

WHAT IS A UTAH COLLEGE DEGREE WORTH? A COMPARISON OF EMPLOYMENT AND EDUCATIONAL OUTCOMES AMONG UTAH COLLEGES AND UNIVERSITIES

HIGHLIGHTS

- School-by-school comparisons of graduate retention, employment status, starting salaries, and other factors show quite a difference in the outcomes produced by Utah's major colleges and universities.
- Graduates from all Utah schools felt that Utah's job opportunities were below par, although Westminster graduates rated Utah notably higher than those from other schools. This is probably related to Westminster placing 70% of its students in internships, far exceeding other schools' internship experiences.
- Graduates from Weber, UVSC, Westminster, and Utah are the most likely to stay in Utah after graduation.
- The median salary of bachelor's degree graduates from all Utah schools was below \$30,000, while the median salary for those with advanced degrees was \$50,000 to \$59,999.
- The highest salaries for 2004 bachelor's degree graduates are earned by UVSC graduates.
- For those with advanced degrees, BYU had the largest overall proportion making more than \$50,000, but Utah had more in the highest ranges, those making more than \$80,000.
- Graduates who completed internships during their college experience are much more likely to be employed full time and receive significantly higher salaries.
- About 13% of women graduating from SUU became homemakers, with BYU close behind at 10%.

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Many of us think of a college education as a ticket to a good job. While a degree certainly does open doors to higher incomes, it is surprising how many Utah graduates are earning less than \$30,000 in their first year on the job.

It also may be surprising to learn that students at Utah Valley State College, which only 12 years ago was a community college, is producing some of the highest-paid bachelor's degree graduates in Utah.

Earlier in 2005, Utah Foundation conducted a survey of students who graduated from Utah colleges and universities in 2004. Initial results of the survey were published in a September 2005 report, which focused largely on where graduates currently live and how attractive Utah is for retaining these individuals in the state. The September report also examined how many graduates entered the workforce, the salaries they are earning, and how many chose to further their education with an advanced degree. Overall, the report showed that graduates felt that Utah offered a high quality of life with good communities, affordable housing, and excellent recreation, but they did not have a favorable perception of job opportunities in Utah.

The intent of this report is to probe further into the data to show differences between Utah colleges and universities in matters of graduates' employment and education opportunities and experiences. For example, when asked to compare Utah's job opportunities to other places they have lived, graduates from all Utah schools felt that Utah did not compare favorably. Among the surveyed schools, Westminster graduates rated Utah the highest for job opportunities (Figure 1). It is probably no coincidence that Westminster had the lowest proportion of graduates receiving salaries less than \$30,000.

The September report utilized a sample of 900 graduates, which was prorated out of a larger sample to reflect the proportional population of each college and university. Because this report compares the schools to each other, rather than providing statewide averages, the data come from the larger sample of 1,943 graduates.

RETENTION OF GRADUATES IN UTAH

According to the Utah Foundation survey, Utah retained 60% of the students who graduated from Utah colleges and universities in 2004. Figure 2 shows that the overall retention of students graduating with bachelor's degrees ranged from 47% at Brigham Young University (BYU) to 82% at Weber State University (WSU). Among the state's public schools, Southern Utah University (SUU) and Utah State University (USU) had significantly lower retention rates,

Figure 1: Average Rating of Utah's Job Opportunities, Affordability and Livability Compared to Other Places Graduates Have Lived

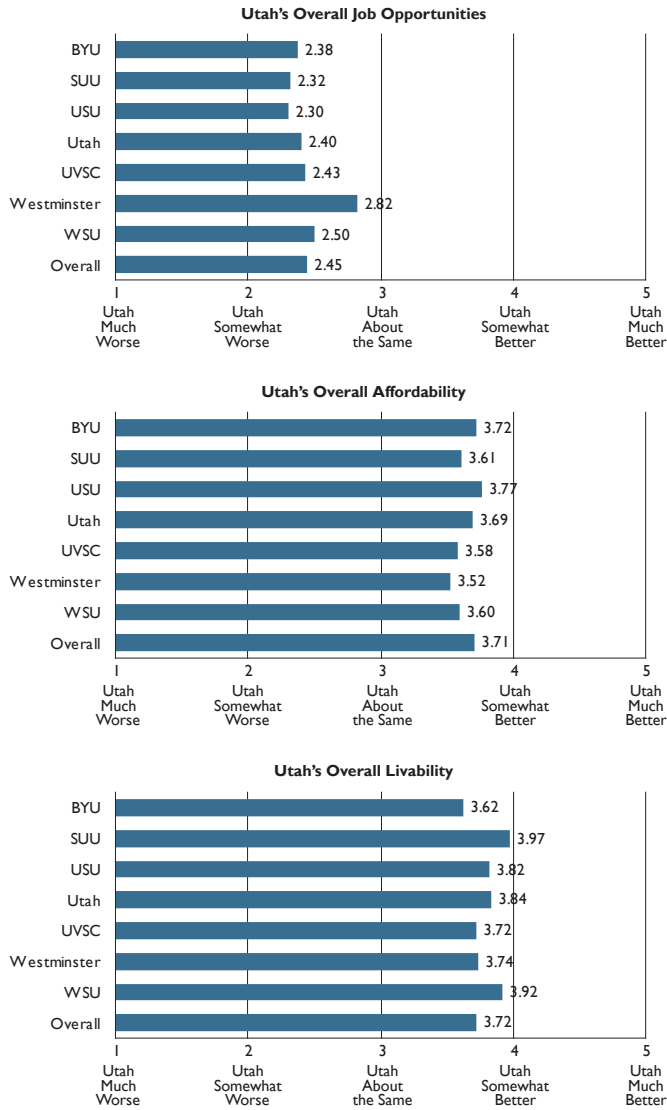
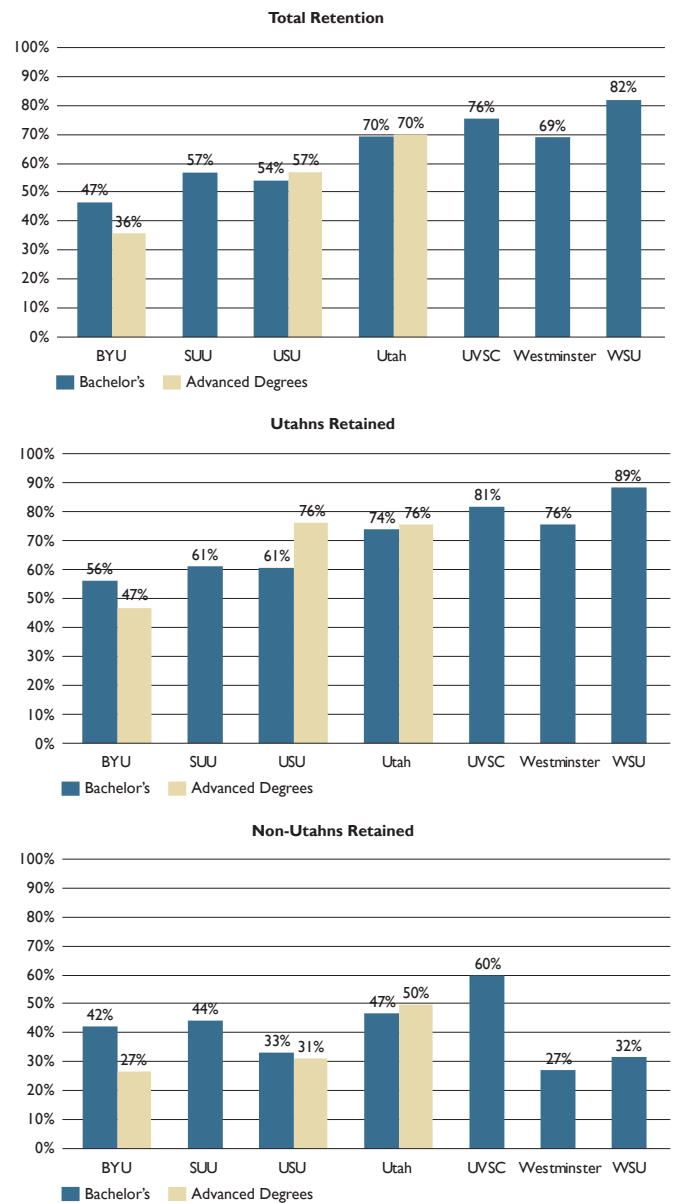


Figure 2: Graduate Retention



57% and 54% respectively, than Utah, UVSC, or WSU. Predictably, retention of Utah native graduates from all schools was significantly higher than the retention of non-Utah natives.

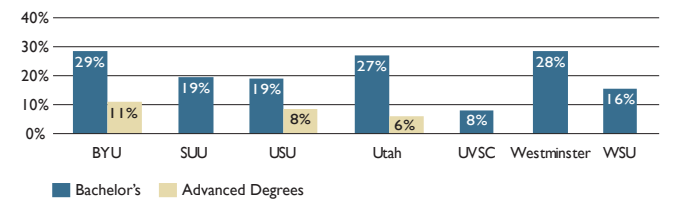
The rate at which BYU retained advanced degree graduates was significantly lower than for bachelor's degrees. However, Utah and USU advanced graduate retention rates were quite similar to their undergraduate retention rates.

CURRENT EMPLOYMENT AND EDUCATION STATUS OF 2004 GRADUATES

FURTHERING EDUCATION

Of all 2004 graduates, 22% decided to further their education. The percentage of bachelor's graduates furthering their education ranged from 8.1% (UVSC) to 28.5% (BYU). BYU, Utah and Westminster graduates pursued advanced degrees at a significantly higher rate than graduates of SUU, USU, and UVSC, although UVSC was by far the lowest (Figure 3). For graduate students, the percentage that chose to further their education ranged from 6.1% (Utah) to 11.2% (BYU).

Figure 3: Furthering Education

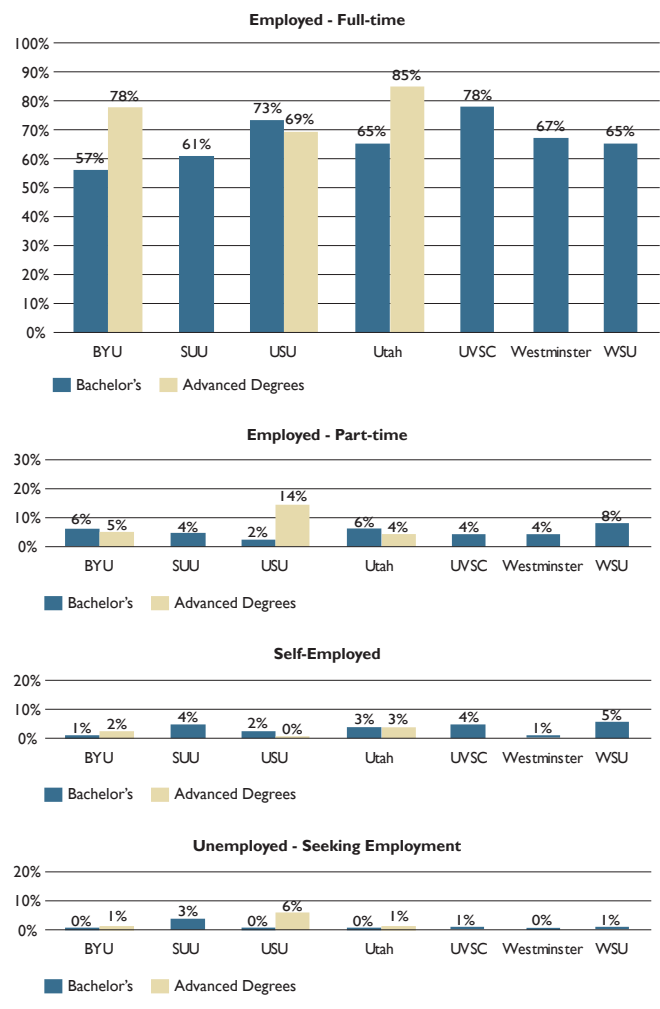


EMPLOYMENT

Not surprisingly, those graduate students receiving advanced degrees, especially professional degrees, chose to further their education at lower rates than students receiving bachelor's degrees (Figure 3). Most graduates with a master's degree or higher do not choose to continue their education but rather choose to enter the workforce.

Overall, 71% of 2004 graduates entered or remained in the labor force after graduation. UVSC graduates overwhelmingly lead the way in

Figure 4: Employment



terms of employment with 83.9% of its graduates in the workforce and 78.4% employed full-time. The next highest was USU with 74.7% percent in the labor force. UVSC graduates further their education at a much lower rate than those from other schools. UVSC only recently received accreditation to offer four year degrees and offers only a select number of bachelor's degrees, most of which focus on fields of study that have direct employment applications such as business, marketing, education, and vocational degrees such as aviation science, technology management, and applied technology.

The September report showed that, overall, 64% of 2004 graduates were employed full-time a year after graduation. USU and UVSC bachelor's graduates were employed at a significantly higher rate than the other schools, while BYU bachelor's graduates were employed full-time at the lowest rate.

SALARIES

The National Association of Colleges and Employers (NACE) 2004 Salary Survey reported that the national average starting salary for 2004 liberal arts graduates, the lowest earning group of graduates, was \$30,152. Starting salaries for business, computing, and engineering grads were significantly higher. Unfortunately, Utah's starting salaries do not compare favorably with the national averages. According to the Utah Foundation survey, the median salary for all 2004 graduates was below \$30,000 for BYU, SUU, USU, and Utah grads (Figure 5). Figure 5 also shows that UVSC, Westminster, and WSU graduates fared better

in terms of salaries. UVSC graduates, in particular, seem to have found higher paying jobs. As mentioned above, given UVSC's mission and focus, UVSC graduates typically major in fields of study that translate into higher starting salaries (e.g. business, marketing, computer & information sciences, and vocational studies).

The lower salaries of Utah-based graduates can probably be attributed directly to the lower salary levels that exist for all workers in Utah. As evidence of this, the Utah Foundation survey found that there is a wide disparity in salaries between graduates who find employment in Utah and those who choose to work elsewhere. According to 2004 Bureau of Labor Statistics data, Utah ranked 36th nationally in average annual pay. The average annual pay in Utah was \$32,171, which is significantly lower than the national average of \$39,354.

As expected, students who graduated with advanced degrees are earning significantly better salaries than those just graduating with bachelor's degrees. Among all the advanced degree graduates surveyed, the median salary was in the \$50,000 to \$59,999 range, and only 1.4% are currently earning salaries lower than \$30,000 a year. In contrast, depending on the school, 40% to 69% of bachelor's graduates were earning salaries below \$30,000.

Figure 5: Salaries

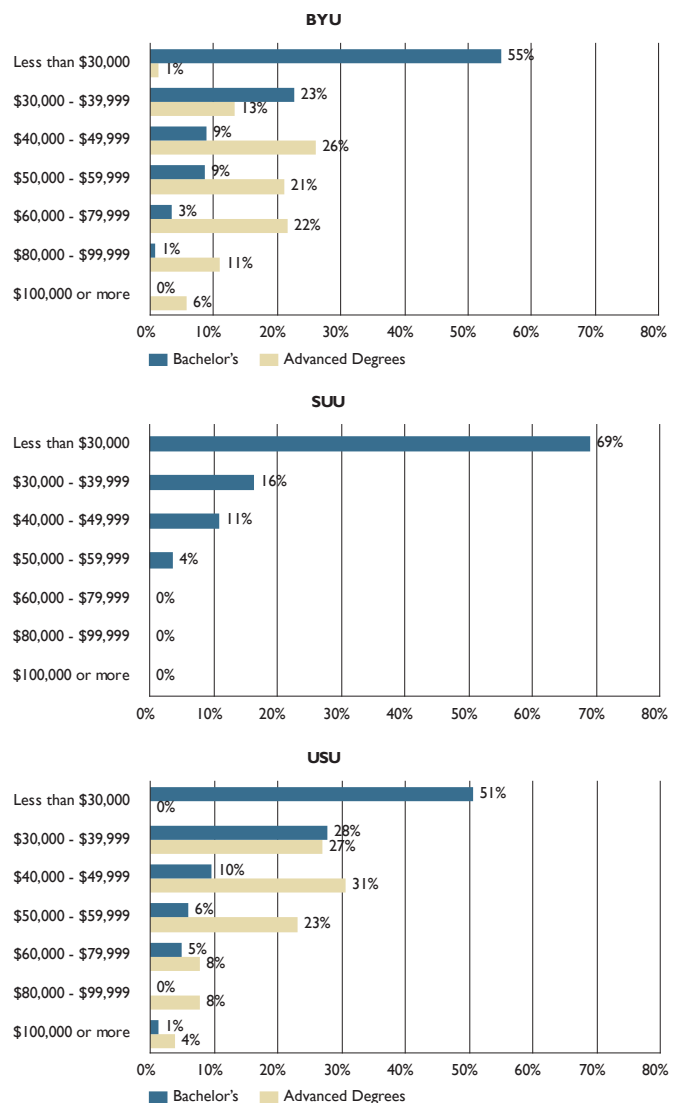
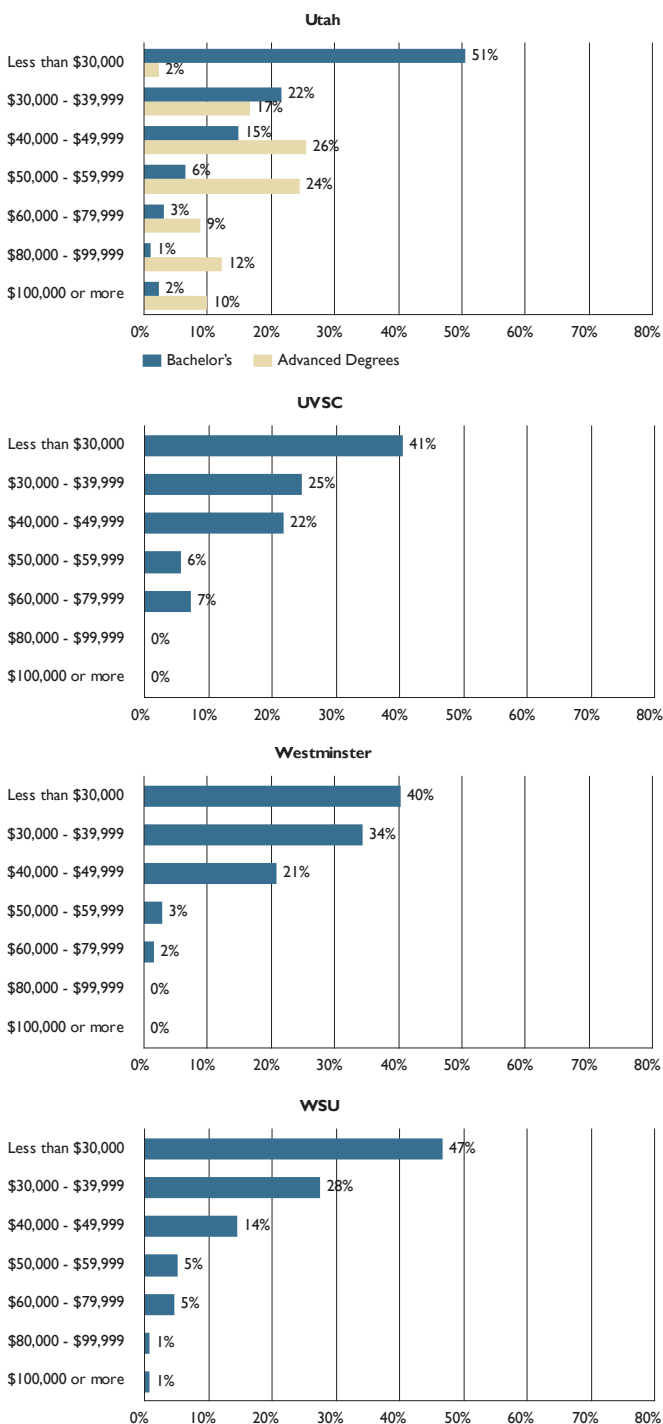


Figure 5 continued on next page

Figure 5: Salaries (continued)



INTERNSHIPS

While internships are not a part of a student’s official education, an internship can play a vital role in providing a college student with an education that extends beyond the classroom. Internships help make the connection between a field of study and its “real world” applications. Internships often translate into full-time employment after graduation as well as provide networking opportunities for other job opportunities. Students who complete internships not only have more employment opportunities, they can also command higher salaries because of their experience. It should be noted that the data below regarding internships refers only to bachelor’s graduates and not those with advanced degrees.

With the exception of Westminster graduates, 2004 graduates who have completed an internship were employed full-time at higher rates than graduates who did not complete an internship (Figure 6). On the other hand, graduates who did not complete an internship chose to further their education at significantly higher rates than graduates who interned, again with the exception of Westminster. There are several potential explanations for this phenomenon. The first may be that students who interned found job opportunities desirable enough for them to forgo further education opportunities. Students who did not intern may have had a more difficult time finding employment and resorted to furthering their education. The second explanation may be that many students who wanted to further their education simply chose not to pursue an internship because they knew they would not be working immediately after graduation. It is likely both scenarios took place among the graduates, but there is not enough data to determine which was the more likely scenario.

Figure 7 shows that graduates who completed internships earn higher salaries than students who did not complete an internship. For example, only 42% of University of Utah graduates working full time who did not complete an internship earn yearly salaries above \$30,000. However, the percentage of University of Utah graduates earning salaries above \$30,000 rises drastically to 69% for those that completed an internship. Similar trends exist for graduates of the other surveyed schools.

Figure 6: Status of Graduates Who Had Internships During School

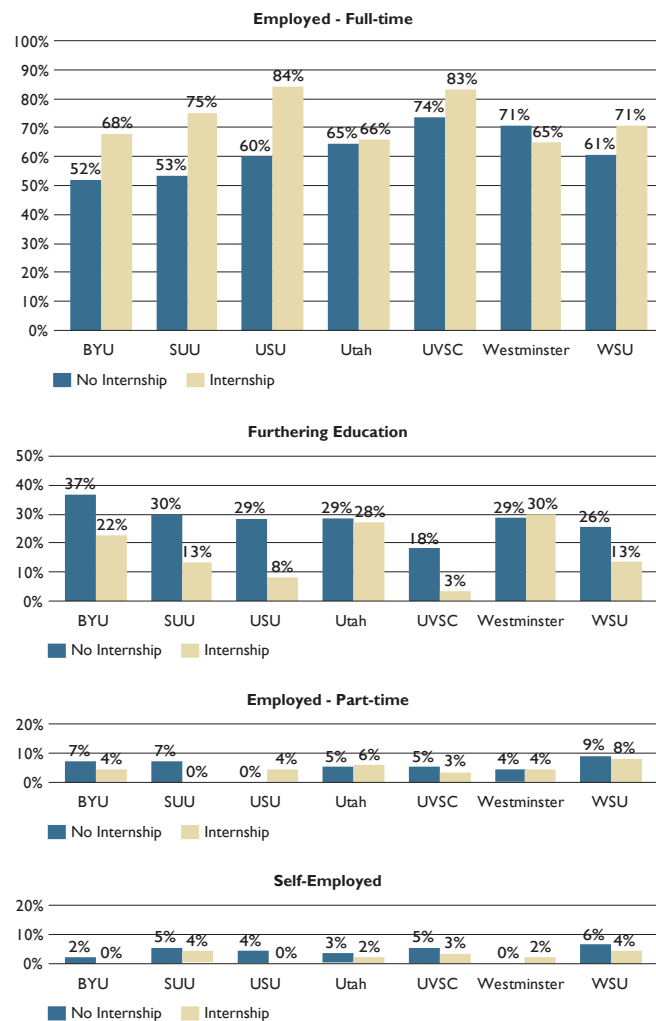


Figure 7: Salaries of Graduates Who Had Internships Compared to Graduates Who Had No Internships

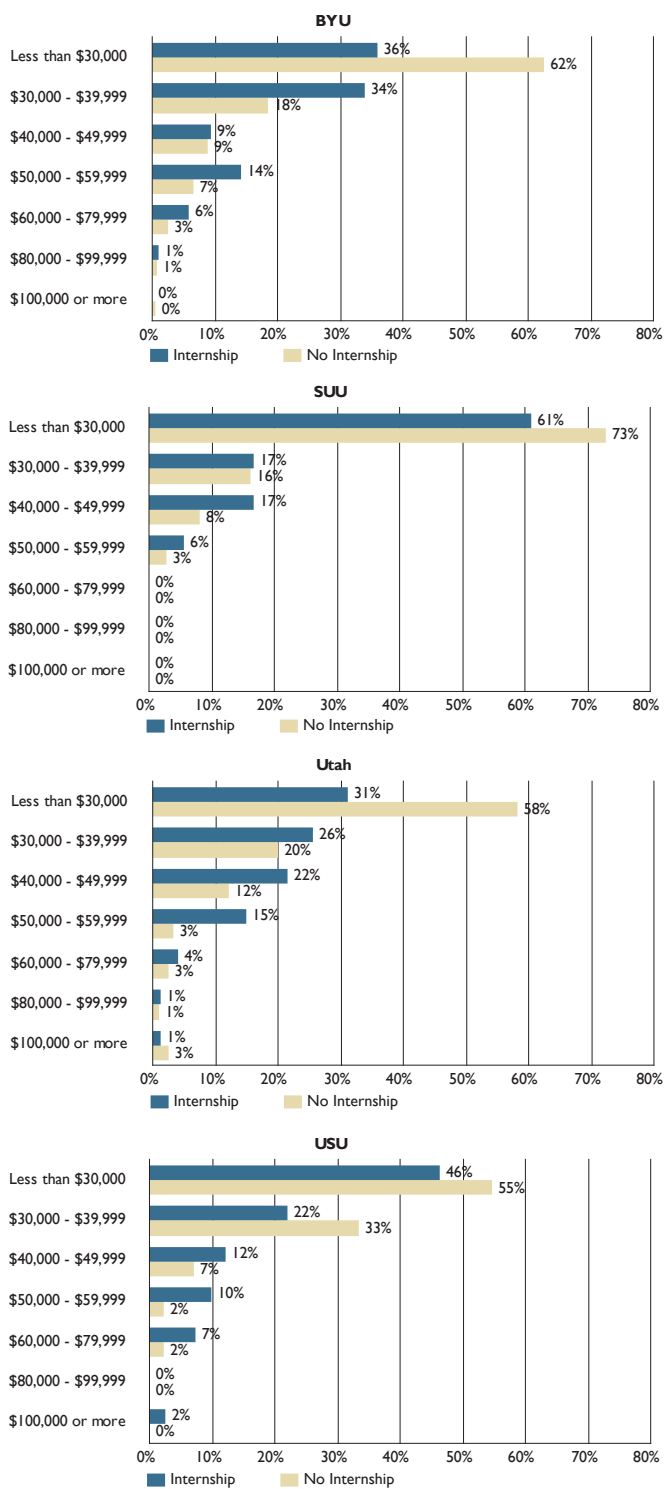


Figure 7: (Continued)

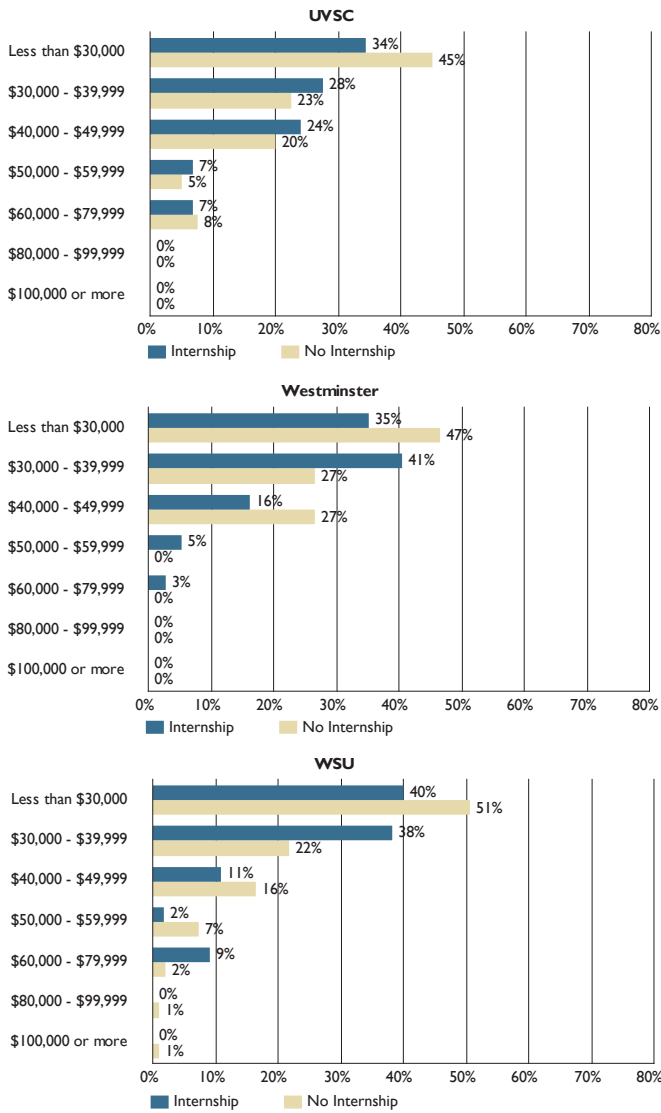
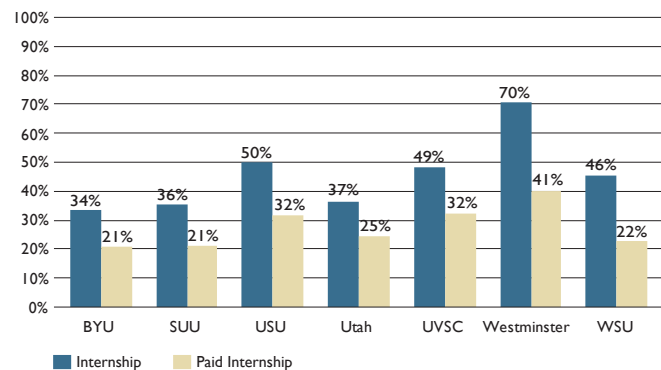


Figure 8: Percent of Graduates Who Had Internships

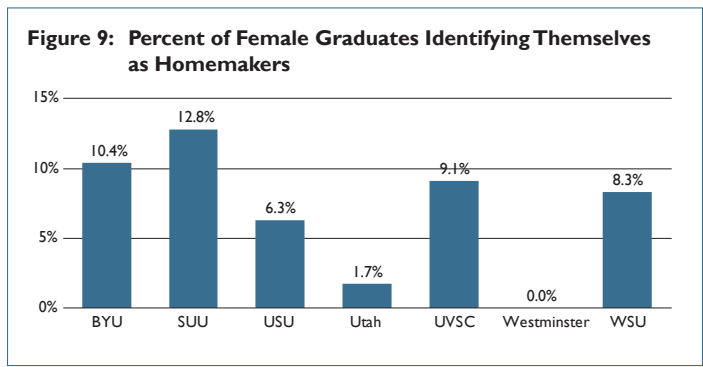


Ironically, graduates who had internship opportunities rated Utah's overall job opportunities lower than graduates who did not have an internship. This translated into a lower retention rate in Utah of graduates who interned during school. The implication is that many of the interning graduates left the state for better job opportunities. Perhaps their internship experiences made these students more competitive for out-of-state jobs, but it is not clear why more of them left the state than other graduates.

Overall, 39% of the 2004 graduates said they had completed internships. Looking at each of the colleges separately, 34% to 70% of students completed an internship during their schooling while the range for paid internships varied from 21% to 41% with Westminster leading the way in both categories (Figure 8).

HOMEMAKER

While the majority of graduates either choose to seek employment or pursue further education opportunities, a small but significant portion of those surveyed stated that they chose to become homemakers after graduation. Overall, 6% of graduates identified themselves as full-time homemakers (Figure 9), nearly all of them female bachelor's graduates. Among the schools, the percentage ranged from 0% at Westminster to 7.5% at SUU. Overall, nearly a tenth of female graduates identified themselves as homemakers. Utah and Westminster female graduates were the least likely to be homemakers, while BYU and SUU female grads were the mostly likely.



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