Yes, College is Worth It

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Welcome!

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Today’s Guest Presenter

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Questions & Conversation

• Submit your questions in the chat box

• Share on social media
  Twitter: @FLCollegeAccess
  @FloridaTaxWatch
  #FCAN

This webinar is being recorded; all materials will be available within a week of recording
Florida College Access Network

**Our mission:** To create and strengthen a statewide network that catalyzes and supports communities to improve college and career readiness, access, and completion for all students

**Our vision:** At least 60% of working-age Floridians will hold a high-quality postsecondary degree or credential by the year 2025
Our Work

Local College Access Networks (LCANs)

Research & Policy

Statewide Initiatives
Poll: What type of organization are you with?
Introduction
FIGURE 1.
Lifetime Earnings by Degree Type

The median college graduate earns $1.2 million over their lifetime, twice as much as a high school graduate.

Sources: Hanish-Friedman and Kearney 2014, based on Census Bureau 2009–12.
Note: Earnings are in millions of 2014 dollars and represent those who worked at least one week in the past year. Individuals who earned a graduate degree are not included.
Find the report at:

www.FloridaTaxWatch.org
Independent Assessment of the Economic Impacts of the Florida College System
Florida College System (FCS)

- 28 institutions (Community College)
- Primary access point to undergraduate education for more than 800,000 Floridians
  - Approximately 63% of recent high school graduates and returning adult students
- 99% of FCS students come from within Florida
- In 2001, community colleges were authorized to offer bachelor’s degrees and by 2014, 24 of the 28 FCS institutions offered at least one bachelor’s program
The FCS Offers Many Benefits

- Affordability
- Flexibility
- School-life balance
- More personalized
- Certificates
- Transfer agreements
The FCS Mission and Responsibilities

• Preparing students directly for careers requiring less than baccalaureate degrees

• Promoting economic development for the state within each FCS institution district through the provision of special programs

• Offering programs in community services not directly related to academic or occupational advancement

• While also providing:
  • Lower-level undergraduate instruction and awarding associate degrees
  • Student developmental services
  • Dual-enrollment instruction
  • Upper-level instruction
The Analysis Conducted

• FCS performance can be measured based on the prestigious Aspen Prize for Community College Excellence

• Additionally, the institutions must continuously improve in the following:
  • Completion and transfer
  • Labor market
  • Learning
  • Equity
How Florida Colleges Compare

• 14 of the 150 institutions eligible for the *2019 Aspen Prize* are members of the FCS

• Since 2011, 20 of the 28 FCS institutions have been eligible for the *Aspen Prize of Community College Excellence*

• Florida ranked third in the number of sub-bachelor certificates awarded, trailing California and Texas

• In 2014-15, Florida awards 94,375 Associate degrees, trailing only California

• In the past five years, 28,941 Bachelor’s degrees were awarded by FCS institutions
Tuition and Fees

- U.S. News and World Report ranked Florida’s higher education first overall and second among the 50 states for affordable tuition and fees.
- Florida had the fourth-lowest tuition and required fees out of the 16 states that comprise the Southern Regional Education Board.
- Tuition has remained relatively flat, at around $3,200 annually.
# National Tuition Rankings

## Public 2-Year College In-State Tuition and Fees (2018-19)

<table>
<thead>
<tr>
<th>Rank</th>
<th>State</th>
<th>Cost</th>
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<tbody>
<tr>
<td>1</td>
<td>California</td>
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<td>New Mexico</td>
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## Public 4-Year College In-State Tuition and Fees (2018-19)

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<td>14</td>
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Two-Year Graduation Rates

- Florida’s higher education system ranked second in the U.S. for two-year college graduation rates

- 49% of Florida’s full-time students complete a two-year degree within three years

- One-quarter of students in the top-10-ranked states for education finish two-year programs within three years

- South Dakota (61%) is the only state with a higher graduation rate than Florida (hardly comparable due to population and demographics)
FCS Full-Time Enrollment

• Statewide unemployment at 3.3% at the end of 2018

• In 2011, unemployment was around 10%

• State college enrollment is countercyclical

• FCS headcount was 14.5% lower in 2017 than in 2011
Enrollment

- Two-year colleges accounted for 43% of the public full-time equivalent undergraduate enrollment in 2016

![Bar Chart](chart.png)
Return on Investment

• In 2012, America’s community colleges’ impact on the U.S. economy was $809 billion

• Taxpayers spent $44.9 billion to support the operations of community colleges

• Added revenue from students’ higher lifetime incomes and increased business output amounts to $285.7 billion in benefits to taxpayers

• Reduced demand for government funded social services saved another $19.2 billion to the public sector

• For every $1 invested, the taxpayers fully recover their original investment and receive an additional $5.80 for every dollar paid.
Florida’s Return on Investment

• Florida invested an average of $4,387 per student and 40% of students received a degree or certificate within normal time.

• Florida demonstrated the highest immediate return-on-investment.

• For every $1,000 invested per student, $9.02 return was achieved based on the graduation rate.

• The next highest was Louisiana ($8.91 return-on-investment).
Student’s Return on Investment Analysis

- Data on enrollments, completions, and wages by educational attainment are used to forecast a wage path for those with an Associate degree relative to only high school credentials.

- Worklife expectancy earnings are shown as earnings compared to only high school credentials minus the educational costs.

- Society benefits from the FCS beyond the earning power and economic activity provided by this analysis.

- Net benefits are initially negative before turning positive for the remainder of their worklife expectancy.
Quantifying the Student’s ROI

• Many students complete the two-year and four-year degrees faster than the time periods due to duel enrollment, generating more ROI for the student and state

| TABLE 1. PROJECTED LIFETIME NET BENEFIT FOR 2018 FCS PROGRAM Completers |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|
| (PMV of Wage Premium During Worklife Expectancy - Education Cost) |
| AA                             | AAS             | AS              | BAS/BS          |
| Degree Completer’s Increased Worklife Income Expectancy (above HS completion only) + less student costs | $491,777         | $498,387        | $655,645        | $838,023        |
| Payback Period for Student (in years) | 4.20            | 3.80            | 2.50            | 3.80            |
| Student’s ROI                  | 11.9%           | 12.0%           | 13.4%           | 10.5%           |
The ROI for the State: REMI Model

• Additional spending by higher salaries of graduates will have indirect and induced effects

• The model forecasts the future of the regional economy and predicts the effects on the same economy

• On average, additional spending done with higher salaries earned by FCS completers is responsible for 9,860 sustainable new jobs across Florida
REMI Results

- Over a ten-year window every $1 of general revenue (GR) generated:
  - Between $4.80 and $6.80 of additional Florida GDP
  - Between $9.20 and $13.08 of additional personal income
  - Between $9.30 and $13.25 in additional Florida output

- Over the expected worklife of FCS completers, every $1 of GR will generate:
  - Between $10.80 and $15.42 of additional Florida GDP
  - Between $31.40 and $44.88 of additional Florida personal income
  - Between $33.00 and $47.18 of additional Florida output
Comparing 2013 and 2019

- Estimated average annual added income from the FCS and its former students equals $26.6 billion
- FCS students enjoy a 16.8% rate of return on their investments of time and money
- Societal benefits accrue from expanded state economic base and avoided social costs
- Every $1 of state tax money invested in the FCS today yields a cumulative of $26.20 in benefits that accrue to all Florida residents
Other Factors and Impacts

• Premium to workers where entry-level credentials is an Associate degree has risen to $13,027 relative to occupations that only need a High School degree

• Occupations calling for Associate degrees earn 36.8% more on average than workers employed in High School degree occupations

• The number of jobs calling for an Associate degree has risen by 31.7% since 2001, compared to only 10.2% for a High School degree
Conclusion

• The FCS compares well to colleges nationally, especially enrollment and graduation rates

• The value of an FCS degree for individuals and the system for the state is significant and increasing

• It is likely that students chose FCS institutions to look attractive in the workforce and earn higher wage jobs in high-need industries

• Florida institutions are highly ranked by national associations and institutions that focus on high quality

• The ROI numbers are even stronger evidence of the value of the FCS to the students and state
Thank You
Poll: How do you see yourself using the information in this report?
Questions?

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Conclusion