Utah Valley University
Career & Technical Education
Economic Impact

February 25, 2014
CTE Economic Impact Study

Major data sources:

- UVU Expense Report for Fiscal Years 2010-2013
- UVU Factbook 2009-2010
- U.S. Census Bureau’s American Community Survey
- IMPLAN multipliers for the regions of analysis

Conducted by Jack Faucett, Associates (JFA)
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- UVU expenditures and student spending
  - Matched with economic sectors in the IMPLAN model
  - Service region and state level economic impact multipliers
  - IMPLAN analysis provides the direct, indirect, induced, and total economic impacts

- The study also examined other measures of UVU’s impacts:
  - Return on investment (total economic impact/state funding)
  - UVU’s impact on students’ potential lifetime earnings
Total economic impact is the sum of its direct, indirect, and induced impacts

- **Direct Impacts**: Impacts from the economic activities directly associated with UVU
- **Indirect Impacts**: Output (gross sales), jobs, and labor income associated with organizations and entities that support direct activities
- **Induced Impacts**: Accrue when workers in the direct and indirect industries spend their wages on local goods and services and stimulate other sectors in the local economy

- Value-added impact is the value added to inputs to convert them into outputs.
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Total Direct Expenditure
- “Imported” Finished Goods and Services
  = Output

Output
- All Other Inputs
  = Value Added
Every federal Perkins program tax dollar invested in UVU, CTE had a return of $42.81 for State of Utah/ $38.35 for the service region

Total Output Economic Impact: $63.3 million state/$54.4 million region

Total Value-Added Economic Impact: $47.4 million state/$42.5 million region

CTE provides an approximate increase (above a high school diploma) in lifetime earnings of $130,444 for those who earn a certificate and $280,136 for an associate degree holder
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• Total tax (federal, state, local) impact: $8.8 million

• Employment impact:
  • UVU employs 492 faculty involved in CTE instruction
  • CTE indirectly supports an additional 791 jobs in its service region
For the 617 students who graduated in 2009-10 from a CTE program, these UVU graduates will contribute more than $155.8 million in earnings over their lifetime.

**UVU’s Contribution to the Annual Earnings of Its CTE Graduates**

<table>
<thead>
<tr>
<th>Level</th>
<th>Marginal Annual Improvement of Earnings Over High School Diploma</th>
<th>Average Annual Earnings with a High School Diploma</th>
</tr>
</thead>
<tbody>
<tr>
<td>High School Diploma</td>
<td>$17,464</td>
<td>$17,464</td>
</tr>
<tr>
<td>Some College</td>
<td>$3,894</td>
<td>$17,464</td>
</tr>
<tr>
<td>Associate</td>
<td></td>
<td>$8,131</td>
</tr>
</tbody>
</table>

*Mandatory column reflects average Bachelor and marginal increase over Bachelor*
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- Full report to be posted at http://www.uvu.edu/iri/

- Questions:
  - Susan Thackeray, UVU CTE Director
  - Robert Loveridge, UVU IRI Director
  - Shannen Robson, UVU IRI Sr. Research Analyst

- Thanks to all who provided data and information!