

# HIGHER ED MATTERS

Utah System of Higher Education, August 2011

## Return on Investment: Is College Worth It?

For many of today's high school students, college is the obvious next step after their senior year. But some have questioned: is college really worth the investment? While every student's situation is different, it is clear from multiple studies that college pays off for individuals and society as a whole.

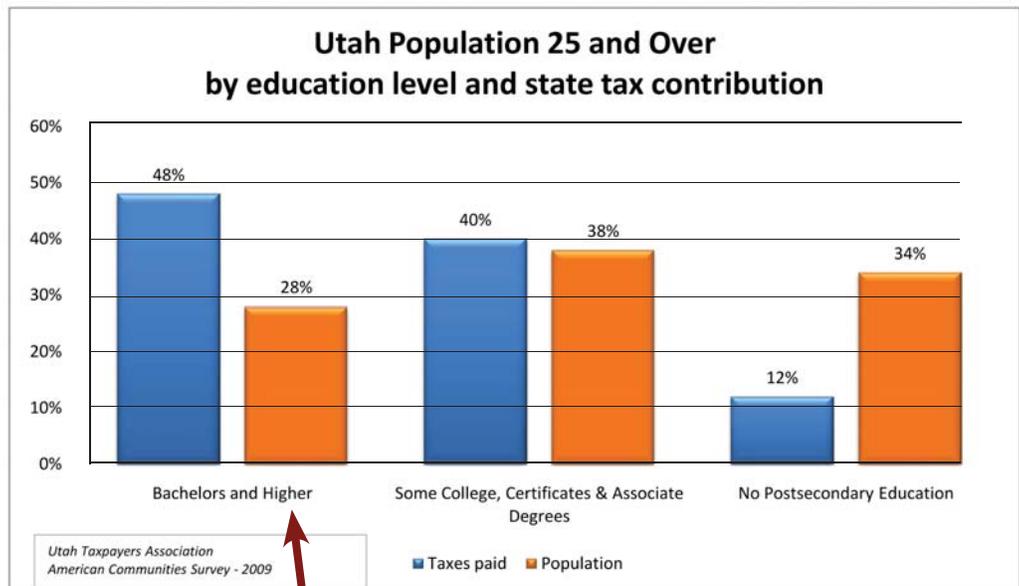
For instance, Spring 2011 Pew Research Center surveys entitled "Is College Worth It?" mentions the following key findings:

**Cost and Value**— 86% of college graduates say that college has been a good investment for them personally.

**Monetary Payoff**— Adults who did not attend college believe that, on average, they are earning \$20,000 a year less as a result.

**For Most, Missions Accomplished**— Among survey respondents who graduated from a four-year college, 74% say their college education was very useful in helping them grow intellectually; 69% say it was very useful in helping them grow and mature as a person; and 55% say it was very useful in helping them prepare for a job or career.

**Lifelong Worth**— Over the course of their work life, college graduates on average earn nearly \$650,000 more than high school graduates. (See reverse)



### State tax collections are directly affected by college experience:

34% of Utahns without college pay only 12% of the state's taxes, while **28%** of Utahns with a baccalaureate degree or higher account for nearly half.

Higher education costs money and time— there's no doubt about that, but the return on investment is worth it. Mix together the monetary benefits and the employment security, and you have a recipe for success.

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## Here's what some of Utah's government and business leaders have to say about the importance of higher education throughout the state:



"College graduates are critical to my industry and to my enterprises. The success of Utah Valley businesses now and in the future will be tightly linked to the quality of our employees and higher education is key to our sustainability and competitiveness."  
— Josh James, Founder/CEO, Domo

"The fast pace of construction requires educated professionals who understand technology, problem solving, decision making, finances and have interpersonal capabilities. Construction companies are searching for highly educated, well rounded individuals with university degrees."

— Wilford W. Clyde, President, Clyde Companies



"As we have worked to recruit companies from out of state, I understand the importance of an educated workforce. Weber State University has stepped up to the plate for our community and all of Davis County."

— Mayor Don Wood, Clearfield City



"SUU continues to have a huge economic impact on the local economy as the region's largest employer. Also, the local citizen's quality of life is enhanced by the wide variety of arts and recreational opportunities... SUU has it all"

— Nina Barnes, Cedar City Council



"A large portion of our growing employee population is made up of co-ops and new grads from Utah's universities and colleges and I'm excited to see the success of our newest educational partnership with SLCC."

— Camille Guth, President, L-3 Communications

"We are proud to have Dixie State College in the heart of our community and are very supportive of the things they do and the partnerships they help us develop, along with the facilities they provide for us, and the partnership we have together."

— Mayor Daniel D. McArthur, St. George



**"Traditional colleges and universities continue to play an invaluable role in our society, all the more so as the world changes... their functions are, for now, irreplaceable."**

— Clayton Christensen and Henry Eyring

Source: The Chronicle of Higher Education

## Work-Life Earnings:

According to a recent Pew study, the typical college graduate earns an estimated \$650,000 more over a 40-year work life than a typical high school graduate. College grads make quite a bit more than those who ended their education after high school.

Source: <http://pewsocialtrends.org/2011/05/15/is-college-worth-it>

High School Graduate

**\$770,000**



Associate Degree

**\$980,000**



Baccalaureate Degree

**\$1,400,000**



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