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Executive Summary

# Florida's Future Billions

How Expanding  
College Access,  
Participation, and  
Attainment Will  
Increase Prosperity  
in Florida

SEPTEMBER 2024

Heli<sup>o</sup>s<sup>®</sup>  
Education Foundation

Increasing college readiness and the high school graduation rate, expanding access to a college education for high school graduates, and increasing college completion are essential to improving overall attainment rates in Florida.

# About Helios Education Foundation

Helios Education Foundation exists to support postsecondary attainment for all students, especially low-income and underrepresented communities in Arizona and Florida. Driven by our fundamental beliefs of Community, Equity, Investment, and Partnership, Helios has invested more than \$350 million in partnerships and initiatives focused on improving education outcomes in the two states we serve.

We take a multi-pronged approach—working across four domains, including performance-based community investments, systemic public policy efforts, research and data, and impact-driven communications—that together support the significant changes required to foster equitable progress across the education continuum.

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*This report is based on research and analysis commissioned by Helios Education Foundation and conducted by Dr. Clive R. Belfield, of the Department of Economics at Queens College, City University of New York, and the Center for Benefit-Cost Studies in Education at the University of Pennsylvania. Upon request, Dr. Belfield's study is available from Helios Education Foundation.*

# Why Florida's Investments in Postsecondary Education Matter

The more Florida residents who have some form of college education—whether a license, certificate, or degree—the greater the economic benefits to the state.

Postsecondary enrollment and attainment lead to substantial gains for individuals and communities—and billions in gains for Florida as a whole. Floridians who attend college are more likely to enjoy increased lifetime earnings and more economic opportunities than their fellow residents who end their education after high school. Floridians who complete college will likely see even greater benefits, especially if they earn a bachelor's degree.

In turn, the benefits individuals experience add up to massive economic gains for Florida. For example, increasing Florida's postsecondary enrollment rate by 10 percent would generate \$8.38 billion annually for the state. A 20 percent increase in degree completion rates would generate annual gains of \$7.59 billion. For context, the operating budget for Florida's public university system is approximately \$8.5 billion.

Accordingly, given the potential individual and aggregate economic gains at stake, Florida has incentives to increase access to postsecondary education and to increase certificate and degree completion rates for those who enroll in the state's public colleges and universities. Returns on such investments will likely exceed, many times over, the spending on the additional resources and services required to ensure more high school graduates continue their education after school and earn a credential.

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## Three Ways of Understanding the Economic Benefits of Postsecondary Education

Postsecondary enrollment and attainment benefits are both private and public. In a private sense, individuals benefit through higher earnings, more stable employment, better health, and greater wealth accumulation. At the same time, these individual benefits add up to large-scale public benefits for Florida through higher revenues (e.g., sales tax in Florida), lower expenditures, and increased economic productivity and efficiency. Accordingly, the gains associated with postsecondary education can be understood from three perspectives.

- **INDIVIDUAL.** The private benefits individuals gain from postsecondary attainment are expressed mainly in higher lifetime earnings, increased labor force participation, greater job security, and better health.
  - **SOCIAL.** The social analysis shows how college enrollment and completion benefit communities and the state, in a public sense. It looks at overall increases in gross earnings and health status, as well as reductions in crime and other social consequences influenced by increased postsecondary attainment.
  - **FISCAL.** The fiscal perspective specifically highlights the benefits for Florida taxpayers regarding higher revenues and lower government expenditures related to increased postsecondary enrollment and completion, such as health and crime. Fiscal gains contribute to the overall social value of postsecondary education.
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# About Florida's Future Billions

This report models the economic effects of postsecondary enrollment and attainment across each cohort of high school graduates in Florida. The analysis includes U.S. Census Bureau age bands up to age 64 and accounts for all the monetary flows over an individual's working life attributable to each educational attainment status. Specifically, the attainment statuses included in the model are high school graduates, some college, associate degrees, bachelor's degrees, and advanced degrees.

The findings discussed in this report are outputs from an economic model. Accordingly, they should be considered projections, or forecasts, of likely economic outcomes if Florida expands postsecondary enrollment and attainment. This report models the following scenarios that can be achieved through intentional policymaking and coordinated investments:

- **A 10 percent increase in college enrollment (representing a change from 65 percent to 72 percent of the cohort or 14,450 new college students).**
- **A 20 percent increase in college completion rates at the associate and bachelor's degree levels (an increase to 46 percent of the cohort or 13,780 new degree awards).**
- **A 10 percent increase in college readiness for all high school graduates (affecting 87 percent of the cohort or 180,210 students).**
- **Equalization of college enrollment and completion rates by race (affecting 12 percent of the cohort or 24,560 new enrollees and degree awards).**

The model used in this analysis follows the methods of similar economic models for states across the U.S. and population subgroups. It is important to note that:

- **Florida-specific data (2009–2022) from multiple federal and state sources populate the model.**
- **The model cohort for this analysis consists of 206,470 students in Florida.**
- **Economic consequences are modeled from age 18 (high school graduation) through age 65 (expected retirement).**
- **All values are discounted back to age 18 and expressed as lump sum differences attributable to each educational status over an individual's working life.**
- **For each scenario, the model used in this analysis accounts for the cost of new students attending college.**

*For complete methodology, appendices, and sources, please see: Belfield, C. (2024). *The Economic Benefits of Increasing Post-Secondary Education for Florida*. New York, NY Queens College, City University of New York. Available by request from Helios Education Foundation.*



# Factors Considered in the Economic Model

## LIFETIME EARNINGS

Going to college is typically associated with improved personal financial outcomes relative to a high school diploma alone. Earning a degree leads to even better outcomes, including higher hourly earnings and greater job security.

## TAXES

There are substantial differences in lifetime tax payments per education level, and individuals with college degrees contribute significantly more to local, state, and federal tax contributions.

## HEALTH

Individuals with more college education are significantly healthier than high school graduates. Research identifies strong independent effects of college education on lifetime health status.

## CRIME

College-educated individuals are less likely to engage in criminal activity. Less than 5 percent of the U.S. prison population has ever enrolled in college.

## EXTERNALITIES, WELFARE, EDUCATION, AND DEADWEIGHT LOSS

To fully account for the economic impact of increased postsecondary education, the model considers four additional effects:

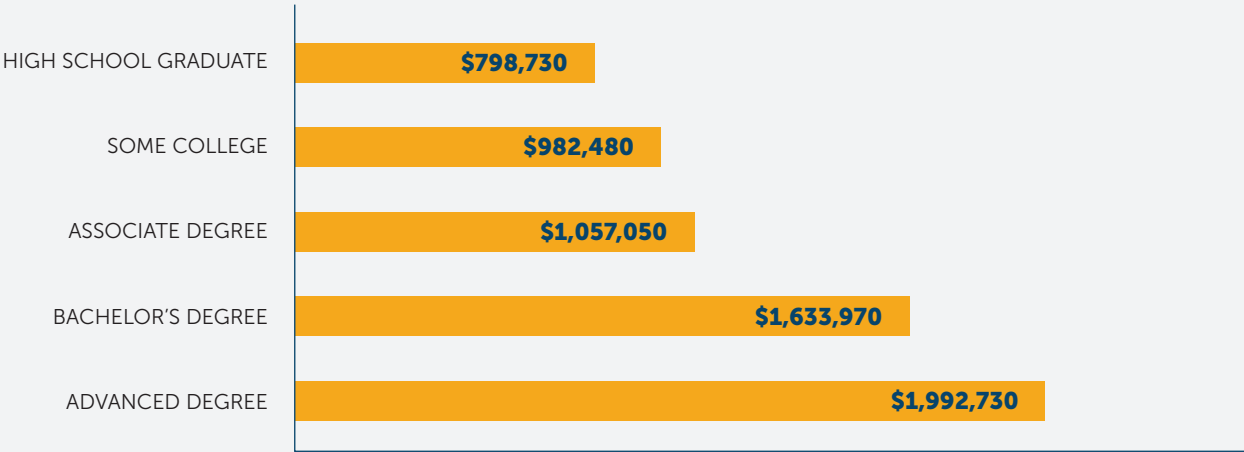
- Positive economic effects and improved productivity
- Reduced welfare spending
- Costs related to providing postsecondary education
- Changes to the economic distortion or deadweight loss from imposing taxes

# Education and Training After High School Yield Increased Earnings, Better Health, and More Opportunity

Every year, approximately 180,000 young adults in Florida complete their high school education and are, therefore, eligible to enroll in postsecondary education or training.

For most young people who have graduated from high school or earned their high school equivalency (GED), some form of college education is the surest path to a stable, prosperous, and opportunity-rich future. This is mainly because the earnings premium that comes from a college education can be life-changing. Going to college can lead to a notable increase in expected lifetime earnings, even if an individual does not eventually complete their certificate or degree. An individual with a bachelor's degree, for example, will likely earn almost 67 percent more than a high school graduate. At the same time, Floridians with a postsecondary education typically benefit from better health, which, in combination with higher earnings, amounts to substantially higher expected lifetime value for these individuals compared to Floridians whose education stops after high school.

## Postsecondary Education Leads to Higher Lifetime Value for Individuals



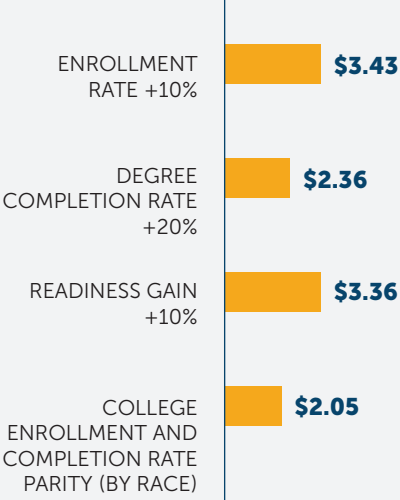
# When Individuals Benefit from Postsecondary Education, So Does Florida

For Florida, the overall social value of postsecondary enrollment and attainment represents a substantial return on investment. That return encompasses increases in gross earnings and health status, as well as reductions in crime and other social consequences influenced by increased postsecondary attainment. For each scenario modeled, the projected social gains range from \$4.62 to \$8.75 billion per high school cohort.

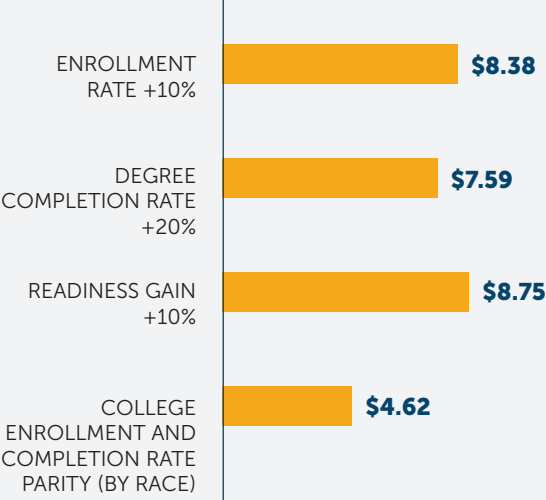
Florida taxpayers benefit from higher education because the additional earnings for college-educated individuals directly translate into additional tax contributions, and higher college attainment rates contribute to lower government spending on a range of public services. The fiscal gains range from \$2.05 to \$3.43 billion per high school cohort.

## Aggregate Annual Fiscal and Social Benefits to Florida from Increased College Attainment

### Fiscal (\$ billions)



### Social (\$ billions)



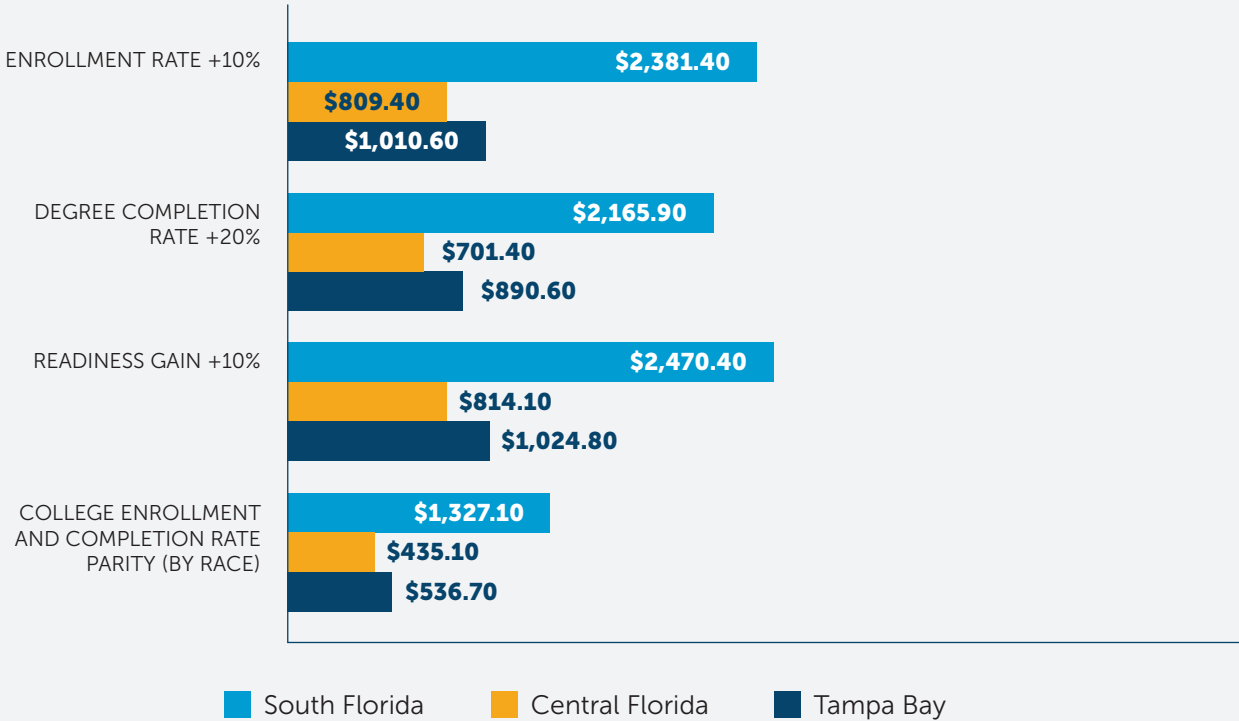
The economic benefits of postsecondary education vary regionally. Helios prioritized specific analysis of the three regional communities the Foundation primarily serves in Florida: Central Florida (Orange and Osceola counties), South Florida (Broward and Miami-Dade counties), and Tampa Bay (Hillsborough and Pinellas counties).





The economic model projects high returns across all four scenarios for each region. Those projected returns are highest in South Florida, which is largely attributable to lower attainment and greater levels of economic disadvantage—as well as higher wages and employment growth—across Broward and Miami-Dade counties (compared to the other two Helios focus regions).

### Regional Economic Gains from Postsecondary Education (Social Gains, \$ millions)



# Key Takeaways

## The Exceptional Economic Potential of Increased Postsecondary Attainment

- Postsecondary enrollment and attainment benefit Floridians individually and collectively, leading to greater prosperity and a stronger economy.
- Floridians who enroll in college benefit from significant gains over their lifetimes, including increased earnings and more economic opportunities. Those who complete college will gain even more, especially if they earn a bachelor's degree.
- Floridians who go to college and complete a degree can expect to earn from \$1,004,690 to \$1,982,540 in their lifetimes, depending on their education level. By comparison, high school graduates in Florida can expect to earn \$791,240.
- Across the board, the personal rates of return on postsecondary education are significant for individuals despite variances among students from different racial groups and education levels.
- Economic models of four potential scenarios show that Florida can benefit from billions in annual economic gains by increasing college enrollment and completion rates, improving college readiness among high school graduates, and achieving racial parity in college enrollment and completion.
  - These economic gains range from \$4.62 billion to \$8.75 billion annually.
- The economic value to the state that comes from these increases ranges from \$22,360 to \$42,340 per high school student.
  - This amounts to two to four times the state's annual public education spending per student.

## Summary

### Increased College Attainment Scenarios for Florida and the Corresponding Annual Benefits

Scenario (relative to baseline)	Economic Value for Florida	
	Per High School Cohort (\$ bn)	Per High School Student
ENROLLMENT RATE +10%	\$8.38	\$40,510
DEGREE COMPLETION RATE +20%	\$7.59	\$36,700
COLLEGE READINESS GAIN +10%	\$8.75	\$42,340
COLLEGE ENROLLMENT AND COMPLETION RATE PARITY (BY RACE)	\$4.62	\$22,360



## What Florida Can Do to Increase Postsecondary Enrollment and Attainment

Florida can expect substantial economic returns from investments to expand postsecondary access, enrollment, and attainment. Education and business leaders and policymakers in the state can confidently invest in ensuring that more Florida high school students graduate ready to go to college and complete their program of study, reducing barriers to postsecondary access, and targeted supports for students who might otherwise be unable to pursue education and training after high school.

Florida has a robust platform on which to build. Its public college and university systems are among the strongest and most affordable in the country. Accordingly, the state can consider the following investments and strategies to increase postsecondary enrollment and attainment:

- **Concerted initiatives to enhance postsecondary readiness among Florida’s high school students represent an important avenue for statewide investment. Such initiatives—including efforts to reduce chronic absenteeism, policies designed to increase participation in accelerated coursework, and improved access to information and guidance about postsecondary options—can help to ensure that more K-12 students have the learning opportunities and supports that prepare them for success in education and training after high school.**
- **Despite Florida’s comparatively affordable options, the cost of postsecondary education remains one of the most significant barriers for many students. Expanding state-sponsored grant aid programs and increased funding for the state’s colleges and universities are feasible investments that can help make postsecondary education more affordable for more students.**
- **Cultivating public-private partnerships, regionally and statewide, can also help to expand opportunities for students, especially in Florida’s high-demand industries and sectors. Such partnerships bolster what public systems already offer and can help to build a stronger workforce with skills needed to grow key industries and strengthen regional economies in the state.**
- **Continued investments in systems, policies, and practices that support data-informed decision-making by education leaders and policymakers across the K-12 to postsecondary continuum can strengthen existing policies and programs and help ensure that new ones are designed and implemented effectively.**



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