



POST-SECONDARY ATTAINMENT

From Unlocking Potential: Turn Arizona's Priorities into Economic Gains The Arizona Voters' Agenda Economic Analysis

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FOREWORD

by Center for the Future of Arizona

Arizonans agree more than they disagree on big, important issues. And that agreement holds powerful value – politically, socially, and economically.

The [Arizona Voters' Agenda](#), developed by Center for the Future of Arizona (CFA), reveals something meaningful: a strong consensus on the priorities voters want leaders to address. In a state often painted as highly partisan and divided, this level of agreement is striking. It's also a roadmap.

What if we built the future around what brings Arizonans together?

Voters overwhelmingly agree on the importance of education and the need for greater investment, housing that is affordable, reliable transportation, childcare that supports working families, and more pathways to opportunity. These aren't partisan talking points; they're everyday priorities that most people agree on, no matter their party affiliation or age.

What would it mean if the priorities of Arizonans were realized? This project begins to answer that question.

CFA commissioned Rounds Consulting Group to analyze five of the many priorities in the 2024 Arizona Voters' Agenda through the lens of economic return: dual enrollment, post-secondary education, childcare access, housing affordability, and transportation infrastructure. Taken together, these five issues represent key building blocks for the future and a foundation on which to build Arizona's success.

When we turn shared priorities into action, we unlock benefits that ripple across families, neighborhoods, and the entire state.

When childcare is reliable, parents and guardians can work. When housing is affordable, families and workers stay rooted, and communities remain stable. When students gain access to education and training beyond high school, they advance faster and build skills employers need. When roads connect people and jobs, economies grow. These priorities deliver a measurable return and make Arizona work for everyone. Together, they reveal a picture of what Arizona could be if we act on what voters already agree on.

We're cutting through the noise to help leaders focus on what voters truly want.

This work is part of CFA's broader mission to connect leaders with what Arizonans agree is important to them and their communities, and what they want for a prosperous and successful future for our state. Our goal is to provide decision-makers with sound data and a clear sense of what's possible. Investments will need to be made, and this report shows the potential for strong returns. By starting with the long-term return on investing in voters' priorities, we can make smart investments for the future.

Step back, look ahead, and build the prosperous future Arizonans want.

Voters have already told us what matters. The return on acting is real. It's measurable. And it's within reach.

Let's use that to move forward.



EXECUTIVE SUMMARY

Arizona's long-term economic health hinges not just on job creation or population growth, but on the strength of the systems that support individuals, families, businesses, and communities. A resilient and competitive economy is rooted in strong *economic fundamentals*.

Key economic fundamentals include workforce development, transportation and infrastructure, education, childcare, and housing. These fundamentals are core attributes that enable economic growth, not just in quantity, but in quality.

This report focuses on five voter-identified priorities that are building blocks of a healthy economy:

- | | |
|-------------------------------------|------------------------------|
| 1. Childcare Access & Affordability | 4. Housing Affordability |
| 2. Dual Enrollment | 5. Transportation Investment |
| 3. Post-Secondary Attainment | |

Arizonans across political affiliations strongly agree on the need for action in these areas, as highlighted in CFA's 2024 Arizona Voters' Agenda. By analyzing the five issues through a return-on-investment (ROI) lens, the findings in this report help answer a central question: What would it mean for Arizona's economy if the outcomes voters want were realized?

Each voter-identified issue area offers an independent ROI, but the greatest economic benefits come when these areas are advanced together in a coordinated and strategic manner. By quantifying those returns, this report aims to guide data-driven policymaking and mobilize broad, cross-sector support for strengthening Arizona's economic foundation.

For instance, families cannot access education or jobs without reliable transportation and affordable housing; workers cannot fully participate in the economy without accessible childcare; and employers cannot thrive without a skilled and stable workforce.

Like any economy, Arizona operates with finite public resources – requiring strategic choices. While it may not be possible to simultaneously maintain a low tax burden and achieve a high level of investment in infrastructure, workforce, and support systems, it is possible to prioritize investments that deliver the strongest economic returns. That is why it is critical to assess these public policy areas based on the economic returns they deliver.

While this analysis does not evaluate specific policies, initiatives, or program costs, it provides a data-driven foundation to inform discussions, evaluate potential solutions, and guide decision-making focused on maximizing economic returns.

What Happens When Arizona Invests in What Voters Prioritize? Key Takeaways by Topic Include:

Childcare Access & Affordability

Arizona's lack of affordable, reliable childcare limits workforce participation, which costs the state nearly \$5 billion annually.

Expanding access and affordability could generate over \$12 billion in annual economic output and support over 115,000 jobs, while giving families an extra \$9,300 per year in household income.

Dual Enrollment

Dual enrollment programs help high school students earn college credit while in high school, significantly lowering the time and cost of earning a degree.

These programs increase post-secondary completion rates and lifetime earnings, with each new cohort delivering more than \$47 million in economic output and over \$3 million in new state and local tax revenues each year.

Post-Secondary Attainment

Arizona has a significant opportunity to better prepare its residents for the future workforce. Each year, the state is projected to have about 81,700 job openings requiring post-secondary education. Yet the state produces only about 10,400 post-secondary graduates annually,

leaving an opportunity for roughly 71,300 additional Arizonans to step into high-paying jobs. Seizing this opportunity, rather than leaving jobs unfilled or relying on out-of-state talent, could generate \$20 billion in economic output, \$8 billion in wages, and \$740 million in tax revenues annually.

Housing Affordability

One in three Arizona households is cost-burdened by housing. On average, these households would gain an extra \$8,900 per year to spend on necessities, savings, or local purchases if the burden were reduced.

Collectively, that would unlock nearly \$7 billion in annual consumer spending, support over 126,000 jobs, and generate more than \$13 billion in economic activity, while stabilizing communities and reducing pressure on public services.

Transportation Infrastructure

Investments in transportation pay long-term dividends by improving mobility, reducing congestion, and supporting business growth.

Local and national case studies show that every \$1 invested in infrastructure yields \$1.60–\$3.70 in return, with tens of thousands of jobs supported annually and billions generated in business sales and tax revenues.

Investing in Arizona's Economic Foundation Promises Substantial Returns

Arizona's economic future will be determined by the willingness of the public, private sector, and elected leaders alike to invest in the fundamentals that make the economy "tick." The findings in this report make clear that these issues are not only widely supported but also foundational to long-term success. Together, they form the groundwork for sustainable growth, increased productivity, and a more inclusive economy that benefits all Arizonans.

This analysis demonstrates that targeted investments in these areas yield substantial returns: higher earnings for families, stronger labor force participation, more competitive businesses, and increased public revenues. In contrast, failing to act risks undermining Arizona's growth potential, widening opportunity gaps, and leaving billions in economic value unrealized.

As Arizona charts its path forward, data-driven solutions that reflect voter priorities will be essential. By investing in the fundamentals, Arizona can build a more resilient, inclusive, and prosperous economy – one that delivers for every community across the state.



POST-SECONDARY ATTAINMENT

What Voters Are Saying Loud and Clear

CFA's long-standing research on Arizona's [Shared Public Values](#) shows that Arizonans across political and generational lines overwhelmingly agree that a highly educated and skilled population is vital for Arizona's long-term success.

Findings from the 2024 Arizona Voters' Agenda survey reflect a broad consensus among voters that Arizona must do more to increase post-secondary attainment and prioritize investments in higher education.

- 85% of all voters (76% of Republican, 82% of Independent/unaffiliated, and 97% of Democrat voters) support increasing the number of students who pursue and complete education or training beyond high school, whether through a university, community college, or technical/trade school.
- 79% of all voters (63% of Republican, 81% of Independent/unaffiliated, and 95% of Democrat voters) agree that public universities and community colleges are critical to ensuring

Arizona's success now and in the future, and state investments in public higher education should be a priority.

These findings underscore a strong consensus across all party affiliations on the importance of expanding access to post-secondary education and ensuring that public investment in higher education remains a priority. With such broad voter support, there is an opportunity for state policymakers and stakeholders to advance policies and initiatives that drive post-secondary enrollment, completion rates, and long-term economic benefits for Arizona.

The Economic Impact of Realizing the Priorities of Arizonans

To quantify the economic impact of increasing post-secondary education enrollment and completion rates in Arizona, we applied a data-driven approach using Arizona-specific socioeconomic and demographic data, as well as publicly available reports and national data sets.¹

What Arizona Stands to Gain from Post-Secondary Attainment

Expanding post-secondary education enrollment and completion yields significant advantages at both the individual and statewide levels.

Individuals who earn a certificate or degree typically experience higher wages, greater career opportunities, and improved financial stability. Collectively, these personal gains translate into broader economic benefits, including increased consumer spending, a more skilled workforce, and more substantial fiscal contributions through higher tax revenues.

The financial advantages of post-secondary achievement are significant at the individual level. According to the U.S. Census Bureau, a worker in Arizona with only a high school diploma earns an estimated median annual wage of \$39,200 (as of 2023).²

Workers in Arizona with some college or an associate's degree (including certificate holders) earn a median annual wage of \$45,800.³ Those with a bachelor's degree or graduate degree earn a median annual wage of \$65,100 and \$82,000, respectively.⁴

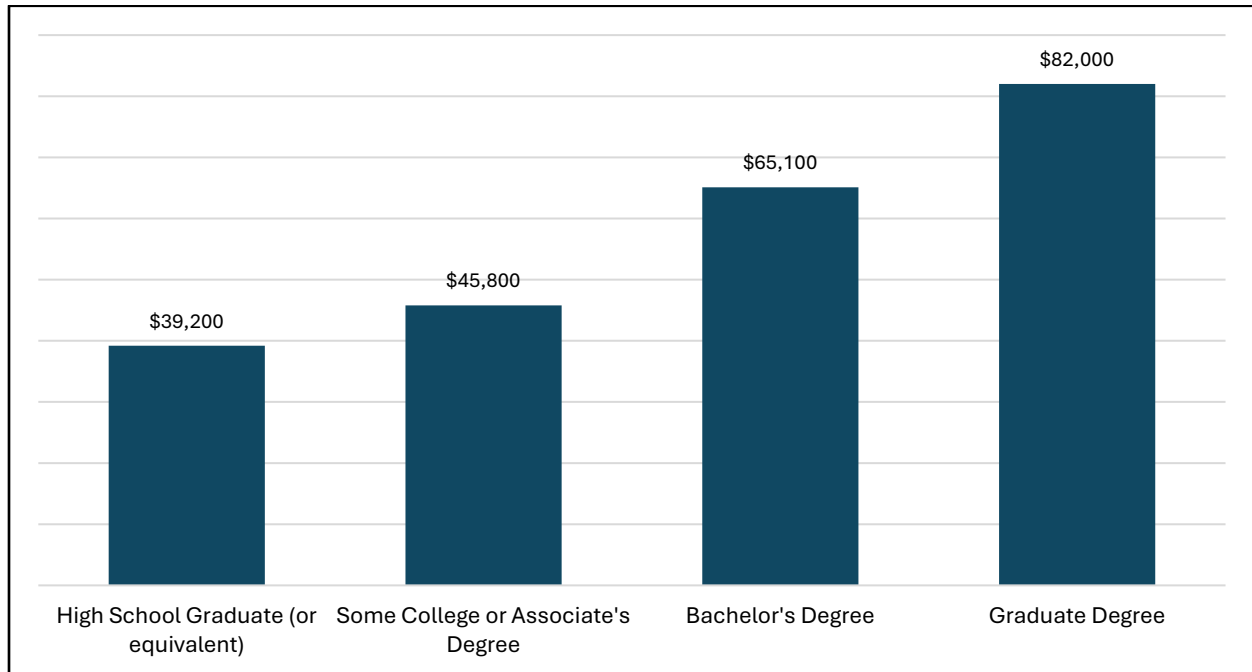
¹ See Appendix for a full description of the methodology used to calculate economic impacts.

² U.S. Census Bureau, American Community Survey, ACS 5-Year Estimates, *Earnings in the Past 12 Months (in 2023 Inflation-Adjusted Dollars)*, 2023, <https://data.census.gov/table/ACSST5Y2023.S2001?q=Arizona&t=Earnings>.

³ U.S. Census Bureau, *Earnings in the Past 12 Months (in 2023 Inflation-Adjusted Dollars)*, 2023.

⁴ U.S. Census Bureau, *Earnings in the Past 12 Months (in 2023 Inflation-Adjusted Dollars)*, 2023.

Median Annual Wage by Educational Level in Arizona (2023)



Source: U.S. Census Bureau, American Community Survey, ACS 5-Year Estimates, *Earnings in the Past 12 Months (in 2023 Inflation-Adjusted Dollars)*, 2023.

Over the course of an individual's lifetime, the differences in earnings by educational attainment are significant. In Arizona, a worker with only a high school diploma can expect to earn approximately \$2.8 million over a 45-year career, assuming modest annual wage growth.⁵

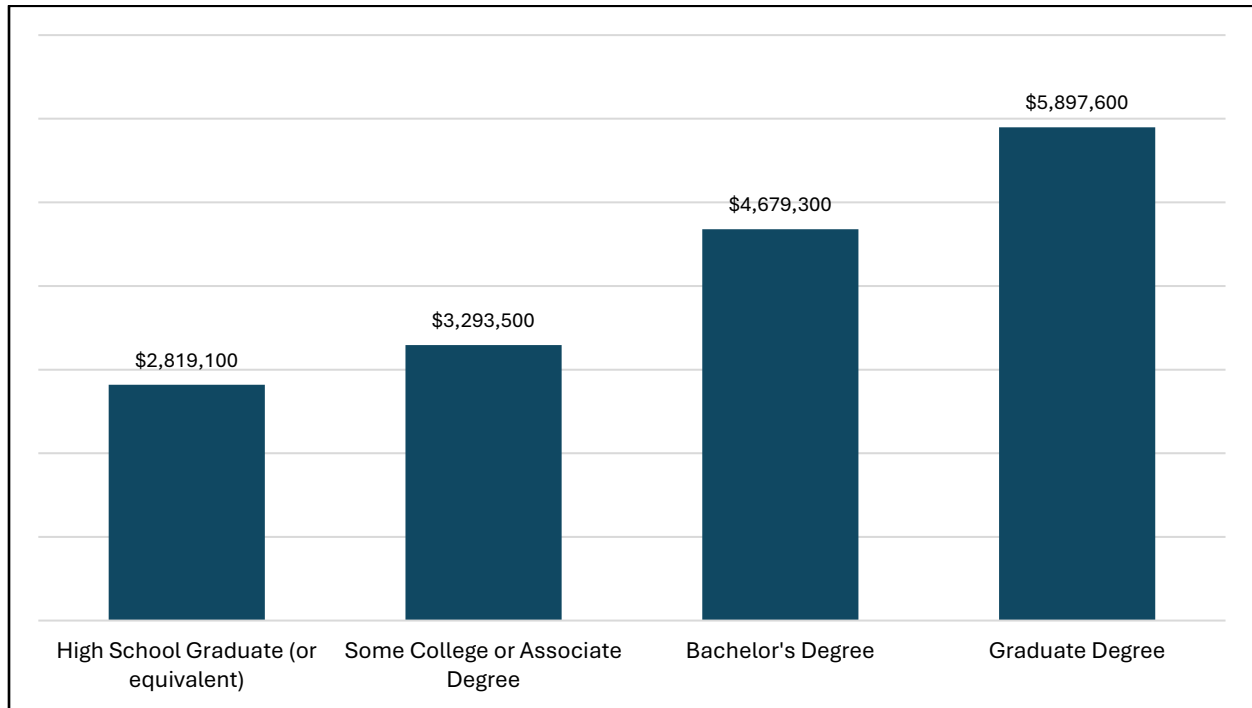
In contrast, those with some college or an associate degree (including certificate holders) earn an estimated \$3.3 million over the same period.⁶ Bachelor's degree holders in Arizona can expect lifetime earnings of roughly \$4.7 million, while individuals with a graduate degree can earn about \$5.9 million.⁷

⁵ Lifetime earnings estimates are based on a 45-year career span and assume a constant 2% annual wage growth (expressed in non-inflation adjusted dollars).

⁶ Lifetime earnings estimates are based on a 45-year career span and assume a constant 2% annual wage growth (expressed in non-inflation adjusted dollars).

⁷ Lifetime earnings estimates are based on a 45-year career span and assume a constant 2% annual wage growth (expressed in non-inflation adjusted dollars).

Estimated Lifetime Earnings by Education Level



Source: Rounds Consulting Group, Inc.

Note: Lifetime earnings estimates are based on a 45-year career span and assume a constant 2% annual wage growth. Figures represent the cumulative sum of projected annual wages over the working lifetime and are expressed in nominal (non-inflation-adjusted) dollars.

The Ripple Effects of Expanding Post-Secondary Attainment

Beyond individual financial gains to individuals, a more educated workforce leads to stronger business competitiveness, the attraction of higher-paying industries, and long-term fiscal benefits to the state.

Two recent studies conducted by the Arizona Board of Regents (ABOR) and Helios Education Foundation (Helios) in partnership with Education Forward Arizona underscore the long-term benefits to the state of a robust higher education system that produces graduates needed to fill jobs and attract new employers.^{8 & 9}

⁸ Arizona Board of Regents, Arizona Chamber of Commerce & Industry, Greater Phoenix Chamber, Northern Arizona Leadership Alliance, and Southern Arizona Leadership Council, *Advancing Arizona's Economy: The Economic Benefits of Investing in Workforce Development*, Spring 2022, <https://www.azregents.edu/sites/default/files/reports/2022-advancing-arizonas-economy-investment-in-workforce-development.pdf>.

⁹ Helios Education Foundation and Education Forward Arizona, *Billions to Gain: The Economic Benefits of Investing in a More Educated Arizona*, March 2023, <https://www.helios.org/media/lwbpv4uc/brief-the-economic-benefits-of-investing-in-a-more-educated-arizona.pdf>.

Advancing Arizona's Economy: The Economic Benefits of Investing in Workforce Development

The 2022 ABOR report highlights the relationship between educational attainment and economic prosperity, finding that even small increases in college enrollment and completion can generate substantial financial gains for the state.

Key findings of the report include:

- A more educated workforce enhances Arizona's competitiveness, making the state more attractive to high-wage industries that rely on skilled labor.
- Higher education is associated with reduced reliance on public assistance programs, leading to potential cost savings for the state budget.
- Post-secondary attainment increases workforce participation and productivity, fueling economic resilience and long-term stability.
- Workers with post-secondary degrees, certificates, and training are more resilient to economic contractions. During the most recent recession in 2020, the number of jobs in Arizona that required at least a high school diploma declined by 11% compared to a 0.2% decline in jobs that required at least a bachelor's degree.
- Arizona lags national averages in both post-secondary enrollment and completion rates. According to estimates, 53% of Arizona's high school students enroll in a 2- or 4-year college, while 66% of high school students across the country enroll in college (as of 2019).
- Within 6 years of enrollment, approximately 54% of students in Arizona complete a 2- or 4-year college degree (as of 2021). This compares to 62% of students nationwide.
- If Arizona's post-secondary educational achievement (i.e., increasing enrollment and completion rates) is raised to match national averages, the additional economic activity produced by a more educated workforce would produce \$1.4 billion in earned income annually. This would yield an additional \$500 million in state and local tax revenues annually.
- Over a 10-year period, raising Arizona's post-secondary educational achievement to national averages would produce over \$5 billion in additional state and local tax revenues.

The findings in the ABOR analysis emphasize that increasing post-secondary attainment is a key factor in strengthening Arizona's economy. By expanding access to higher education, the state can generate significant economic gains, create a more competitive workforce, and reduce long-term public costs.

Billions to Gain: The Economic Benefits of Investing in a More Educated Arizona

The Helios report quantifies the broader economic and fiscal advantages of increasing post-secondary enrollment and completion, emphasizing the collective impact of educational investment on earnings, tax revenues, and economic mobility.

Key findings of the report include:

- Higher education correlates with lower unemployment rates and higher homeownership, contributing to economic stability and community development.
- Employers benefit from a stronger talent pipeline, ensuring Arizona remains competitive in attracting and retaining businesses.
- Arizonans who enroll in college can expect significant gains, including increased lifetime earnings and more economic opportunities. Those who complete college stand to gain even more.
- Increasing the post-secondary enrollment rate in Arizona by 20% would lead to gains, including lifetime earnings, improved health, reduced crime and welfare spending, and increased workforce productivity, that exceed \$5 billion in social gains per cohort.
- A 10% increase in college completion across the state would generate \$1.4 billion in social gains per cohort.
- The state could gain an estimated \$1.8 billion in additional tax revenues if the post-secondary enrollment rate increased by 20%, which is more than double the amount the state allocates for its public universities (\$0.9 billion).
- A 10% increase in the college completion rate in Arizona would result in \$500 million in additional state tax collections per cohort.

The report highlights how increasing educational achievement in Arizona leads to widespread economic benefits, including higher individual earnings, greater tax revenue, and business growth. The information reinforces the importance of investing in post-secondary education as a long-term strategy for fostering economic stability and prosperity.

The Opportunity Ahead: Preparing Arizonans for Future Job Openings

In addition to presenting the benefits of increasing post-secondary achievement, this report examines the potential economic opportunities Arizona stands to gain by strengthening its talent pipeline. With a stronger pipeline of educated workers, Arizona can ensure that more jobs created here are filled by Arizonans, rather than relying on importing talent from other states.

This represents a major opportunity. By expanding post-secondary attainment, Arizona can prepare more residents to step into high-value jobs, strengthening the state's workforce and unlocking billions in economic growth and new tax revenues.

Between 2023 and 2033, Arizona is projected to have approximately 444,000 total job openings per year.¹⁰ The state's Office of Economic Opportunity (OEO) defines "job openings" as positions available to be filled at a particular point in time and tracks them to understand labor market dynamics. These openings come from three sources:

- Exits – When workers permanently leave the labor force, such as through retirement.
- Transfers – When workers leave one job to take another job. This turnover represents the natural level of job openings that exist in any health labor market.
- Net Growth – When new jobs are created due to overall economic expansion.

Definitions of exits, transfers, and net growth are taken from the U.S. Bureau of Labor Statistics Employment Projections Data Definitions.¹¹

Of the 444,000 annual openings, about 233,700 are transfers. Excluding these transfers, Arizona is projected to have approximately 210,200 job openings per year stemming from exits and net growth.

Within this total, around 81,700 openings annually will require an associate degree or higher.¹² These jobs represent a significant opportunity for Arizona residents to move into high-paying careers if the state can prepare enough people with the right credentials.

While the demand for post-secondary educated workers is clear, Arizona's current education pipeline is not yet positioned to meet it. The state experiences substantial drop-offs at every stage of

¹⁰ Arizona Office of Economic Opportunity, *Occupation Projection Trends*, 2024, <https://oeo.az.gov/labor-market/employment-projections#eptrends>.

¹¹ U.S. Bureau of Labor Statistics, *Employment Projections Data Definitions*, 2025, <https://www.bls.gov/emp/documentation/definitions.htm>.

¹² Arizona Office of Economic Opportunity, *Occupation Projection Trends*, 2024.

the education continuum (from high school completion to college enrollment and degree attainment), limiting the number of residents prepared to step into these roles.

Arizona's 4-year high school graduation rate for the 2023-2024 cohort was 78%, meaning roughly 1 in 4 students did not complete high school.¹³ Among those who did graduate, only 48% enrolled in a 2- or 4-year college in 2022 (latest available information).¹⁴

Of those who pursue higher education, many do not complete a degree. Approximately 30% of Arizona high school graduates from the 2016-2017 cohort (latest available information) had earned a post-secondary credential within 6 years.¹⁵

With approximately 91,000 12th-grade students in 2024, the drop-off at each stage of the education pipeline results in just 10,400 students completing a post-secondary program annually, far below the 81,700 in job openings each year requiring an associate degree or higher.^{16 & 17}

This gap between projected demand and current supply can be considered a missed opportunity. Roughly 71,300 higher-paying job openings each year could be filled by Arizonans if more residents were supported through the post-secondary pipeline. While this estimate excludes some limited job openings that naturally occur in the labor market each year, as well as impacts tied to changing economic conditions, it represents a reasonable upper-end benchmark.

It should be noted that Arizona's post-secondary institutions do produce graduates from out of state who may choose to stay in Arizona. However, this effect is largely canceled out by the number of Arizona high school graduates who leave the state after earning their diplomas.

¹³ Arizona Department of Education, AZ Report Cards, *State Report 2023-2024 School Year*, <https://azreportcards.azed.gov/state-reports>.

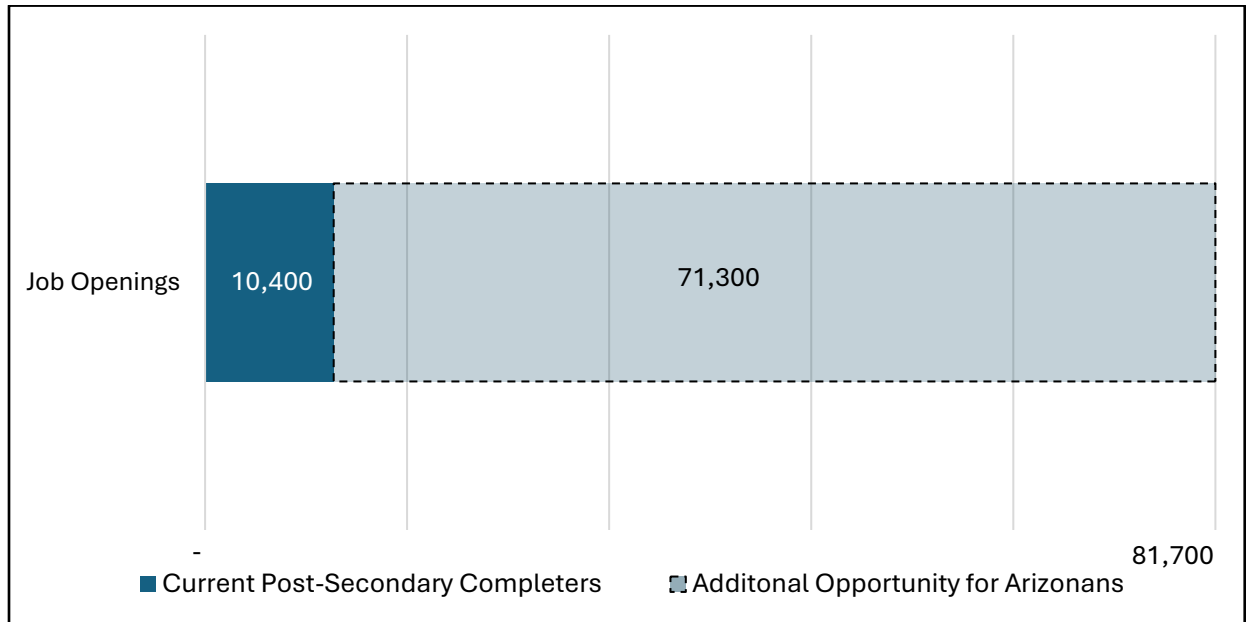
¹⁴ Arizona Board of Regents, *Post-secondary Attainment Report*, 2023, <https://www.azregents.edu/sites/default/files/reports/2023-Post-secondary-Attainment-Report.pdf>.

¹⁵ Arizona Board of Regents, *Post-secondary Attainment Report*, 2023.

¹⁶ Arizona Department of Education, 2023-2024 School Year.

¹⁷ Author's calculations based on 12th-grade enrollment data, postsecondary enrollment and completion rates, and projected annual job openings in Arizona requiring an associate degree or higher.

Annual Post-Secondary Credentials Needed in Arizona to Replace Exits and Growth



Source: Arizona Office of Economic Opportunity, *Occupation Projection Trends*, 2024.

Note: Annual job openings reflect the sum of net growth and exits. Net growth represents the projected increase in employment due to new job creation in a given occupation. Exits reflect the projected number of workers permanently leaving the labor force.

Quantifying the Opportunity

To illustrate what Arizona could gain by filling these openings with homegrown talent, an economic impact model was developed using Arizona-specific industry and wage data. This process involved several key steps:

- **Estimating Potential Wages** – The median earnings for individuals with an associate degree or higher in Arizona were used to estimate the labor income that could be generated if these jobs were filled by Arizona residents. Multiplying the 71,300 projected jobs by the median wage provides an estimate of the additional labor income that could be gained by Arizona residents each year.
- **Modeling the Ripple Effects** – Using IMPLAN multipliers, the indirect and induced effects of filling these jobs and generating new wages were calculated.
- **Estimating Additional Economic Output** – The total economic output gain reflects both the direct labor income generated and the additional business activity stimulated through the ripple effects.

- **Assessing Fiscal Benefits** – More Arizonans in higher-paying jobs translates into stronger state and local revenues from income taxes, sales taxes, and other sources.

Based on economic modeling, closing this workforce preparation gap could generate: \$20 billion in additional economic output annually, \$7.9 billion in wages each year, and \$743.6 million in annual state and local tax revenues.¹⁸

These gains represent a significant opportunity to strengthen Arizona’s economy and expand prosperity for residents. By investing in higher rates of post-secondary enrollment and completion, Arizona can ensure that tomorrow’s high-paying jobs are filled by Arizonans – keeping both talent and economic benefits in the state.

Key Takeaways – Post-Secondary Attainment

In addition to presenting the benefits of increasing post-secondary achievement, this report highlights the significant economic opportunities Arizona stands to gain by strengthening its talent pipeline. By preparing more Arizonans to complete post-secondary education, the state can ensure thousands of high-paying jobs are filled locally, fueling economic growth and enhancing business competitiveness.

The state has the opportunity to strengthen its homegrown talent pipeline. By increasing post-secondary attainment, Arizona can reduce reliance on out-of-state workers and position its own residents to capture high-value jobs and the economic benefits they generate.

Education is not only a pathway to individual success but also a fundamental driver of Arizona’s economic future. The findings from this analysis illustrate that increasing post-secondary achievement generates significant financial and economic gains, including higher earnings, increased tax revenues, and a more competitive workforce.

Conversely, failing to expand post-secondary enrollment and completion means many of these opportunities will be left on the table or taken by out-of-state talent – translating to foregone wages for Arizona residents, slower economic growth, and reduced state and local tax revenues.

Key findings from the analysis include:

- **Educational Attainment is Correlated with Higher Earnings** – A worker in Arizona with only a high school diploma earns an estimated median annual wage of \$39,000, compared to workers with some college or an associate degree (including certificate holders) who earn

¹⁸ Author’s calculations based on estimated annual job openings requiring postsecondary credentials, median wages for degree holders, and IMPLAN multipliers.

\$45,800, workers with a bachelor's degree who earn \$65,100, and workers with a graduate degree who earn \$82,000.¹⁹

- **Lower Unemployment and Greater Job Security** – Higher education levels are linked to lower unemployment rates and greater resilience during economic downturns. During the most recent recession, jobs requiring at least a high school diploma in Arizona declined by 11.4%, compared to only 0.2% for jobs requiring a bachelor's degree or higher.²⁰
- **Post-secondary Enrollment and Completion Rates Lag National Averages** – Arizona's post-secondary enrollment and completion rates are lower than the national average.²¹
- **Broad Social and Economic Benefits from Increased Post-secondary Achievement** – Expanding post-secondary enrollment by 20% and increasing completion by 10% would lead to significant economic and social benefits, including higher lifetime earnings, improved health outcomes, lower crime rates, and reduced reliance on public assistance. These combined benefits are estimated to exceed \$5 billion and \$1.4 billion per cohort, respectively.²²
- **Higher State and Local Tax Revenues** – Increased post-secondary enrollment and completion contribute to greater tax revenues. Both the ABOR and Helios analyses demonstrate, through different methodologies, that the additional tax revenues generated by a more educated workforce exceed the public costs associated with higher education.
- **Tens of Thousands of High-Paying Jobs Could Be Filled by Arizonans** – Arizona is projected to have 81,700 annual job openings (exits + net growth) requiring post-secondary education through 2033. Yet the state currently produces only 10,400 new post-secondary graduates per year.²³ This leaves an opportunity for approximately 71,300 additional Arizonans annually to move into high-paying careers.²⁴
- **The Economic Value of Seizing this Opportunity is Significant** – If Arizona strengthens its education pipeline to prepare residents for these jobs, the state could capture: \$20 billion in additional economic output annually, \$7.9 billion in wages per year, and \$743.6 million in additional state and local tax revenues.²⁵

¹⁹ U.S. Census Bureau, Earnings in the Past 12 Months (in 2023 Inflation-Adjusted Dollars), 2023.

²⁰ Arizona Board of Regents, *Post-secondary Attainment Report*, 2023.

²¹ Arizona Board of Regents, *Post-secondary Attainment Report*, 2023.

²² Helios Education Foundation, *Billions to Gain: The Economic Benefits of Investing in a More Educated Arizona*, March 2023.

²³ Author's calculations based on projected occupational openings data and current post-secondary completion rates in Arizona.

²⁴ Author's calculations based on the difference between projected annual job openings requiring post-secondary education and the number of graduates produced each year in Arizona.

²⁵ Author's calculations using wage data and IMPLAN modeling to estimate the direct, indirect, and induced economic and fiscal impacts of 71,300 unfilled jobs requiring post-secondary credentials.

The Economic Case for Action on Boosting Post-Secondary Attainment

Education is a path to personal success and a foundation for Arizona's future economic strength. Arizona voters across party lines overwhelmingly support greater access to post-secondary education, and that consensus is backed by data showing powerful economic returns. The economic benefits associated with higher education – including increased earnings, a stronger workforce, and fiscal gains – highlight its relevance to the state's long-term economic growth and stability.

At the same time, Arizona has a significant opportunity: nearly 71,300 higher-paying job openings per year that could be filled by Arizonans if more residents are supported in completing post-secondary credentials. Without action, many of these opportunities will go to out-of-state talent or remain unfilled – limiting growth.

This analysis offers a data-driven case for bold action. While it does not assess specific policies, initiatives, or costs, it underscores what Arizona stands to gain. By expanding educational opportunities that reflect voter priorities, state leaders can help unlock widespread economic growth and ensure Arizona remains competitive in a knowledge-based economy.

APPENDIX: ANALYSIS METHODOLOGY

This report provides a data-driven analysis of five voter-identified priorities – childcare access and affordability, dual enrollment, postsecondary education attainment, housing affordability, and transportation infrastructure – selected from the Center for the Future of Arizona’s 2024 Voters’ Agenda.

Each analysis quantifies the potential economic benefits associated with achieving improved outcomes in these areas. Importantly, this report does not evaluate specific policies, program designs, or implementation costs. Rather, it focuses on estimating the scale and nature of economic gains that could result if the priorities of Arizona voters were realized.

To model the potential economic impacts, the following standardized approach was applied across each issue area:

- **Arizona-Specific Data Inputs:** Each analysis draws from local and regional datasets, including U.S. Census Bureau statistics, state wage data, education outcomes, labor force participation metrics, and household cost burdens. Where appropriate, national research and datasets were used to supplement state-level data.
- **Issue-Specific Model Inputs:** Unique assumptions were made for each topic to reflect the specific drivers of economic change:
 - Childcare: Number of families needing care, average annual costs, and lost wages from reduced workforce participation.
 - Dual Enrollment: Postsecondary enrollment and completion differences, wage gains by education level, and number of students affected.
 - Postsecondary Education: Wage differentials by educational attainment, lifetime earnings estimates, and degree completion rates.
 - Housing Affordability: Number of cost-burdened households, estimated discretionary income gains, and statewide consumer spending impacts.
 - Transportation Investment: Modeled outcomes from actual investment scenarios (e.g., Proposition 400e in Maricopa County), published benefit-cost ratios, and regional productivity data.
- **Economic Impact Modeling with IMPLAN:** To estimate the broader economic effects of each issue area, this analysis used IMPLAN, a nationally recognized input-output modeling system widely regarded as the industry standard for economic and fiscal impact studies.

IMPLAN is commonly used by economists, academic institutions, and government agencies to model how changes in economic activity, such as increased wages or household spending, ripple through an economy.

Arizona-specific IMPLAN multipliers were applied to estimate the total economic impact, which includes:

- Direct Effects – The immediate economic activity generated by the modeled change (e.g., increased earnings or reduced costs).
- Indirect Effects – Economic activity in industries that support affected sectors (e.g., increased business-to-business activity).
- Induced Effects – Household spending by workers whose income increases as a result of the direct and indirect effects.

Results are expressed in the following standard impact categories:

- Jobs – The estimated number of full-time and part-time positions supported by the modeled activity.
 - Labor Income – The total wages, salaries, and benefits earned by workers in the directly, indirectly, and induced affected sectors.
 - Economic Output – The total value of goods and services produced in the economy as a result of the activity (similar to how GDP is estimated).
 - State and Local Tax Revenues – Estimated revenues generated for state and local governments through various taxes, including sales, income, property, and other applicable levels.
- **No Policy Recommendations:** This report does not recommend specific actions or funding mechanisms. Instead, it is intended to provide neutral, evidence-based economic estimates that can inform future decision-making.

This consistent and straightforward methodology allows for a clear understanding of the economic value associated with addressing widely supported voter priorities. While each issue area presents unique dynamics, this common framework allows policymakers, stakeholders, and community leaders to compare outcomes and weigh the return on investment across multiple areas critical to Arizona's long-term success.

**Voter-backed priorities offer a high return for Arizona
and a strong foundation for long-term prosperity.**

Full report at arizonafuture.org/UnlockPotential

