

# UTAH'S Economy

A monthly report produced for COMMERCE REAL ESTATE SOLUTIONS by Jim Wood, Bureau of Economic and Business Research University of Utah

ISSUE 85 DECEMBER 2011

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## A HIGHLY EDUCATED WORK FORCE?

Twenty-eight percent of Utah workers have at least a bachelor's degree. At this level of education, Utah ranks 20th among all states in educational attainment in the labor force. The state does not do quite as well in terms of advanced degrees. Nine percent of Utah workers have advanced degrees, which ranks 27th<sup>1</sup>

Highly educated workers are those benefitting from the improving job market both locally and nationally. At the national level the number of workers with a college degree has jumped by nearly 1.1 million over the past year while the number of workers with just a high school degree has fallen by 600,000 jobs.

Higher education generally paves the way for better employment opportunities and higher wages. In 2009, those with bachelor's degrees made 85 percent more than those with only a high school degree, \$30,627 versus \$56,665. While advantages of higher education are well documented—job security, higher wages and improved chances of upward mobility—some of these advantages are being eroded by the rising cost of a degree and the burden of student loans. Nationally student loans now total nearly one trillion dollars and exceed all credit card debt.

College students in Utah have faced sharp increases in tuition over the past decade. At the University of Utah resident tuition and fees for an academic year have increased from \$2,895 in 2001 to \$6,274 in 2011, an increase of 117 percent in 10 years, *Table 1*. Over the same period, the cost of living increased by 24 percent. Salt Lake Community College and College of Eastern Utah (USU) are the only state institutions where the tuition has not at least doubled in the past 10 years. Dixie State College topped all state institutions with an increase of 135 percent. LDS students at Brigham Young University (BYU) have been the most fortunate, with only a 49 percent increase in tuition and fees since 2001. Non-LDS students at BYU however, have seen tuition and fees increase by 98 percent.

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1 Educational attainment measures educational level of workers 25 years and older. The state comparisons include the District of Columbia, which ranks first in educational attainment of labor force.

**Table 1 Resident Tuition and Fees for State Colleges and Universities And Brigham Young University**

|                                    | 2000-01 | 2010-11 | % Change |
|------------------------------------|---------|---------|----------|
| University of Utah                 | \$2,895 | \$6,274 | 116.7%   |
| Utah State University              | \$2,401 | \$5,150 | 114.5%   |
| Weber State University             | \$2,106 | \$4,311 | 104.7%   |
| Southern Utah University           | \$2,067 | \$4,736 | 129.1%   |
| Snow College                       | \$1,354 | \$2,746 | 102.8%   |
| Dixie State College                | \$1,481 | \$3,489 | 135.6%   |
| Utah State University Eastern Utah | \$1,476 | \$2,670 | 80.9%    |
| Utah Valley University             | \$1,682 | \$4,288 | 154.9%   |
| Salt Lake Community College        | \$1,636 | \$2,932 | 79.2%    |
| BYU (LDS)                          | \$3,060 | \$4,560 | 49.0%    |
| BYU (Non-LDS)                      | \$4,600 | \$9,120 | 98.3%    |

Source: Utah System of Higher Education and Brigham Young University.

Despite the rising cost of education the number of students enrolled in state institutions has increased dramatically in recent years. The increase is tied in part to the recession. Job losses and less hiring causes some students to prolong their education while others enroll to retrain and bolster their resumes. Since 2007 the fall head count at Utah's nine higher education institutions has increased by over 33,000 students.

**Table 2 Enrollment at Utah Institutions of Higher Education**

|                                    | Full Time Equivalent* | Fall Head Count |
|------------------------------------|-----------------------|-----------------|
| University of Utah                 | 25,646                | 32,671          |
| Utah State University              | 17,373                | 25,767          |
| Weber State University             | 13,700                | 24,126          |
| Southern Utah University           | 6,241                 | 8,024           |
| Snow College                       | 3,162                 | 4,387           |
| Dixie State College                | 6,118                 | 8,755           |
| Utah State University Eastern Utah | 1,695                 | 2,634           |
| Utah Valley University             | 19,010                | 32,670          |
| Salt Lake Community College        | 16,567                | 33,983          |
| <b>Total</b>                       | <b>109,512</b>        | <b>173,017</b>  |

\*Full-time equivalent converts those part-time students to the equivalent of full-time student for an academic year. BYU had a fall head count of 33,800. Source: Utah System of Higher Education.

The head count of state institutions in October 2010 was 173,017, *Table 2*. Salt Lake Community College has the highest head count enrollment of 33,983 while the University of Utah has the highest full-time equivalent enrollment of 25,646. BYU had a fall head count of 33,800 in 2010.

Increased enrollments will hopefully lead to higher rates of education attainment for the Utah labor force. Over the past 10 years Utah's educational attainment ranking has slipped from 15th to 20th. Although the percent of workers 25 years and older with at least a bachelor's degree in Utah has increased from 26.1 percent in 2000

to 28.5 percent in 2009 other states are improving at a faster pace. This is due, in part, to the failure of the educational attainment of women to improve in Utah. The percentage of male workers in Utah with at least a bachelor's degree is significantly higher than the national rate. In Utah 32.4 percent of male workers have at least a bachelor's degree compared to 28.5 percent nationally. The percentage of female workers in Utah with at least a bachelor's degree is only 26.4 percent, which is below the national rate of 27.3 percent, *Table 3*.

Utah has long touted its highly educated work force as a reason for companies to relocate to the state. And the quality of the labor force has been an important factor in the state's historically high rate of job growth. But if the educational attainment of Utah workers begins to lag the nation, economic growth will slow and employment opportunities will narrow. The trends in tuition costs and female educational attainment are worrisome and must be offset with a renewed state commitment to the role of higher education in Utah's economic future.

**Table 3 Educational Attainment: Percent Share of Workers 25 Years and Older with at Least Bachelor's Degree**

|                     | Utah         | U.S.         |
|---------------------|--------------|--------------|
| <b>Male</b>         |              |              |
| 25 to 34 years:     | 27.7%        | 27.4%        |
| 35 to 44 years:     | 33.8%        | 29.2%        |
| 45 to 64 years:     | 34.1%        | 29.8%        |
| 65 years and over:  | 35.7%        | 26.1%        |
| <b>Total Male</b>   | <b>32.4%</b> | <b>28.5%</b> |
| <b>Female</b>       |              |              |
| 25 to 34 years:     | 29.4%        | 34.5%        |
| 35 to 44 years:     | 29.3%        | 32.3%        |
| 45 to 64 years:     | 26.5%        | 27.6%        |
| 65 years and over:  | 17.8%        | 15.6%        |
| <b>Total Female</b> | <b>26.4%</b> | <b>27.3%</b> |

Source: U.S. Census Bureau.