

Study: State University System degree can mean huge boost in lifetime earnings

February 15 2012

(PhysOrg.com) -- A new economic study suggests that having a degree from one of Florida's 11 state universities can be a financial lifesaver — equivalent to more than \$1 million in a worker's lifetime earnings.

The State University System's Board of Governors requested the economic study to update earlier figures, said Alan Hodges, an extension scientist with the University of Florida's Institute of Food and Agricultural Sciences.

The team included economists from UF and Florida State University.

“The value of a university degree is, in some cases, worth millions of dollars over a person's working lifetime,” Hodges said. “And not only does it mean higher [earnings](#), but also a greater likelihood of employment — so all of this has real meaning for the current employment crisis.”

The study found that the 11 public universities had nearly a \$52 billion value-added economic impact on the state's economy during the 2009-2010 fiscal year, which ended in June 2010. That represents a little more than 7.25 percent of the state's total economic activity and includes regional multiplier effects produced by government and household spending by those who work for, attend or conduct business related to the State University System.

The economists estimated that the universities and related businesses are

responsible directly and indirectly for about 771,000 jobs in the state, or 7.9 percent of the state's workforce.

The study did not include spending on college sports events, nor did it include spending by university technology "spinoff" companies.

The salary gap between college degree holders and those with high school diplomas was not unexpected, but the results were dramatic nonetheless, Hodges said.

Using data from the state's Department of Education, the study found these average annual earnings for Florida high school and university graduates in fiscal year 2009-10 who were employed in Florida in 2010: those with high school diplomas, \$20,924, bachelor's degree, \$36,520; master's degree, \$58,698; doctorate, \$66,743, and professionals, such as physicians or attorneys, \$70,716.

Extended to 30 years and accounting for typical pay increases, the difference between those with high school diplomas and higher [degrees](#) remained vast, with bachelor's degree recipients outpacing high school graduates by more than \$550,000; master's degrees, more than \$850,000; doctorates, more than \$1.3 million and professionals, more than \$1.8 million.

And employment potential for university graduates at all levels was far higher than for those with high school diplomas, Hodges noted.

"Right now, the unemployment rate in Florida is about 10 percent," he said. "But for people with a college degree, it's about half that. And for people with only a [high school](#) degree, it's double that, close to 20 percent."

Besides UF and FSU, the state's public universities include the

University of West Florida, Florida Agricultural and Mechanical University, University of North Florida, University of Central Florida, University of South Florida, New College of Florida, Florida Gulf Coast University, Florida Atlantic University and Florida International University.

The research team also included Thomas Stevens and Rodney Clouser, both from UF's Food and Resource Economics Department, and Julie Harrington, Martijn Niekus and Keith Baker, from FSU's Center for Economic Forecasting and Analysis.

Provided by University of Florida

Citation: Study: State University System degree can mean huge boost in lifetime earnings (2012, February 15) retrieved 18 April 2024 from <https://phys.org/news/2012-02-state-university-degree-huge-boost.html>

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