau, 1-Year, American Community Survey

Upward Mobility, 2018

Mean Income Rank at Age 35 for Children whose Parents Earned \$27,000



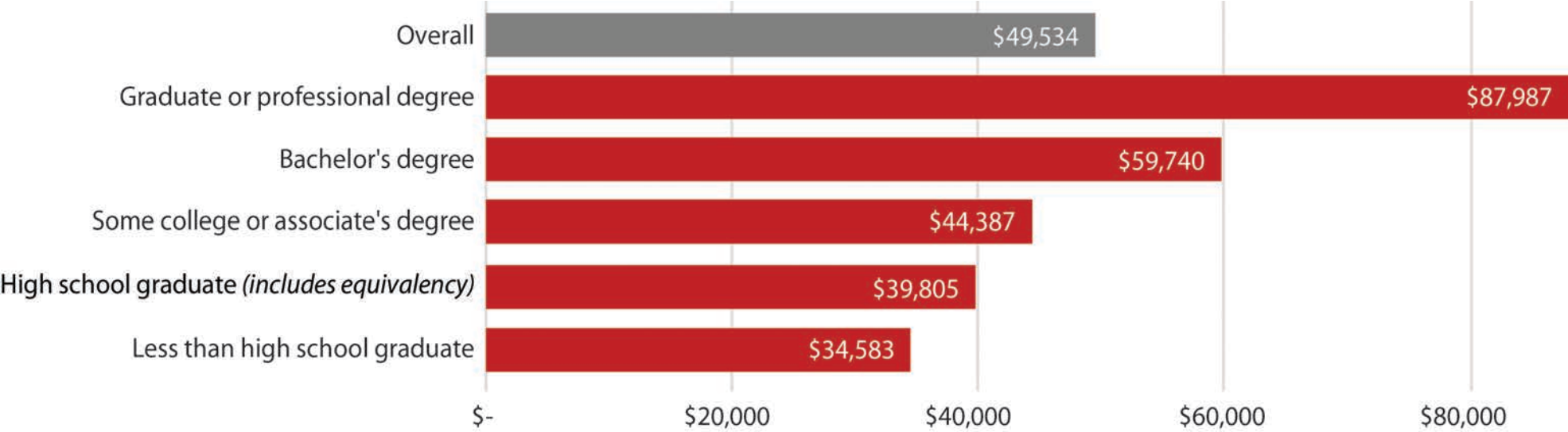
Source: Opportunity Insights (Chetty, Hendren, Jones, Porter)

Economic Value

1

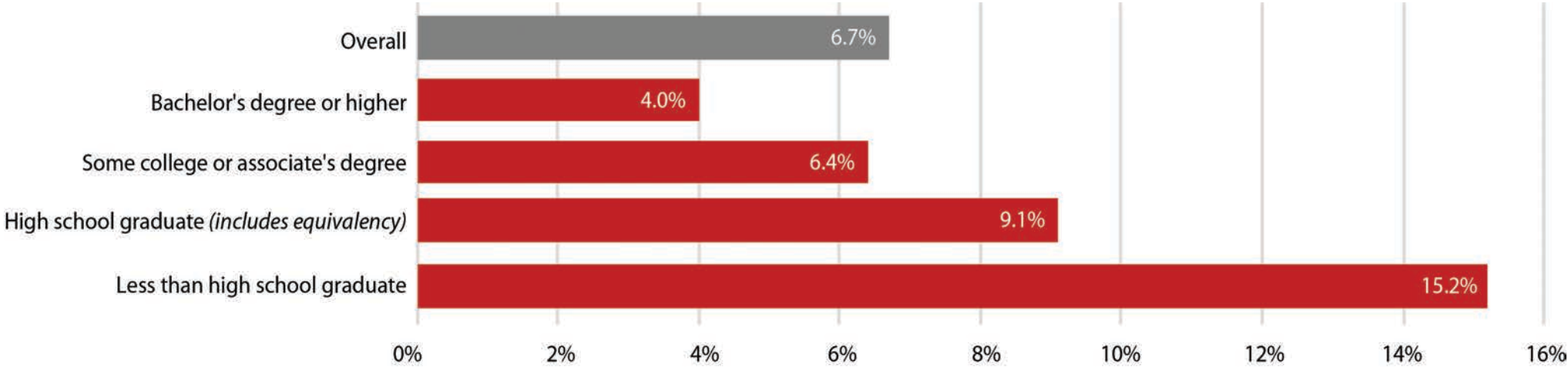
Higher Education Lifts People

Utah Adult Median Earnings by Educational Attainment, 2022



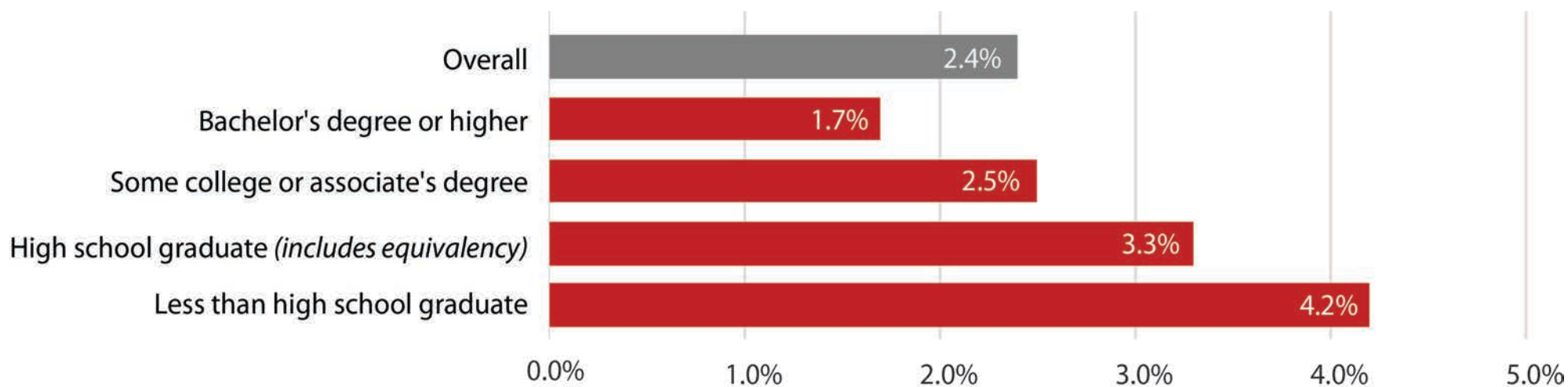
Source: U.S. Census Bureau, 2022 5-Year American Community Survey estimates

Utah Adult Poverty Rate by Educational Attainment, 2022



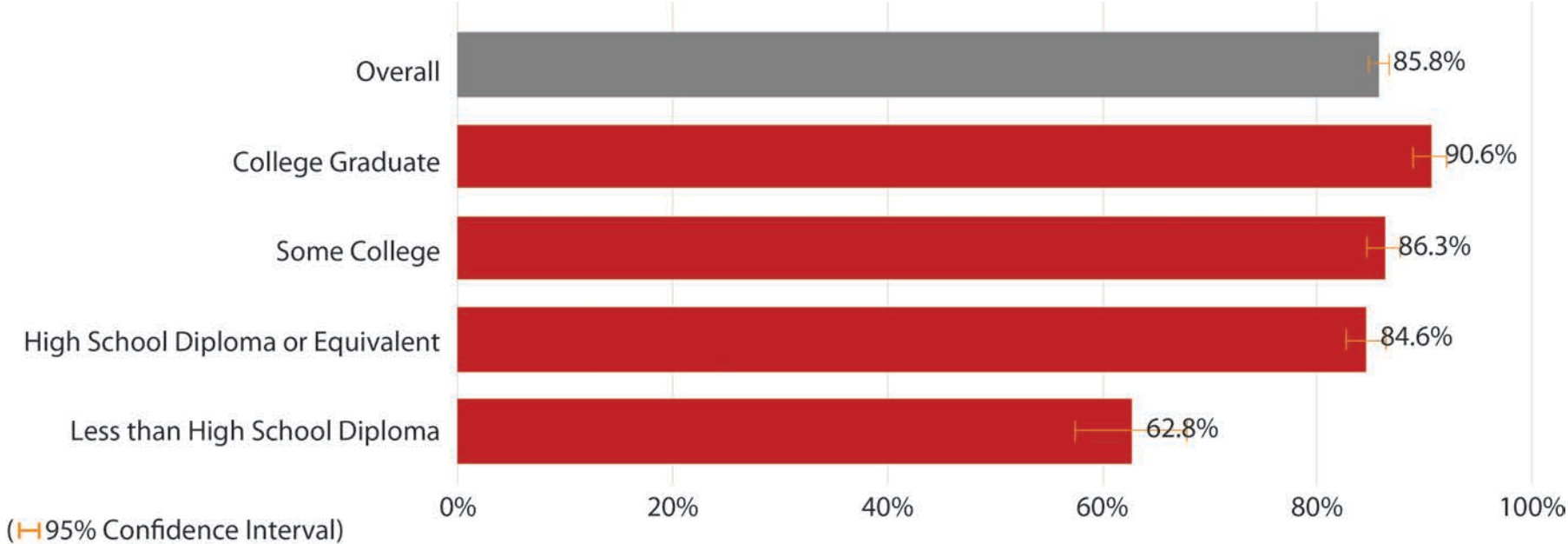
Source: U.S. Census Bureau, 2022 5-Year American Community Survey estimates

Utah Adult Unemployment Rate by Educational Attainment, 2022



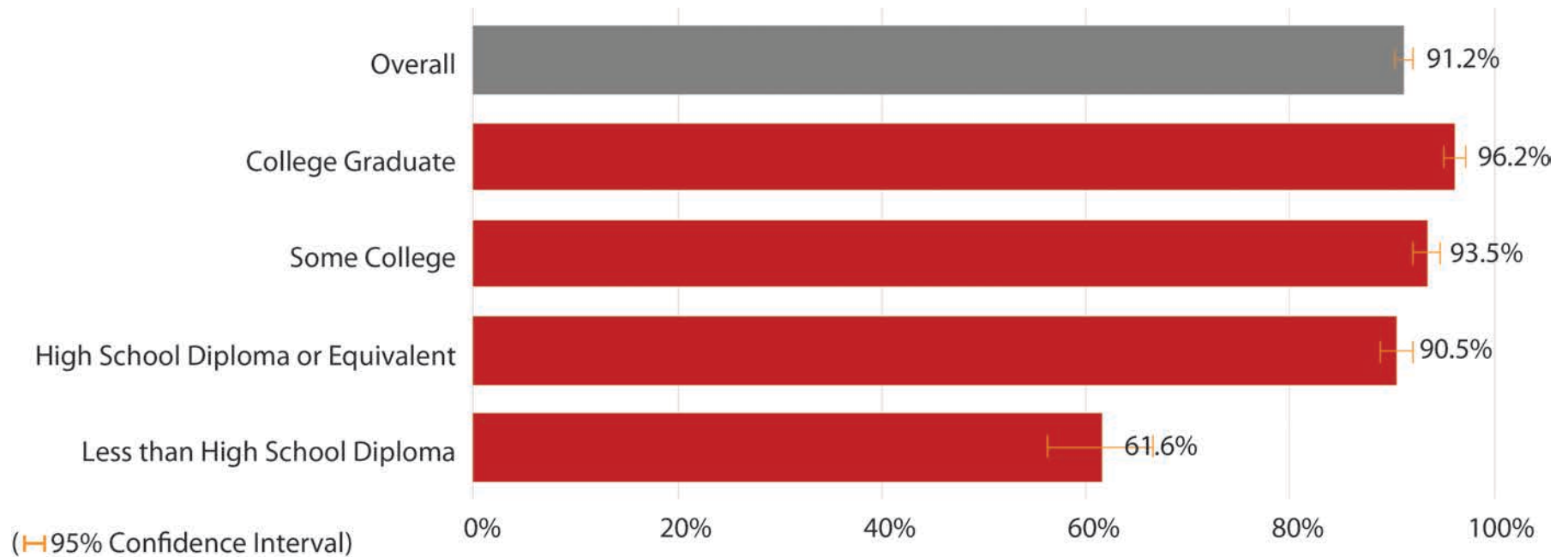
Source: U.S. Census Bureau, 2022 5-Year American Community Survey estimates

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



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>

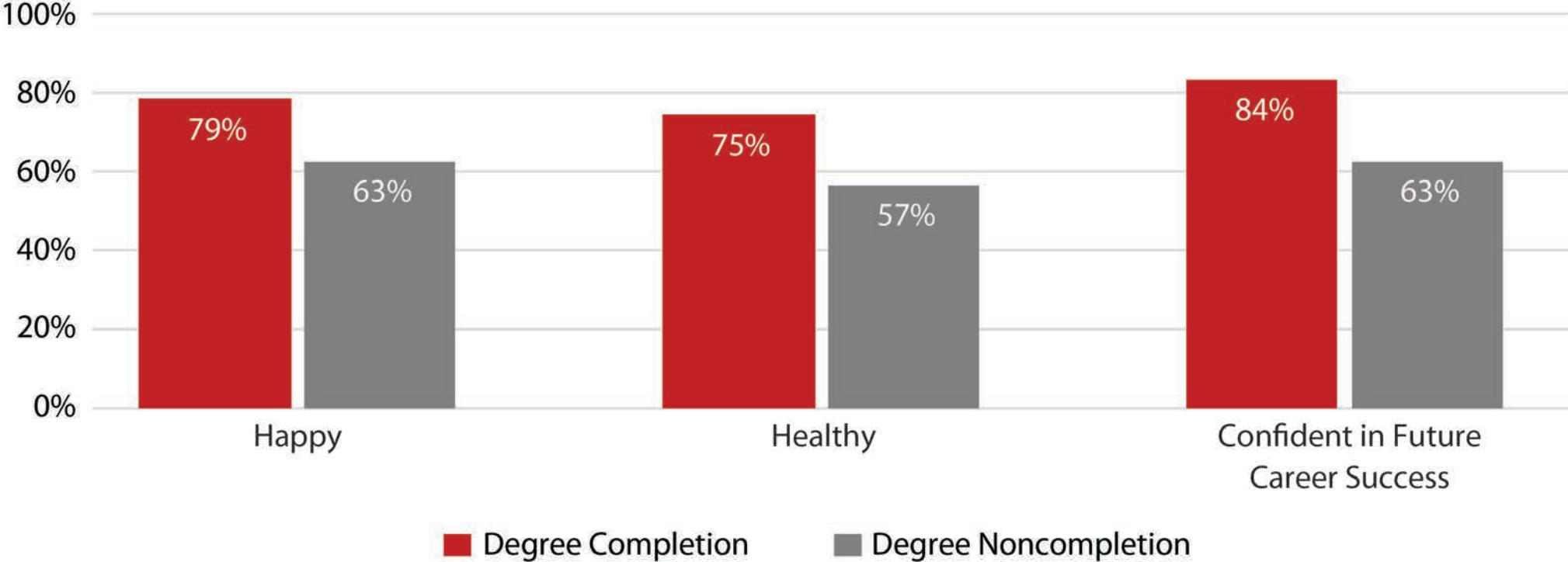
Share of Utah Adults with Health Care Coverage by Educational Attainment, 2022



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>

Life Quality for Utah Adults by Educational Attainment, 2023

Percent who identify as...

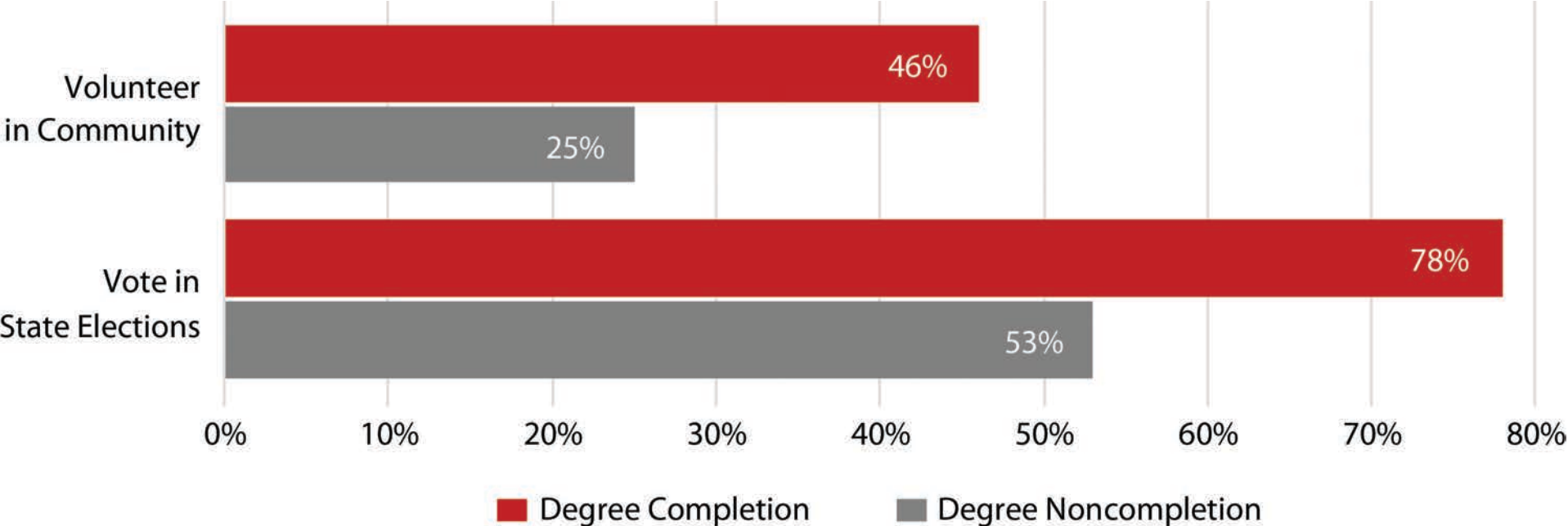


Source: Cicero High Ed. (July 2023). Utah System of Higher Education Qualitative Benchmark Findings.

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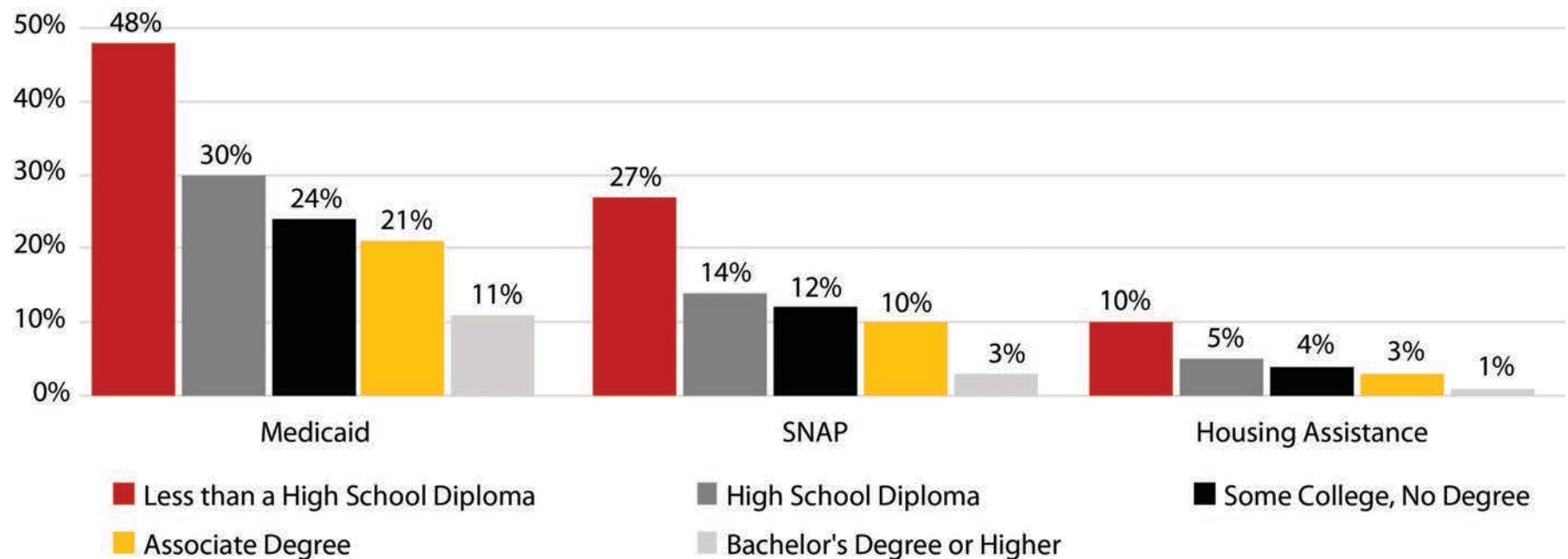
Higher Education Builds Civil Society

Utah Civic Engagement by Educational Attainment, 2023



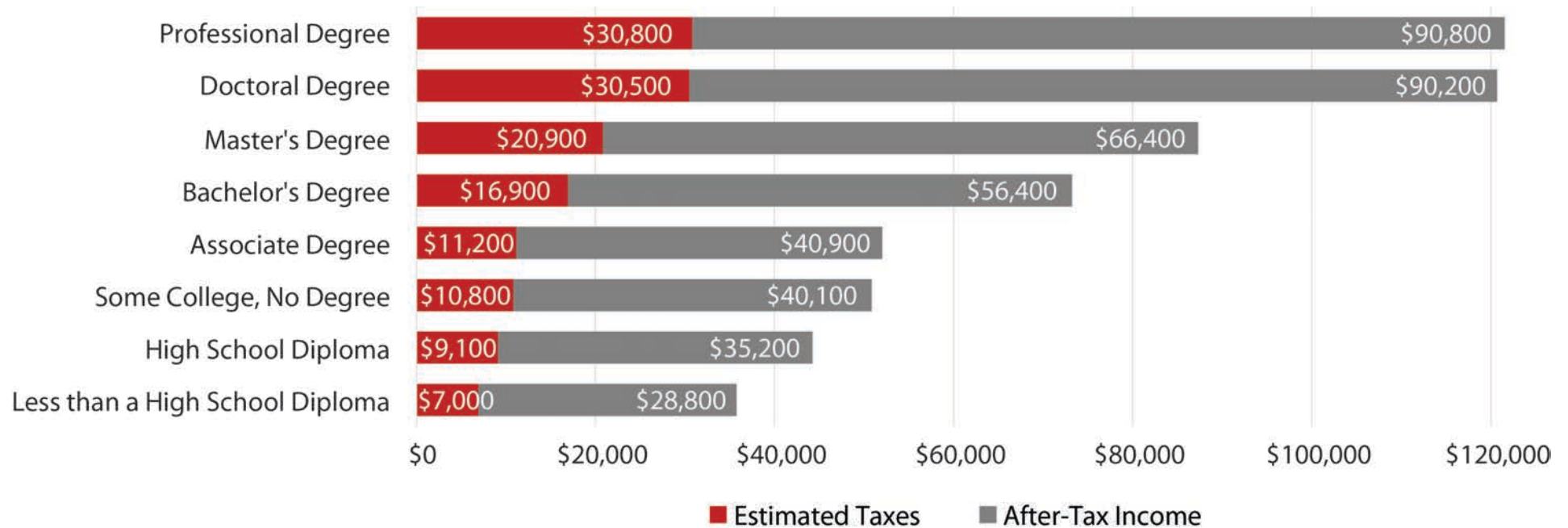
Source: Cicero High Ed. (July 2023). Utah System of Higher Education Qualitative Benchmark Findings.

U.S. Public Assistance Participation by Educational Attainment, 2021



Source: CollegeBoard report analysis of U.S. Census Bureau Current Population Survey data

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

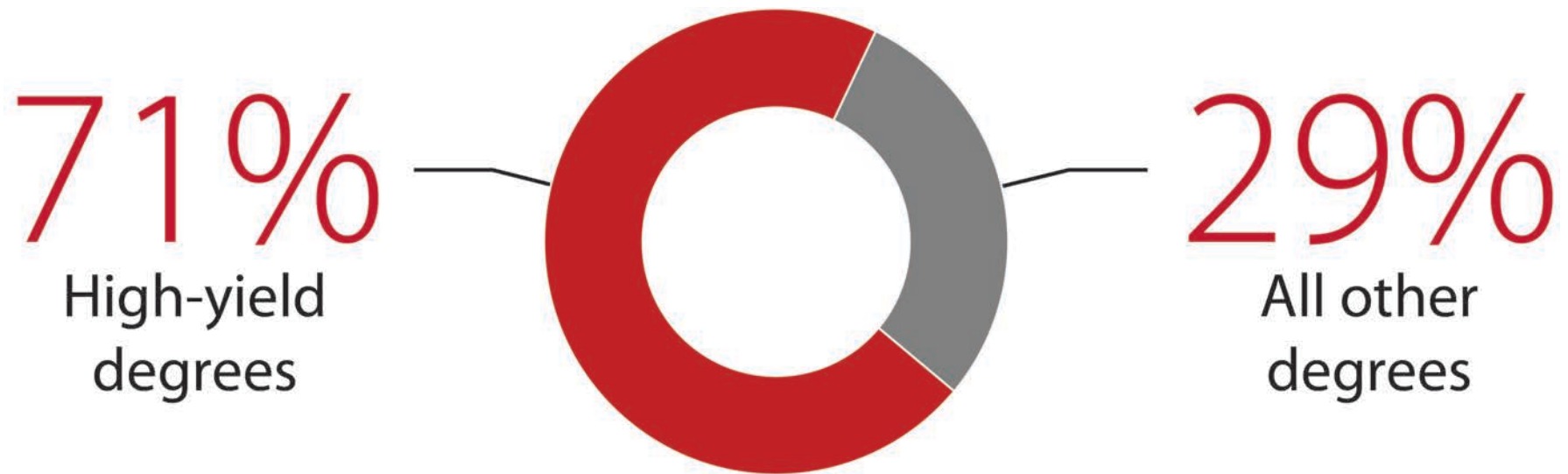


Source: U.S. Census Bureau, Income, Poverty, and Health Insurance in the United States, 2021, Table PINC-03; Internal Revenue Service, 2020; Wiehe et al., 2018; calculations by the authors. Retrieved from The CollegeBoard, Education Pays 2023, The Benefits of Higher Education for Individuals and Society.

3

Higher Education Benefits the Economy




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 DWS' biennial four-and-five-star jobs publication.

Source: Utah System of Higher Education

Estimated Economic Contributions of USHE Institutions, 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

Source: Kem C. Gardner Policy Institute using IMPLAN

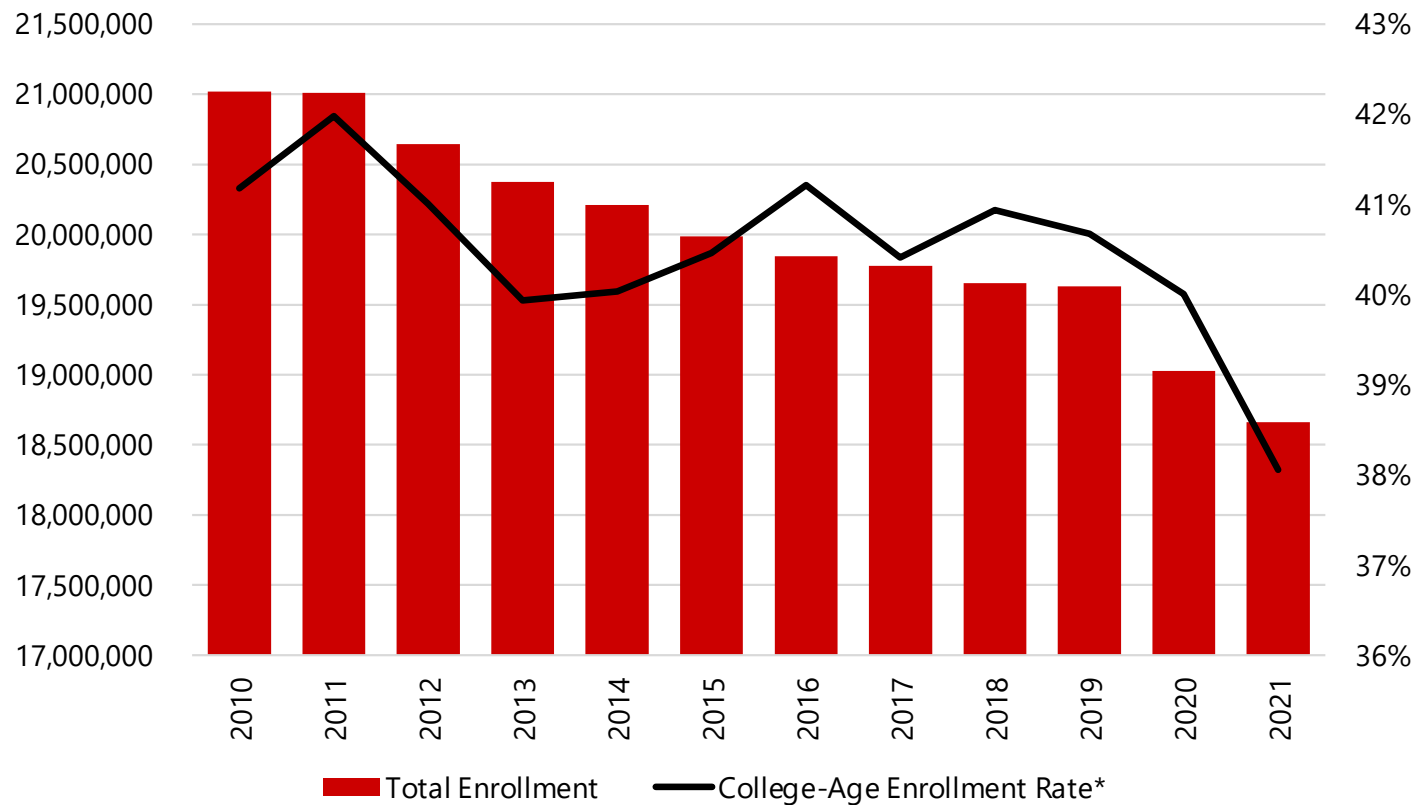
Education Multipliers Compared to Other Selected Industries in Utah

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

Demographic Cliff

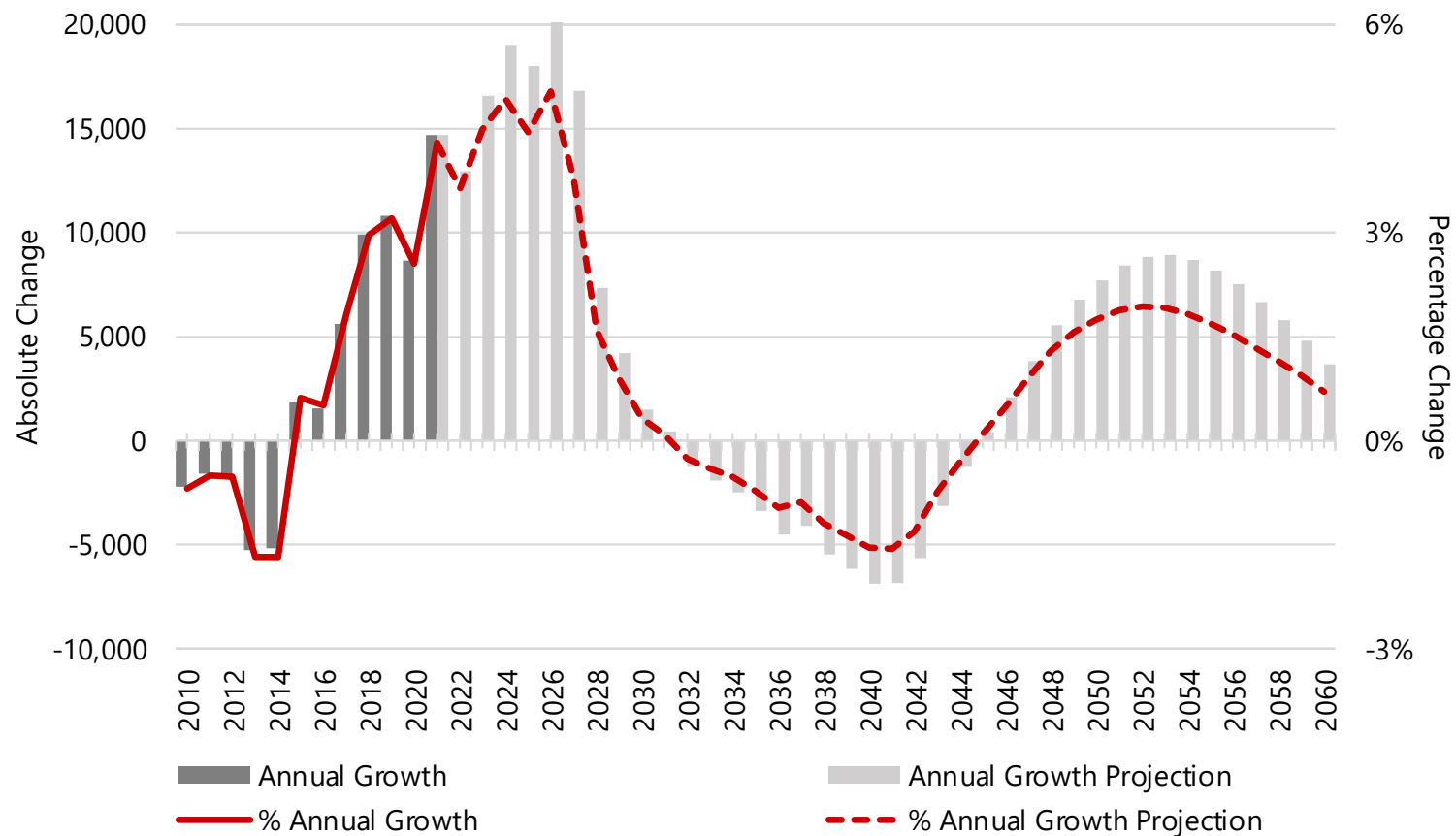
U.S. Higher Education Enrollment and College-Age Enrollment Rate



*Axis does not start at zero to highlight changes.

Source: National Center for Education Statistics

Utah's College-Age (18-24) Population Change



Source: Kem C. Gardner Policy Institute

Research Agenda

Research Scope of Work

A collection of products to aid decision-makers over next six years

- **Economic contribution** – Each degree-granting institution, technical colleges as a whole, and entire system.
- **Technical colleges profiles** – Impact by college on Utah’s workforce and economy.
- **Budget stress testing** – Financial risk exposure for each degree-granting institution.
- **Value of higher education** – Individual and societal benefits of higher education.
- **Special projects** – Such as return on investment and college affordability.

Stress Testing

Holistically evaluate budget sustainability over time

- **Revenue** – Evaluate historical volatility and future sustainability.
- **Spending** – Examine historical trends, including responsiveness to economic and demographic shifts.
- **Buffers** – Scenario plan a range of budget responses (formal and informal buffers) to manage potential budget gaps.

Discussion