

# THE ECONOMIC & COMMUNITY IMPACTS OF 2023 UNIVERSITY OF THE PEOPLE (UOPEOPLE) U.S. GRADUATES ON THE UNITED STATES (U.S.) ECONOMY

FEBRUARY 2024



PREPARED BY  
**TRIPP UMBACH**



UNIVERSITY  
OF THE PEOPLE

# INTRODUCTION

This independent report, completed by Tripp Umbach<sup>1</sup>, examines the substantial contributions made by UoPeople graduates to the broader economic landscape of the United States. UoPeople is the first non-profit, tuition-free, American, accredited online university. Dedicated to opening access to higher education globally, UoPeople helps high school graduates overcome financial, geographic, political, and personal constraints keeping them from college studies.

In 2023, the University of the People celebrated the graduation of 931 U.S. students. A detailed analysis of their economic impact over a 26-year working lifetime unveils compelling insights into the influential role played by UoPeople in advancing the well-being of its graduates and the U.S. economy in general.

Tripp Umbach's analysis indicates that with the average cost of a bachelor's degree at UoPeople being \$4,800, the return on investment for a bachelor's degree at UoPeople is approximately 30 times higher than that of the average U.S. bachelor's degree. UoPeople's 2023 U.S. graduates will generate \$1.3 billion in total economic impact over their working lives, primarily driven by their heightened earning capabilities.<sup>2</sup> Projections indicate that increased earnings caused by 2023 graduates will support 10,486 new jobs, showcasing the tangible effects of UoPeople's educational initiatives on workforce development over the next 26 years. Furthermore, the anticipated increase in tax state and local tax revenue is substantial, reaching \$65.5 million over their 26-year working lifetimes. This analysis underscores the vital role of UoPeople graduates in advancing their success and making a significant and positive contribution to the overall economic prosperity of the United States.



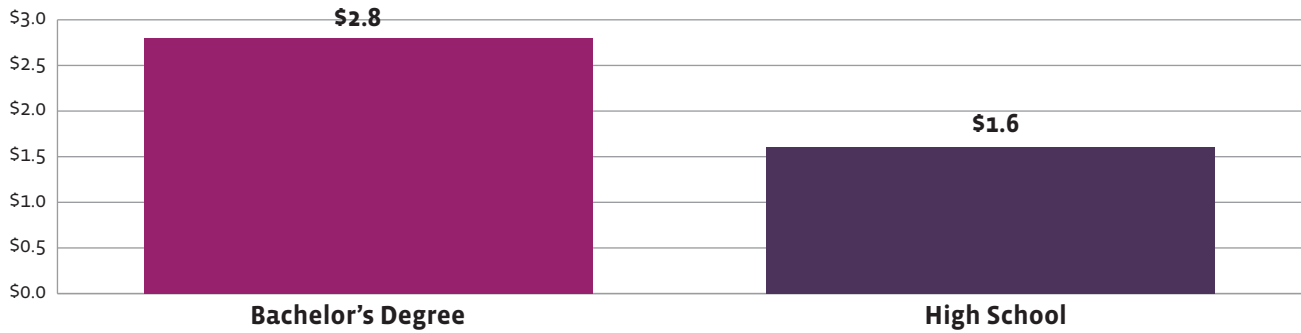
<sup>1</sup> See Appendix A

<sup>2</sup> Tripp Umbach assumes for this analysis that UoPeople graduates will have similar income to the average US graduate from other degree programs.

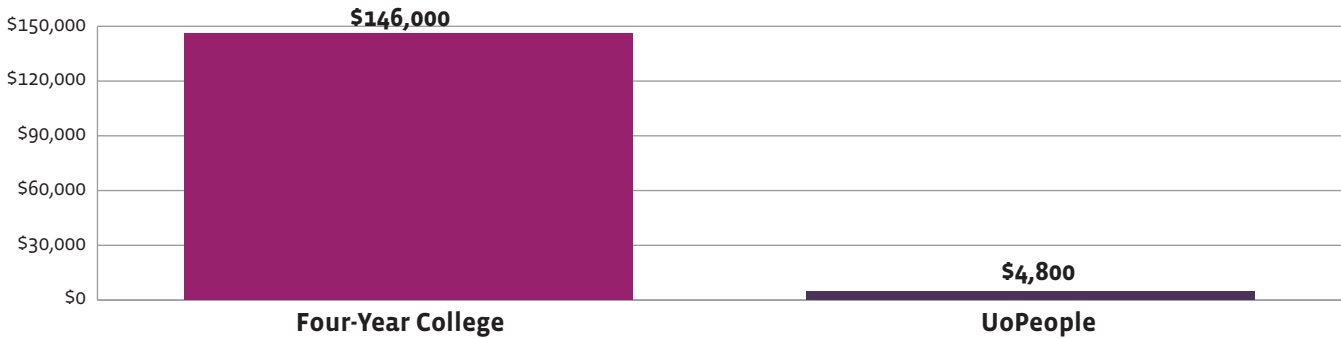
# IMPACT ON UOPEOPLE U.S. GRADUATES

UoPeople 2023 US graduates with a bachelor’s degree will, on average, earn \$2.8 million over their working lives. This amount is \$1.2 million higher than the \$1.6 million that high school graduates will make in their lifetimes.<sup>3</sup> In 2022<sup>4</sup>, the average cost for a bachelor’s degree, including tuition, room and board, fees, and supplies, equals \$146,000 throughout the degree program.<sup>5</sup> Therefore, the return on investment of obtaining a bachelor’s degree equals \$8.2 for every 1\$ invested in the degree program. The average cost for a bachelor’s degree at the UoPeople equals \$4,800, resulting in a return on investment of \$250 for every \$1 invested in the degree program. This implies that the return on investment for a bachelor’s degree from UoPeople is approximately 30 times higher than that of the average U.S. bachelor’s degree.<sup>6</sup>

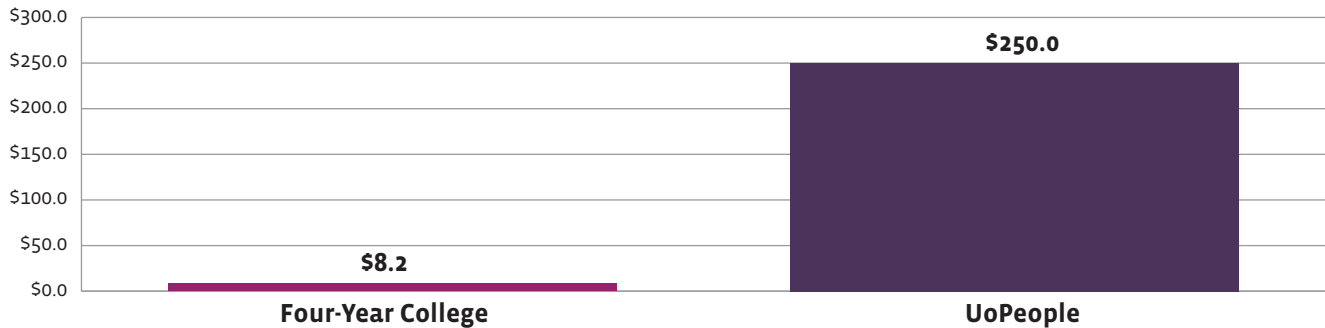
**Figure 1: High school earnings vs. bachelor’s degree Earnings over a lifetime (in millions)**



**Figure 2: Average Cost of bachelor’s degree at four-year colleges vs. UoPeople**



**Figure 3: ROI comparisons (per \$1 invested)**



<sup>3</sup> The Ascent: Here’s What Happens to Your Salary When You Attend College, 2023

<sup>4</sup> This independent report by Tripp Umbach includes the latest data available and the firm asserts that the findings will not change significantly when 2023 data on the average cost of a bachelor’s degree is released.

<sup>5</sup> National Center for Education Statistics: Average Cost of College Accessed Via Best Colleges, 2021-2022

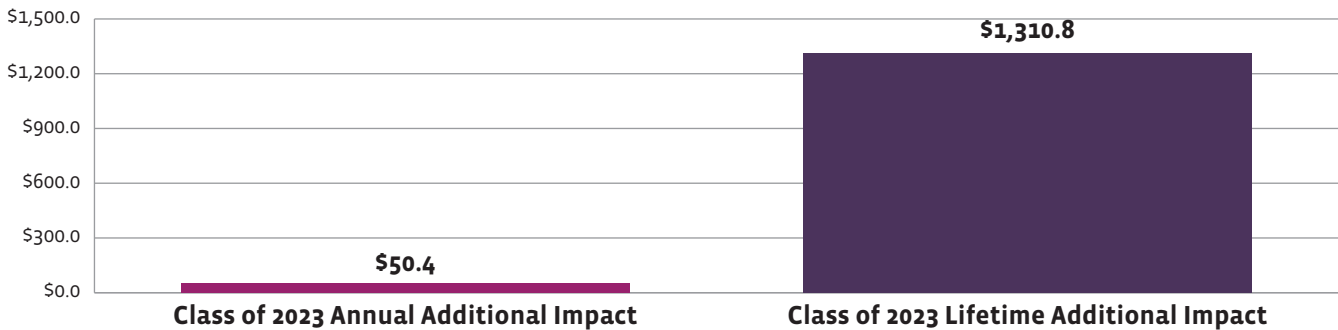
<sup>6</sup> University of the People: UoPeople Fees | Low Cost, High Quality

## IMPACT ON THE UNITED STATES ECONOMY

UoPeople graduates residing in the United States contribute significantly to the economy. The additional annual economic impact on the U.S. economy in 2023 for each graduate is estimated at \$54,150 more than what someone with only a high school diploma will generate annually in the economy.<sup>7</sup> This number includes \$27,000 in extra spending and the remaining \$27,150 in indirect and induced re-spending in the U.S. economy per UoPeople graduate. Over a lifetime of extra earnings, the average UoPeople graduate will generate an additional \$1.4 million in the U.S. economy.

Spending from extra income from the entire graduating class of 2023 is estimated to impact the U.S. economy annually by \$50.4 million positively. The cumulative extra economic impact for the 2023 graduating class is projected to be \$1.3 billion throughout their professional careers. This underscores the substantial economic value generated by the increased educational attainment. It is important to note that all economic impact assumptions included in this report are based only on the extra earning potential of graduates over the period (see Appendix C for detailed methodology). See Figure 4

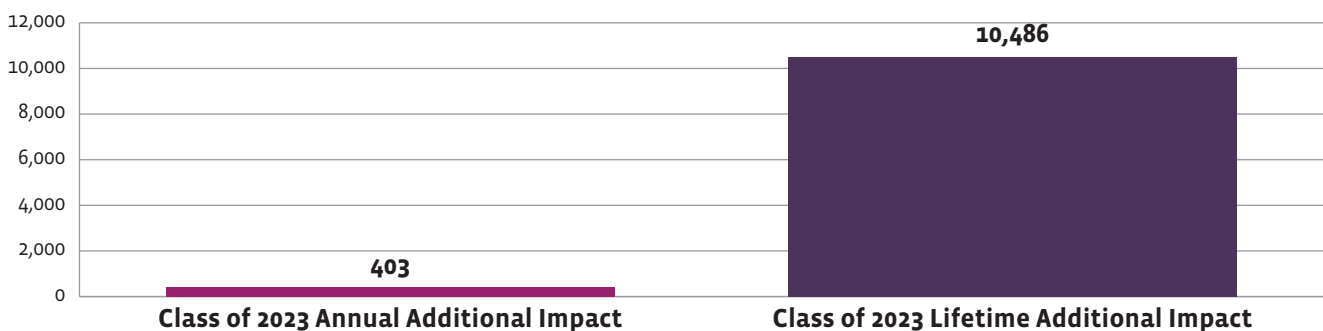
**Figure 4: Current and Projected Annual Economic Impact and Lifetime Economic Impact (in millions)**



## EMPLOYMENT IMPACT

Tripp Umbach's analysis indicates that UoPeople's 2023 graduating class of U.S. students will support 10,486 additional jobs in the country throughout their professional careers. This projection is based on the enhanced earning capacity resulting from the increased educational attainment achieved beyond a High School diploma. (see Figure 5).

**Figure 5: Current and Projected Employment Impact (in new jobs created)**

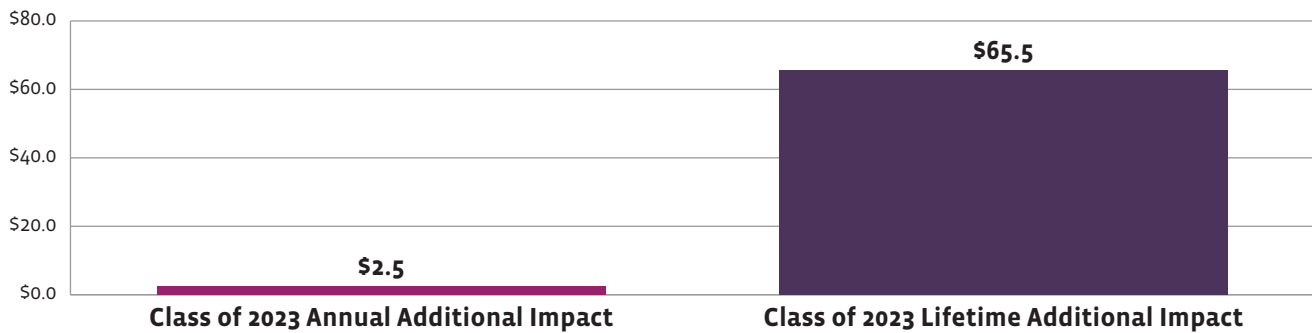


<sup>7</sup> Bureau of Labor Statistics: Education pays, 2022: Career Outlook: U.S.

## STATE AND LOCAL TAX REVENUE

Tripp Umbach determined that the heightened income of UoPeople graduates residing in the United States significantly contributes to the economy and yields substantial additional state and local tax revenue. Projections indicate that the annual state and local tax revenue generated by the increased income of the graduating class of 2023 is anticipated to reach \$65.5 million over their professional lifetimes, showcasing a noteworthy increase from the \$2.5 million generated by the same graduating class in 2023. This underscores the broader fiscal benefits stemming from the enhanced educational achievements of UoPeople's U.S. graduates. (See Figure 6)

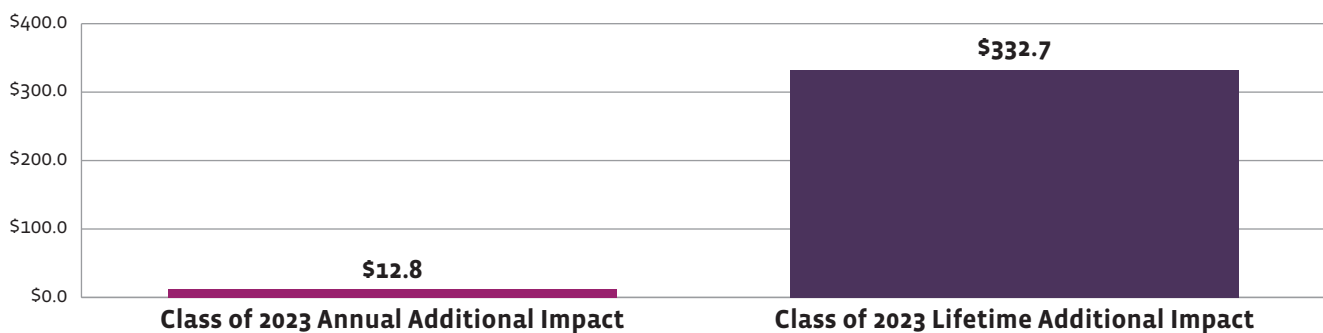
**Figure 6: Current and Projected Additional Tax Revenue (in millions)**



## GROWTH IN NET WORTH<sup>8</sup>

Individuals with more than a high school diploma experience a positive impact on their lifetime net worth. Research consistently shows that adults with postsecondary credentials, such as a college degree or vocational certification, have higher net worth than those with only a high school diploma. This impact can be attributed to various factors, including higher earning potential, career advancement, increased valuable skills and knowledge, and the capacity for entrepreneurship and business investment. The analysis shows that the projected net worth of each UoPeople graduating class in the United States over their lifetimes will grow from \$12.8 million annually from the extra earning power of the 2023 graduating class to \$332.7 million over their lifetime. (See Figure 7)

**Figure 7: Current and Projected Net Worth (in millions)**

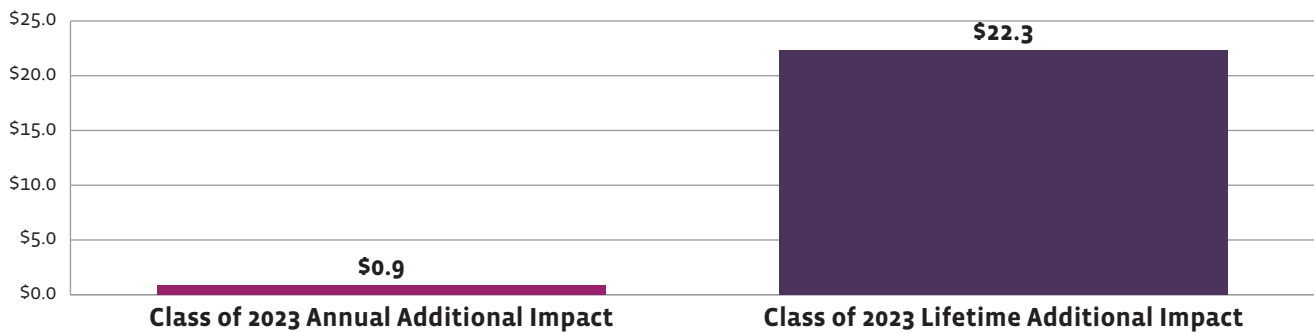


<sup>8</sup> The Motley Fool: Average Net Worth of Americans by Age, Education, and Race

## CHARITABLE CONTRIBUTIONS

The research findings substantiate that the increased income of UoPeople graduates from the class of 2023 who reside in the United States will result in a considerable increase in lifetime charitable contributions. These contributions are anticipated to reach \$22.3 million over their professional lifetimes, a substantial increase from the almost \$1 million recorded for the same graduating class in 2023. This underscores the discernible impact of heightened educational attainment on the charitable giving capacity of UoPeople graduates. (See Figure 8)

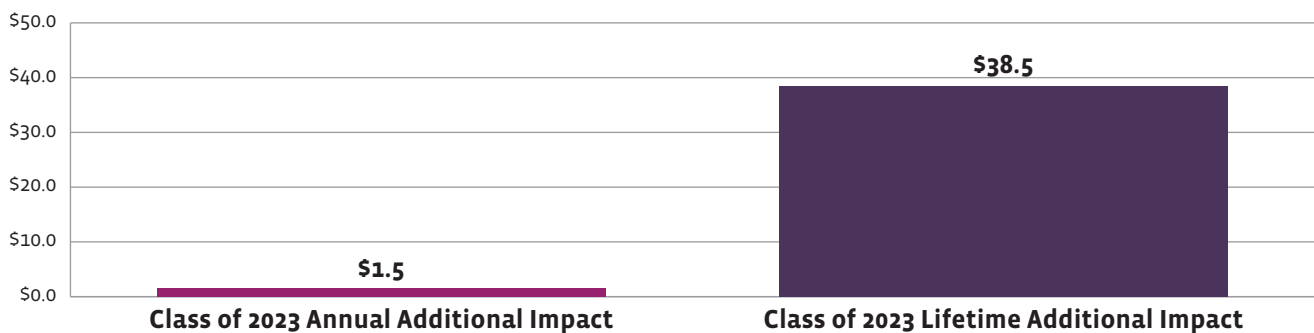
**Figure 8: Current and Projected Charitable Contributions Per Class (in millions)**



## VALUE OF VOLUNTARY TIME<sup>9</sup>

For the 2023 UoPeople graduates residing in the United States, the value in voluntarism is anticipated to amount to \$38.5 million over their professional lifetimes, showcasing a substantial increase from the \$1.5 million recorded for the graduating class 2023. The increased income and the ability to provide services to community organizations increase the vitality of communities throughout the United States.<sup>10</sup> (See figure 9)

**Figure 9: Current and Projected Value Voluntary Time (in millions)**



<sup>9</sup> Independent Sector: Value of Volunteer Time, 2023

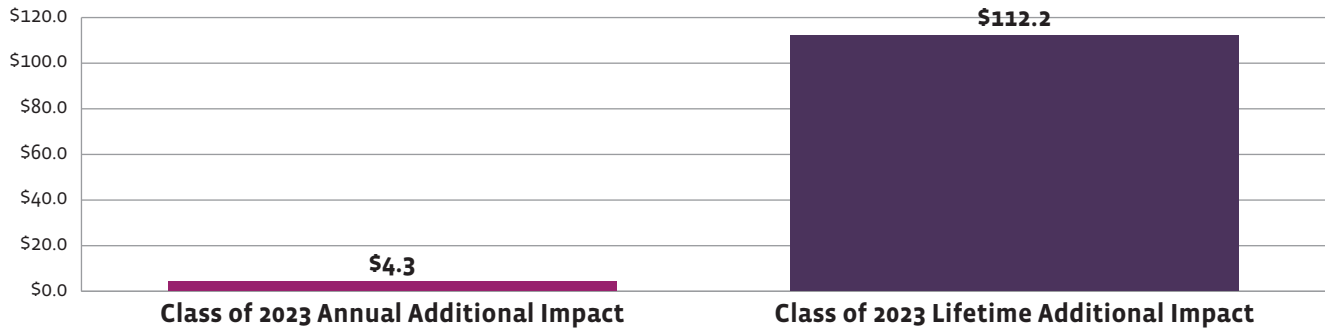
<sup>10</sup> Based on national charitable giving data provided by the IRS and modeled by APLU factor of 3.5, college graduates are more than twice as likely to volunteer and contribute nearly 3.5 times more money to charity than those with only a high school diploma.



## HEALTHCARE COST SAVINGS

The analysis indicates the potential annual healthcare cost savings, resulting from increased income and improved access to preventative care, is expected to grow from \$4.3 million for the 2023 UoPeople's U.S. graduating class to \$112.2 million over the 26-year lifetime of the same graduating class. The per-graduate lifetime healthcare cost savings are expected to surge from \$4,635 in 2023 to \$120,505 based on existing Medicaid coverage rates. (See Figure 10)

**Figure 10: Current and Projected Healthcare Cost Savings (in millions)**



# APPENDIX A: STATEMENT OF CONSULTANT QUALIFICATIONS

Tripp Umbach is a national and international leader in conducting economic impact studies, consultation, and communication services for major research universities, non-profit organizations, corporations, private colleges, hospitals, medical schools, academic medical centers, industry associations, and tourist destinations.

Tripp Umbach is a pioneer and national leader in providing economic impact assessments for colleges and universities, having completed 500 individual studies for higher education institutions over the past 35 years. Tripp Umbach’s clients include Penn State University, the Ohio State University, Brown University, Northwestern University, the University of Southern California, Boston University, the University of Pittsburgh, Rice University, Carnegie Mellon University, Arizona State University, and Washington and Jefferson College.



# APPENDIX B: METHODOLOGY

Tripp Umbach leveraged available data and resources, including state economic data; graduation rates; US workforce data, including industry shortages and skills gaps; and available academic outcomes data from both institutions to construct a comprehensive analysis of national economic, academic, and workforce development benefits that will emerge from UoPeople graduates. By creating customized economic impact models from data supplied by the university and published sources and, with IMPLAN analysis, Tripp Umbach developed estimates of the current and future economic impact stemming from UoPeople graduates.

Data supplied by UoPeople and used by Tripp Umbach to analyze the economic and social impact of UoPeople on the United States include the projected number of UoPeople students enrolled and the number of graduates in the US. The client provided data indicating that 931 persons received credentials in the 2022-2023 academic year in the following categories:

| Degree Awarded | Number of degrees in the school's history awarded to U.S. students | Number of degrees granted in 2023 AY to U.S. students | Average number of months to complete the degree |
|----------------|--|---|---|
| Associates     | 923  | 237   | 32  |
| Bachelors      | 799  | 254   | 40  |
| Masters        | 1,512  | 440   | 19  |
| <b>Total</b>   | <b>3,234</b>   | <b>931</b>  | <b>30</b>                                       |



# APPENDIX C: STUDY METRICS

The findings below include additional economic and social benefits to The U.S. from increased education attainment.<sup>11</sup> While high school graduates have economic and social impacts on the U.S., the findings below represent the additional impact that could be achieved in a lifetime.

The total number of new jobs supported in the U.S. over the working lifetimes of 2023 UoPeople graduates from the U.S. is projected to equal 10,486. This number is based on \$54,150 in national economic impact per graduate supporting .43 jobs (source: IMPLAN).

- Therefore, \$1.31 billion in national economic expansion from the UoPeople graduating class throughout their working lives supports 10,486 additional jobs throughout the U.S. (1 job created in the U.S. from every \$125,011 in national economic impact).
  - **Metric:** 11 – Additional jobs supported during working life by each graduate from the U.S. This number is based on the number of jobs supported (10,486 divided by 931 graduates in their working lifetimes).
  - **Metric:** \$1,407,907 – Additional economic impact of each graduate on the U.S. economy over their working lives, based on an average of 26 years in the workforce after receiving an academic credential.
  - **Metric:** \$54,150 Additional per graduate economic impact on the U.S. economy annually. The difference of \$27,000 in average extra earning power was used as an input in IMPLAN to generate a total direct, indirect, and induced economic impact on the state's economy of \$54,150.
- Total state and local tax revenue in the U.S. over the working lifetimes of 2023 UoPeople graduates from the U.S. could grow by \$65.5 million.
  - **Metric:** \$70,395 – Additional state and local taxes generated by each graduate from the U.S. throughout their working lives.
- Charitable contributions in the U.S. over the working lifetimes of 2023 UoPeople graduates from the U.S. could grow by \$22.3 million.
  - **Metric:** \$23,934 – Additional charitable contributions per graduate over their working lives (26 years after graduation) from the U.S.
- The value of voluntary time in the U.S. over the working lifetimes of 2023 UoPeople graduates from the U.S. equals \$38.5 million.
  - **Metric:** \$41,340 – Additional value of volunteer time per graduate in the U.S. during their working lives. Voluntary time is defined as time volunteering for charitable causes. These numbers are based on the independent sector estimate of \$31.80 per hour and an estimate of 50 hours of volunteerism per graduate per year.<sup>12</sup>
- Healthcare cost savings in the U.S. over the working lifetime of the 2023 UoPeople graduating class will equal \$112.2 million.
  - **Metric:** \$120,505 – Additional cost savings from each graduate from the U.S. throughout their working lives. Tripp Umbach utilized data from the Association of Public and Land-grant Universities, indicating that people with college credentials are more likely to be healthy. Tripp Umbach's analysis is based on proprietary models considering higher income and greater access to preventative care.

<sup>11</sup> All metrics reflect additional economic and social impact that a college graduate has over a high school graduate.

<sup>12</sup> Nonprofit Leadership Center: How to Calculate the Value of Volunteer Time (nlctb.org)



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