



## **THE VALUE OF A UW-WHITEWATER DEGREE**

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## OVERVIEW

A University of Wisconsin-Whitewater degree greatly increases a person's ability to earn a good income over the course of his or her lifetime. Simply put, attending UW-Whitewater is worth the investment.

A new study by the Fiscal and Economic Research Center at UW-Whitewater shows a UW-Whitewater graduate earns more than someone who enters the workforce with only a high school diploma. The average annual income of UW-Whitewater alumni is \$73,000, while the average annual income of high school graduates is \$38,350.

The increased income after four years of college allows graduates to quickly recover the cost of tuition and income lost while attending UW-Whitewater. Although tuition costs are higher now, today's graduates are able to recover the cost of a college education in six-and-a-half years compared to the 12 years it took college graduates from 30 years ago.

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**\$73,000**

AVERAGE ANNUAL INCOME  
OF UW-WHITewater  
ALUMNI

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## Contributors

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The benefits of a university degree are felt not only in a UW-Whitewater graduate's pocketbook, but also in the state's treasury. In 2008, UW-Whitewater graduates earned more than \$3.5 billion and paid more than \$102.7 million in state taxes. The 2008 estimated income tax revenue generated by UW-Whitewater alumni is \$65.3 million more than what these graduates would have paid to the state without a college degree.

## HIGHLIGHTS

### Overall findings

- UW-Whitewater graduates earn more money and add to the state's overall income.
- UW-Whitewater students typically begin to experience greater earnings within 10 years of graduation.
- The state receives increased tax revenues paid by UW-Whitewater graduates.
- In 2008, UW-Whitewater graduates paid the state \$65.3 million more in income taxes than they would have paid without a college degree.
- A college degree carries a competitive rate of return when compared to investments like stocks or bonds.

## UW-Whitewater graduates today

- Between 1980 and 2008, 54,911 students have graduated from UW-Whitewater.
- The average annual income of UW-Whitewater alumni is \$73,000.
- The average annual income of high school graduates is \$38,350.

## Income

- UW-Whitewater graduates earn \$35,000 in initial income after college.
- In contrast, high school graduates will earn less than \$31,000 their first year in the workforce.
- UW-Whitewater alumni continue to see an increase in income through age 58.
- High school graduates experience a peak in their earnings around age 54.
- 1980 graduates have earned a little under \$1.8 million per person since graduation.
- A high school graduate of the same age has earned \$1.2 million.

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54,911

GRADUATES BETWEEN  
1980 AND 2008

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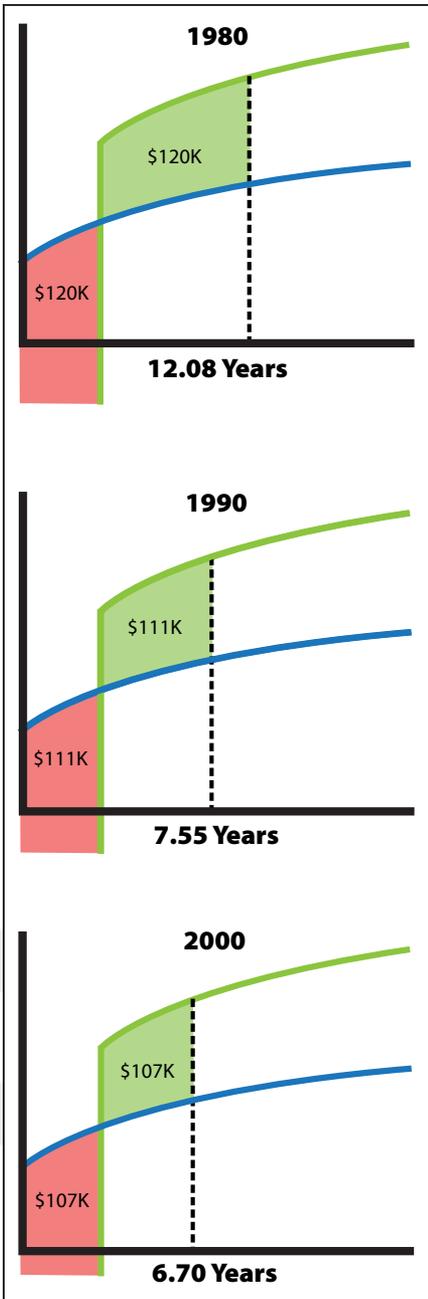
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\$1.8  
MILLION

INCOME EARNED BY  
1980 GRADUATES

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## Earning back the cost of a UW-Whitewater degree

- After four years of college, UW-Whitewater graduates experience the financial benefits of a university degree by earning a higher salary.
- It took a 1980 graduate an average of 12 years to recover the cost of a college education, including wages not earned, at UW-Whitewater.
- A 1990 graduate took an average of seven-and-a-half years to recover the cost of a college education, including wages not earned, at UW-Whitewater.
- It took a 2000 graduate approximately six-and-a-half years to recover the cost of a college education, including wages not earned, at UW-Whitewater.
- The shorter payback time is a result of a decrease in high school graduate wages and an increase in college graduate income.

## UW-Whitewater graduates and tax revenue

- College graduates earn higher incomes and pay higher state income taxes.
- In 2008, UW-Whitewater graduates earned more than \$3.5 billion.
- The same number of high school graduates in 2008 would have earned \$1.3 billion, or \$2.2 billion less than students with college degrees.
- In 2008, the state invested \$35 million in UW-Whitewater.
- In 2008, UW-Whitewater graduates paid the state more than \$102.7 million in income taxes which is \$65.3 million more than they would have paid without a college degree.
- This additional revenue exceeds the state's support of UW-Whitewater by approximately \$30 million.

## Rate of return on a UW-Whitewater degree

- A UW-Whitewater degree carries a competitive rate of return when compared to investments like stocks or bonds.
- A college degree has an even greater advantage over other investments during difficult financial times.
- A 1980 graduate's investment (cost of college tuition plus wages not received) earned an 8.3 average annual percent interest rate, enabling him or her to recover the cost of a degree in 12 years.

YEAR	OPPORTUNITY COST	YEARS TO BREAK EVEN	RATE OF RETURN TO BREAK-EVEN POINT
<b>1980</b>	<b>\$119,877.37</b>	<b>12.08</b>	<b>8.3%</b>
<b>1990</b>	<b>\$110,574.98</b>	<b>7.55</b>	<b>13.3%</b>
<b>2000</b>	<b>\$107,162.15</b>	<b>6.70</b>	<b>14.9%</b>




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**\$102.7 MILLION**  
2008 ESTIMATED INCOME TAX  
REVENUE FROM ALUMNI TO  
THE STATE

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- A 1990 graduate's investment earned an average annual 13.3 percent interest rate, enabling him or her to recover the cost of a degree in seven-and-a-half years.
- A 2000 graduate's investment earned an average annual 15 percent interest rate, enabling him or her to recover the cost of a degree in six-and-a-half years.

### **Data source**

- E-mail survey of 18,571 alumni from a list provided by the UW-Whitewater National Alumni Association
- 2,201 alumni responded

The complete study is available online:  
[www.uww.edu/valueofdegree.pdf](http://www.uww.edu/valueofdegree.pdf)

