

# Benefits of Educational Attainment in Florida

Educational attainment has long been recognized as a way for people to improve their employability and income levels. According to a study conducted by the College Board, an educated populace brings broader societal benefits:

- Lower levels of unemployment and poverty (a decreased dependence on social programs that place demands on public budgets);
- Fewer smokers, participate in exercise more often and have lower obesity rates (reducing health care costs for individuals and for society);
- Lower incarceration rates;
- Higher levels of civic participation such as volunteer work and voting; and
- Federal, state, and local governments enjoy increased tax revenue from college graduates.<sup>1</sup>

This research brief examines the impact of educational attainment for Floridians in terms of poverty levels, the need for public assistance, salary levels, and the proportion of citizens continuing their education. Selected data are presented from the U.S. Census Bureau's American Community Survey (ACS) 2005-09 and from the Florida Education and Training Placement Information Program's (FETPIP) *Annual Outcomes Report*.

The ACS is an ongoing survey that provides data every year on age, gender, race, income and benefits, education, veteran status, and where people live, work and how they pay for essentials, for example.<sup>2</sup> Data collected by the ACS are provided to communities so they have current information to plan investments and services.<sup>3</sup> The 2005-09 ACS is a 5-year estimate for data collected from January 1, 2005 to December 31, 2009.<sup>4</sup>

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<sup>1</sup> The College Board, *Education Pays 2010: The Benefits of Higher Education for Individuals and Society*, [http://trends.collegeboard.org/downloads/Education\\_Pays\\_2010.pdf](http://trends.collegeboard.org/downloads/Education_Pays_2010.pdf)

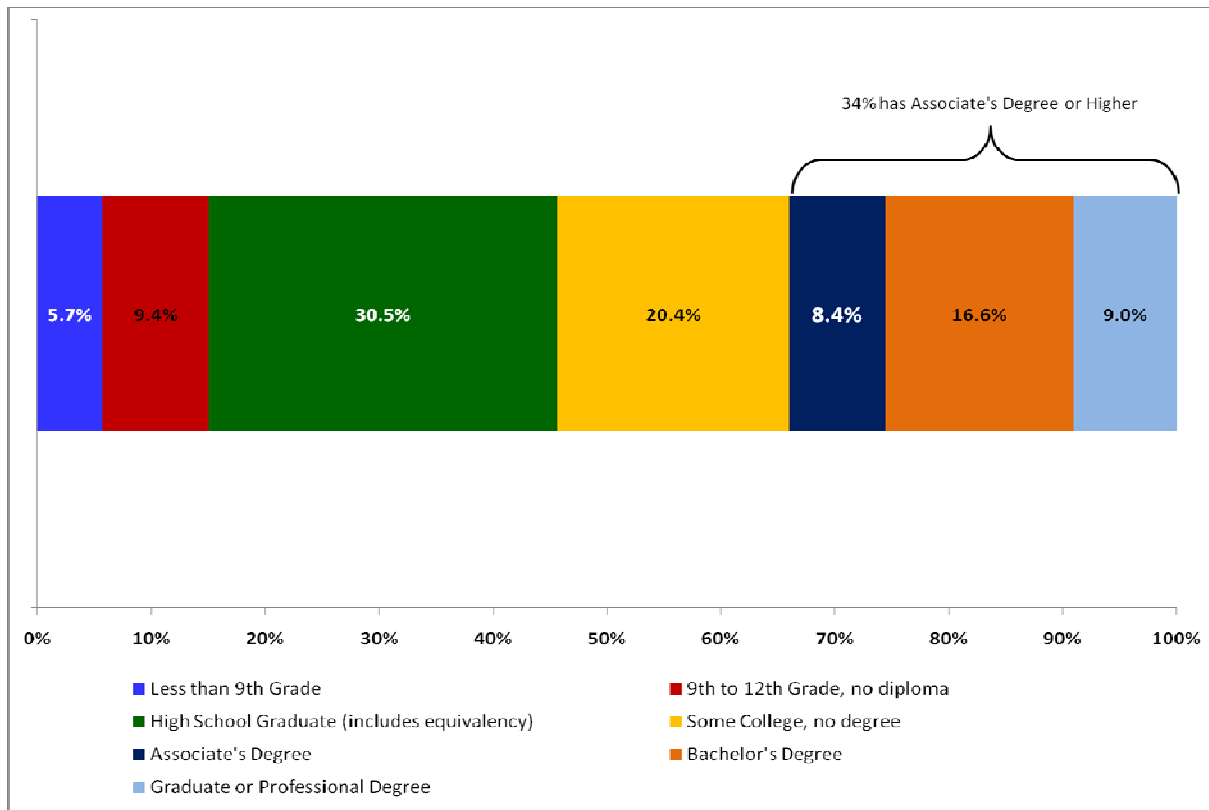
<sup>2</sup> U.S. Census Bureau, *About the American Community Survey*, [http://www.census.gov/acs/www/about\\_the\\_survey/american\\_community\\_survey/](http://www.census.gov/acs/www/about_the_survey/american_community_survey/)

<sup>3</sup> Ibid.

<sup>4</sup> U.S. Census Bureau, *American Community Survey 2005-09*, [http://www.census.gov/acs/www/data\\_documentation/2009\\_5yr\\_data/](http://www.census.gov/acs/www/data_documentation/2009_5yr_data/)



### Exhibit 1. Educational Attainment, Florida Population 25 Years and Older



Source: U.S. Census Bureau, American Community Survey, 2005-09

**Exhibit 1** shows the educational attainment of individuals in Florida who are 25 years old and over. Fifteen percent (15.1%) have not earned at least a high school diploma. Approximately 30.5% have earned a high school diploma or an equivalency—the most common level of educational attainment in Florida. Next, 20.4% of Floridians have completed some college but have not earned a degree. Finally, 8.4% have earned an associate's degrees, 16.6% earned bachelor's degrees, and 9.0% completed graduate or professional degrees. This means that 66% of Floridians have less than an associate's degree. It should be noted that the ACS only reports educational attainment for those 25 years and older, so younger individuals are not included in the above chart.

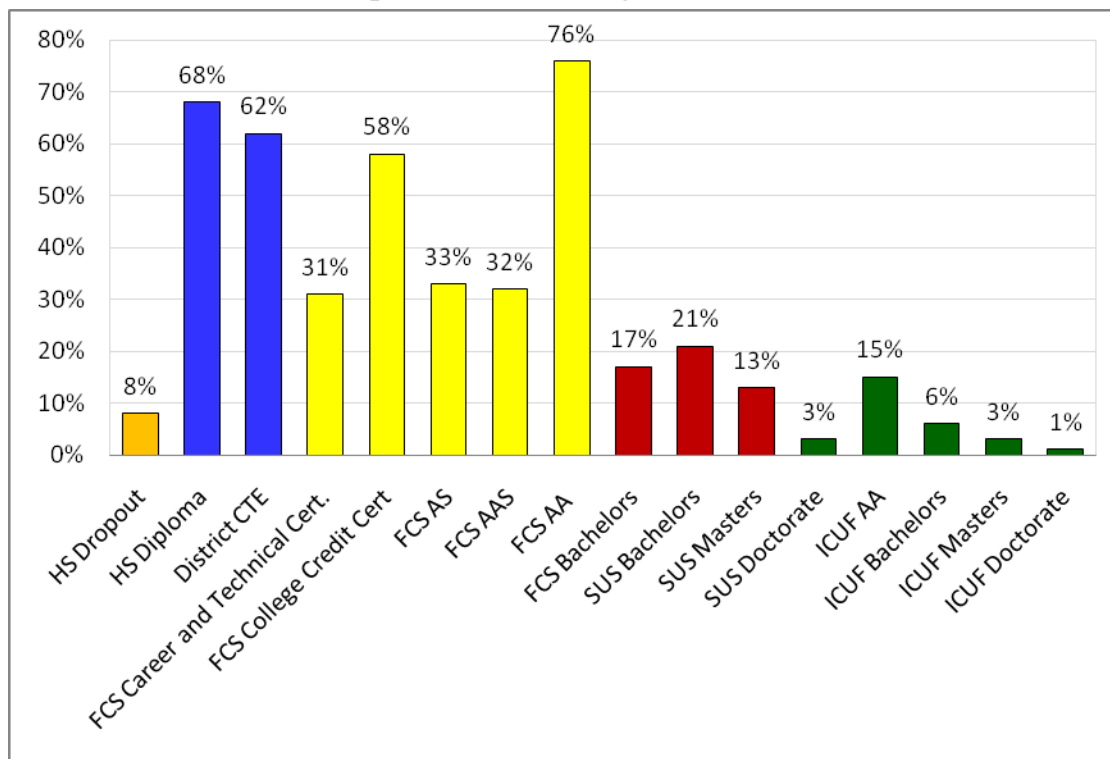
The data in Exhibit 1 provide a "snapshot" of education attainment in the state. Due to the static nature of ACS data, the percentage of Floridians who are continuing their education attainment is not depicted. FETPIP is "a data collection and consumer reporting system established by section (s.) 1008.39, Florida Statutes (F.S.) to provide follow-up data on former students and program participants who have graduated, exited or completed a public education or training program within the State of Florida."<sup>5</sup> The

<sup>5</sup> Florida Department of Education, <http://www.fldoe.org/fetpip/>



next chart uses FETPIP data to show how many 2008-09 graduates from various education sectors and education levels are continuing their education.

**Exhibit 2. Percent of Completers Continuing Education**



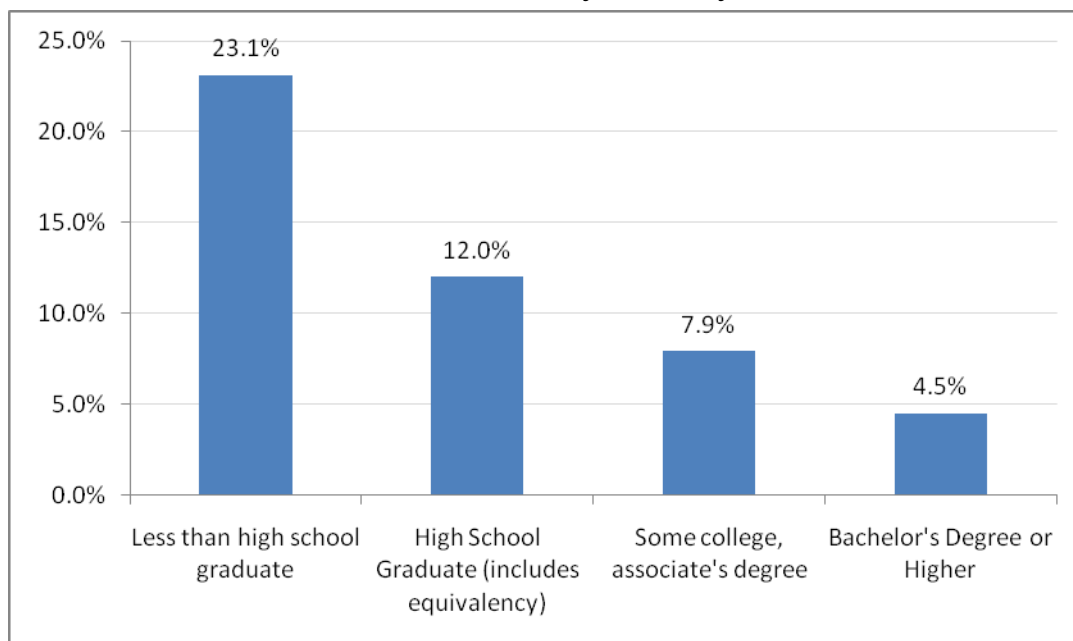
Source: Florida Department of Education, FETPIP

**Exhibit 2** shows the percent of 2008-09 completers (graduates), by sector and award, who are continuing their education. Approximately 68% of high school graduates were continuing their education, most of them in the FCS. Similarly, 62% of District Secondary Career and Technical Education (CTE) completers were found continuing their education. For students from the Florida College System (FCS), many graduates from various programs were found continuing their education. The highest proportions of FCS completers who are found continuing education are those who have earned College Credit Certificates (58%) and those who earned Associate in Arts (AA) degrees (76%). It is not surprising that the proportion of AA graduates are continuing their education, especially since articulation policies allow students who have earned AA degrees to seamlessly transfer to a bachelor's degree program in the State University System (SUS) or the FCS. At the bachelor's levels (in any sector) the percentage of graduates who continue their education decreases. Seventeen percent (17%) of students who earned their baccalaureate degrees from the FCS were found to be continuing their education, compared to 21% of bachelor degree recipients from the SUS and 6% of those who completed their bachelor's degrees from the Independent Colleges and Universities of Florida (ICUF).



Educational attainment is strongly tied with improving one's employment and income. This section presents data showing the relationship between education levels and poverty rates, from both the ACS and FETPIP.

**Exhibit 3. Florida – Percent below Poverty Level, by Educational Attainment**



Source: U.S. Census Bureau, American Community Survey, 2005-09

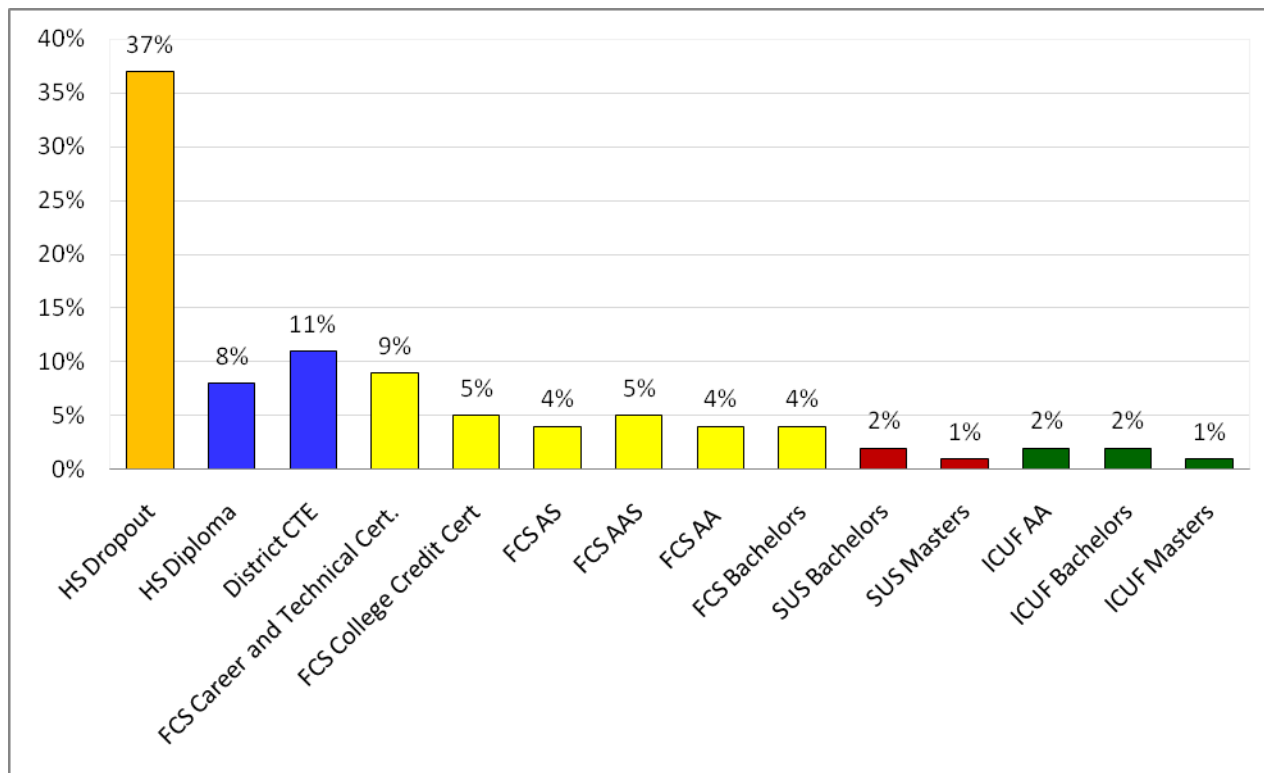
**Exhibit 3** shows the percentage of Floridians who are below the poverty level by educational attainment using ACS data. The American Community Survey measures poverty in the previous 12 months instead of the previous calendar year.<sup>6</sup> The U.S. Census Bureau uses a set of dollar value thresholds that vary by family size and composition to determine who is in poverty.<sup>7</sup> If a family's total income is less than the dollar value of the appropriate threshold, then that individual is considered in poverty.<sup>8</sup> This chart clearly shows that individuals with less education are more likely to be below the poverty level. Twenty-three percent (23%) of individuals with less than a high school diploma are below the poverty level. This proportion decreases almost by half with the attainment of a high school diploma. With some college or an associate's degree, the percentage decreases by four percentage points to 7.9%. Once individuals earn a bachelor's degree or higher, individuals below the poverty level represent only 4.5% of the population – almost 19 percentage points lower than individuals with less than a high school diploma. These results show that education pays in terms of lowering the poverty rate of citizens in Florida.

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<sup>6</sup> U.S. Census Bureau, Poverty Definitions, <http://www.census.gov/hhes/www/poverty/methods/definitions.html>

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

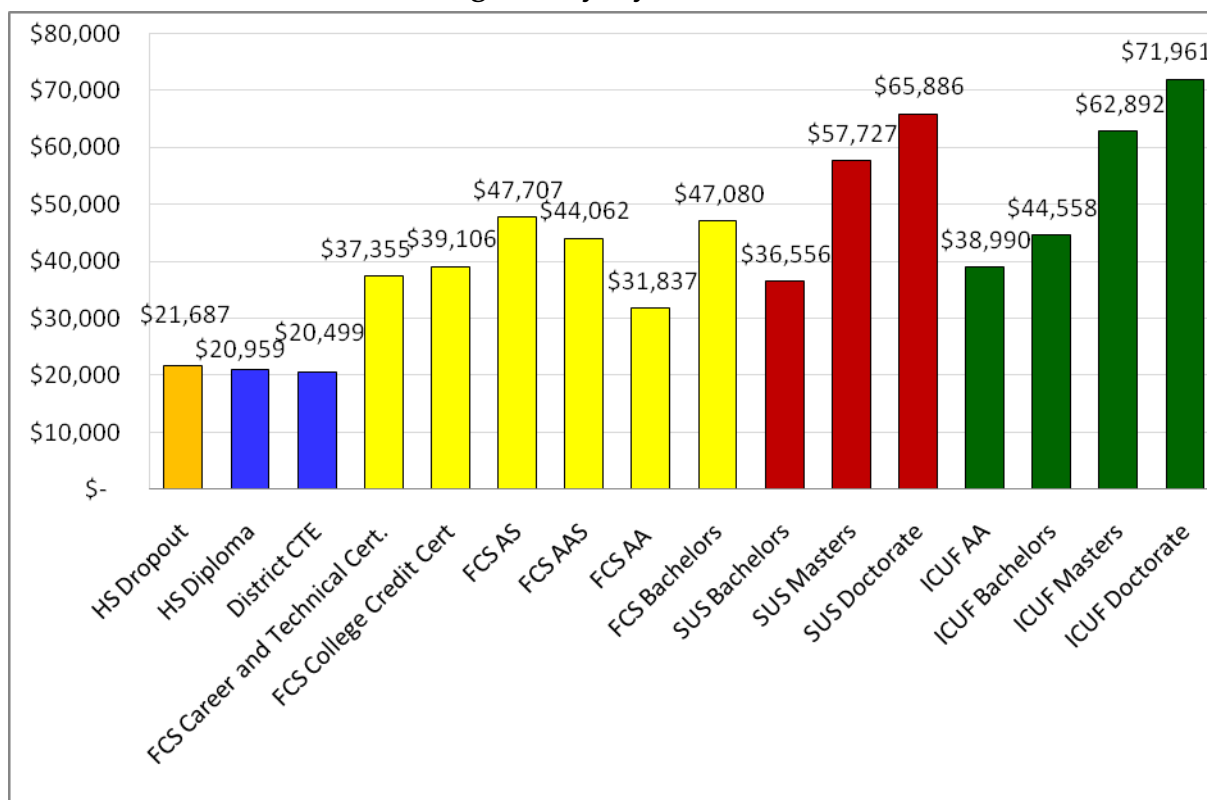
**Exhibit 4. Florida – Percent Receiving Public Assistance by Educational Attainment\***

\*2008-09 Cohort

Source: Florida Department of Education, FETPIP

**Exhibit 4** shows the percent of completers receiving public assistance in the form of Temporary Assistance for Needy Families (TANF) or who received food stamps during the target period as heads of households.<sup>9</sup> The figures in the chart represent individuals who completed their academic programs in the 2008-09 academic year. The results in this chart show the same pattern as the U.S. Census Bureau data in Exhibit 3. In this case, individuals who dropped out of high school were significantly more likely to receive public assistance than those who earned at least a high school diploma. Thirty-seven percent (37%) of high school dropouts received public assistance. This figure drops 29 percentage points to 8% for those with high school diplomas. There are some fluctuations by further educational attainment, but the percentages aren't near the level of high school dropouts. Although this chart shows the percentage of individuals who received public assistance by all education levels, it also shows the large gap between people who dropped out of high school and those who finished high school and an even greater gap for those who continued their education.

<sup>9</sup> Florida Education & Training Placement Information Program (FETPIP) Annual Outcomes Report, Fall 2009 Data.

**Exhibit 5. Full-time Initial Average Salary, by Educational Attainment**

Source: Florida Department of Education, FETPIP

**Exhibit 5** shows initial full-time salary of 2008-09 completers by sector and award type. This chart shows the financial benefits of extending one's education beyond the high school diploma level. The current high-skill, high-wage (HSHW) threshold is \$39,291 and minimum wage threshold is \$15,080.<sup>10</sup> For individuals who earned their awards from the FCS, full-time average salaries were close to or above the HSHW level. AA degree holders were the exception, but this could be due to the general education nature of the degree which serves as a foundation for those continuing to pursue their education to the baccalaureate level. However, the AA salary levels are still higher than those who dropped out of high school or who are high school diploma or district postsecondary career and technical education completers. Additionally, FCS bachelor's degree graduates full-time average earnings is \$47,080—compared to \$36,556 for SUS bachelor degree holders and \$38,990 for ICUF bachelor's degree completers. This is most likely attributable to the workforce-related focus of FCS baccalaureate degree programs.

In addition to individual benefits, having an educated populace also benefits Florida. As a member state of the Complete College America Alliance, the FCS's goal in its five-year strategic plan is to increase

<sup>10</sup> Per FETPIP, High-skill/High-wage Threshold:  $(\$18.89) \times 40 \text{ hours} \times 13 \text{ weeks} \times 4 \text{ quarters} = \$39,291$ ; Minimum Wage:  $(\$7.25) \times 40 \text{ hours} \times 13 \text{ weeks} \times 4 \text{ quarters} = \$15,080$ .



graduation rates by 58% through producing more credentials and degrees by 2015-16. The benefits to the state include:

- Using 2009-10 salaries, a 58% increase in completions would boost collective annual earnings to more than \$2.4 billion.
- Over their working lifetimes, the graduates of 2015-16 would add over \$33 billion dollars to Florida's economy and provide economic activity that would lead to the creation of 250,000 jobs.
- Annual taxpayer savings from reduced social service costs would be \$769 million based on 2015-16 targeted enrollments.<sup>11</sup>

This report shows the benefits of education attainment from the standpoint of employability and income in Florida. Also, as individuals expand on their education levels, they decrease their need for social services, which benefits society as a whole. A more educated population also has the potential to enhance Florida's economy and provide economic activity that leads to the creation of more jobs, subsequently decreasing unemployment rates in the state. The solution to preparing Floridians to compete for jobs at regional, state, national and international levels and to improve the state's current economic situation is to encourage and support higher education attainment among its citizens.

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<sup>11</sup> The Florida College System Business Plan, 2011-12, December 2010. <http://www.fldoe.org/cc/>