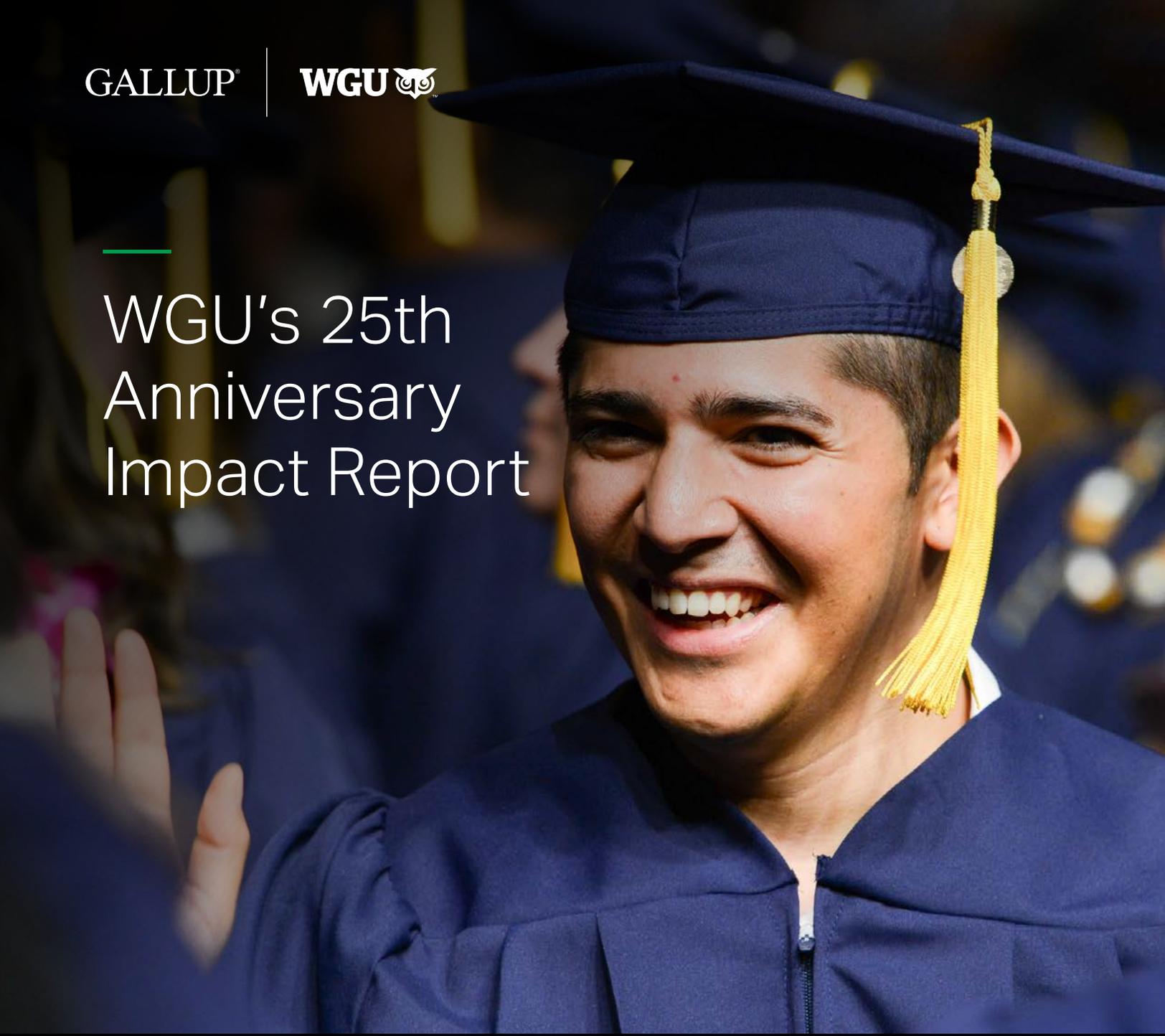


GALLUP

WGU 

WGU's 25th Anniversary Impact Report



COPYRIGHT STANDARDS

This document contains proprietary research, copyrighted and trademarked materials of Gallup, Inc. Accordingly, international and domestic laws and penalties guaranteeing patent, copyright, trademark and trade secret protection safeguard the ideas, concepts and recommendations related within this document.

The materials contained in this document and/or the document itself may be downloaded and/or copied provided that all copies retain the copyright, trademark and any other proprietary notices contained on the materials and/or document. No changes may be made to this document without the express written permission of Gallup, Inc.

Any reference whatsoever to this document, in whole or in part, on any webpage must provide a link back to the original document in its entirety. Except as expressly provided herein, the transmission of this material shall not be construed to grant a license of any type under any patents, copyright or trademarks owned or controlled by Gallup, Inc.

Gallup® is a trademark of Gallup, Inc. All rights reserved. All other trademarks and copyrights are property of their respective owners.



Introduction

Western Governors University (WGU) launched in 1997 to expand access to a college education by designing a university that fits the schedules and lifestyles of more U.S. adults.¹ Since its inception, WGU has addressed non-traditional students' educational needs by providing flexible, convenient access to higher education through the internet. In conjunction with WGU's 25th anniversary, this report assesses the impact of WGU on the university's graduates, and their local communities and economies.

This report's insights draw from Western Governors University's alumni database, which at the time of this report contained 163,354 graduates,² along with Gallup survey data of WGU and non-WGU alumni nationwide, and rich administrative sources from the Department of Education's IPEDS database, College Scorecard and other federal statistical programs.

The data show WGU has indeed expanded access to a college education, delivering affordable degrees in high-demand fields to hundreds of thousands of graduates, most of whom are non-traditional students, such as working parents. The result is that most alumni complete their degrees quickly, with little debt and high salaries. The benefits of these outcomes also extend beyond individual alumni, generating billions of dollars for graduates' families and local economies. Moreover, these graduates are also more likely to be thriving in their lives and employed in fulfilling careers than bachelor's degree holders nationally.

A MISSION TO
change lives
for the better
by creating
pathways to
opportunity.

¹ <https://www.wgu.edu/about/story/history.html>

² Due to limited availability of data related to a number of outcomes for more recent graduates, Gallup often limits its analysis to the roughly 190,000 WGU graduates who completed their degree in 2020 or earlier; however, as of September 2022, WGU has conferred nearly 290,000 degrees and certificates.



Summary of Findings

1 WGU confers large numbers of degrees to those who otherwise may not have access to them

If pathways to opportunity are created by providing postsecondary education for those who have been traditionally underserved by institutions of higher education, WGU has made substantial inroads into expanding those pathways. From 1997 through the summer of 2022, WGU has awarded nearly 290,000 bachelor's and master's degrees. Most of these degrees have gone to non-traditional students who are several years removed from high school, financially independent and married.

Since 1999, 38% of all enrolled students in primarily bachelor's-degree-granting institutions across the U.S. have been over 24 years old, while 93% of enrolled WGU students fell into that group. Likewise, WGU students are much more likely to be financially independent (95%, compared with 29% of all students at bachelor's-degree-granting institutions) and married (57% vs. 11%). These students are otherwise heavily underrepresented in higher education.

Finally, the number of Western Governors University graduates is growing exponentially. From 2001 through 2015, WGU awarded approximately 49,000 degrees and certificates. By comparison, the university conferred nearly 43,000 degrees in the year 2020 alone.³ The number of total degrees — and all the benefits that WGU graduates derive from them — will likely continue to increase in magnitude if the current rate of rapid growth continues.

From 1997 through the summer of 2022, WGU has awarded nearly

290,000

BACHELOR'S AND MASTER'S DEGREES.

2 WGU's focus on in-demand majors results in high-earning alumni

WGU has generated strong financial gains for its graduates. One reason is that its mix of majors is oriented toward skills that lead to improved career outcomes, including average salaries that are 36% higher among WGU bachelor's degree students and 14% higher among WGU master's degree students than salaries resulting from the mix of majors offered at all bachelor's-degree-granting institutions combined.

Recent data from other specific schools are not available, but analysis of data from the Current Population Survey (CPS) shows WGU master's alumni earn roughly the same salaries as the median U.S. worker with a master's degree, and the median WGU bachelor's alumni earns 13% to 21% more than the national median for bachelor's degree holders, depending on the age group.

Compared with CPS data regarding high school graduates' earnings, WGU bachelor's and master's alumni earn far more than workers in the same age group with no post-secondary education. Gallup estimates that from age 38 — the average age at graduation of a WGU alumnus — to age 64, a WGU bachelor's degree holder will earn more than \$1.5 million, and a master's degree holder will earn over \$1.7 million. Both earnings figures are more than double the roughly \$700,000 a high school diploma holder would earn over the same period.

When scaled out over the nearly 166,000 bachelor's degree alumni and 120,000 master's degree alumni who had completed their programs at the time of this report, WGU graduates will earn about \$463 billion over the course of their postgraduation lives — more than \$261 billion more than they would have earned if they did not have a postsecondary degree.

³ Source: Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System, Completions Survey, unrevised provisional release data. Note: WGU also awarded 71 associate degrees between 1999 and 2009 and zero thereafter, according to our data. 2020 data are calculated by Gallup from the WGU Alumni Database and are not official IPEDS statistics.

3 WGU provides accelerated and affordable pathways that minimize debt burdens

WGU delivers accelerated and affordable pathways to opportunity. Between 2004 and 2020,⁴ net tuition per student — defined as the “sticker price” of tuition, minus any discounts or allowances the university provides directly to students — was approximately \$6,608 annually. This is about 63% the rate of bachelor’s-degree-granting institutions nationally (\$10,486). That is to say: On average, WGU students paid less than two-thirds the tuition of the average American undergraduate. This lowers costs and maximizes convenience, allowing parents, workers, and others an opportunity to balance personal responsibilities with academic work.

When this cost is adjusted for inflation and scaled across the nearly 200,000 individuals who graduated from WGU over the 2004-2020 period, Gallup estimates WGU alumni have paid \$1.03 billion less in tuition than they would have if they had completed their undergraduate degree elsewhere. Nearly \$687 million of those savings came between 2017 and 2020, including \$230 million in savings in 2020 alone.

38%

OF WGU ALUMNI

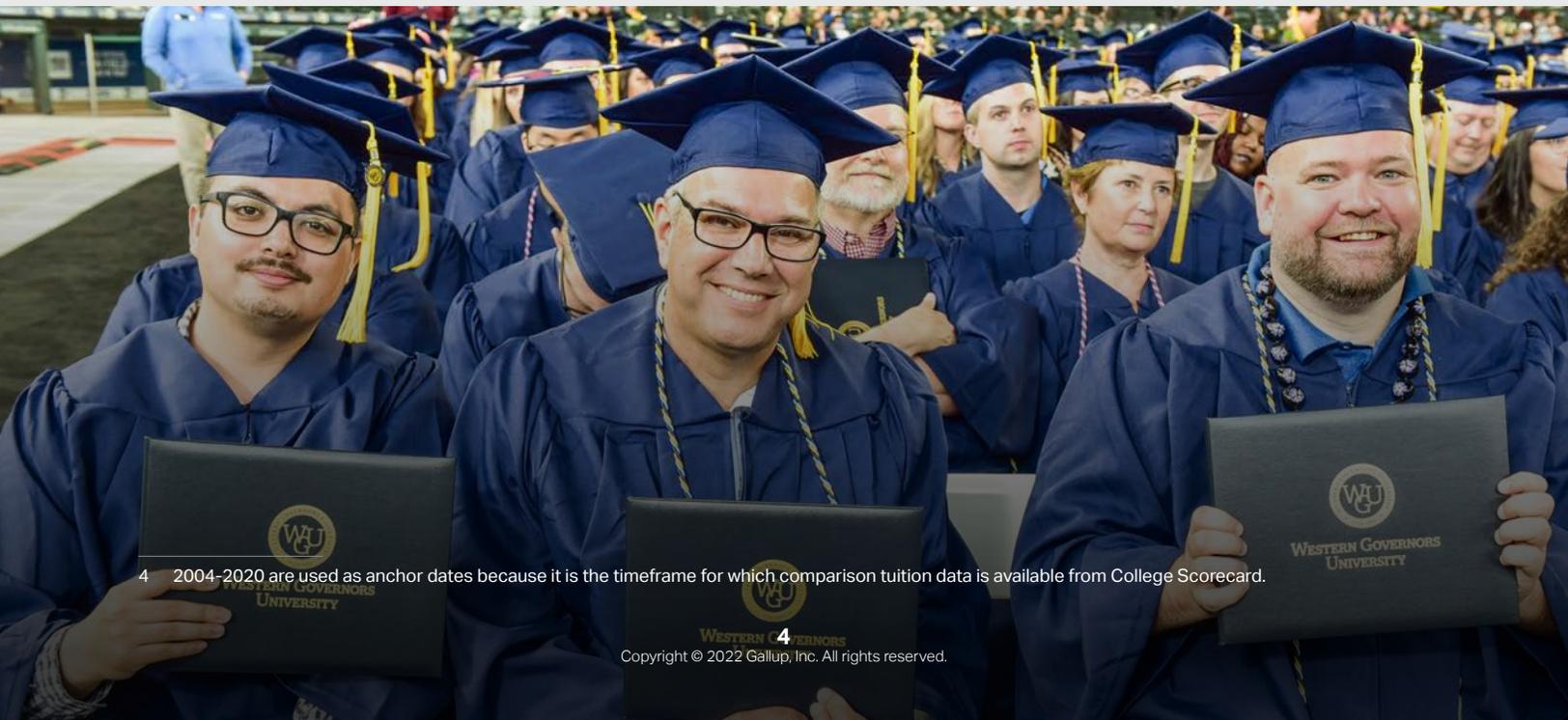
graduate within
two years.

Many WGU alumni (38%) graduate from bachelor’s degree programs within two years. The average time between start date and graduation date is 2.4 years for WGU bachelor’s degree alumni. This is less than half the time of the average bachelor’s degree earner (5.6 years), according to data from the National Student Clearinghouse.

This rapid progression, combined with the relatively low cost of tuition and WGU’s flat-rate-per-term tuition model, mitigates costs and debt for WGU students.

Among WGU students who received federal loans, the median debt at graduation was under \$12,000. This is roughly 60% of the median debt of all graduates who received Title IV funding at predominately bachelor’s-degree-granting institutions (\$18,503).

Both tuition and total costs are lower for WGU students relative to all bachelor’s-degree-granting colleges and other online institutions. This, along with the high earnings of alumni, explains why WGU graduates are much less likely to default on student loan repayment. The default rate on student loans within three years of completion is just 4.9% at WGU, compared with 6.8% for all bachelor’s-generating colleges and 11.1% for online bachelor’s colleges.



⁴ 2004-2020 are used as anchor dates because it is the timeframe for which comparison tuition data is available from College Scorecard.

4 WGU provides large economic gains for the country

The approximately 155,000 degrees and certificates granted by WGU between 2015 and 2020 generated an additional \$6.5 billion in U.S. GDP in 2021, based on the income advantage of degree earners, relative to similarly aged workers with a high school diploma but no college education. Income data are not available for WGU alumni who completed their degree before 2015, but we know they represent 19% of all graduates. Assuming their earnings are similar to more recent graduates, Gallup estimates that, in 2021, WGU alumni contributed \$8 billion more to the U.S. economy than they would have if they never attended college.

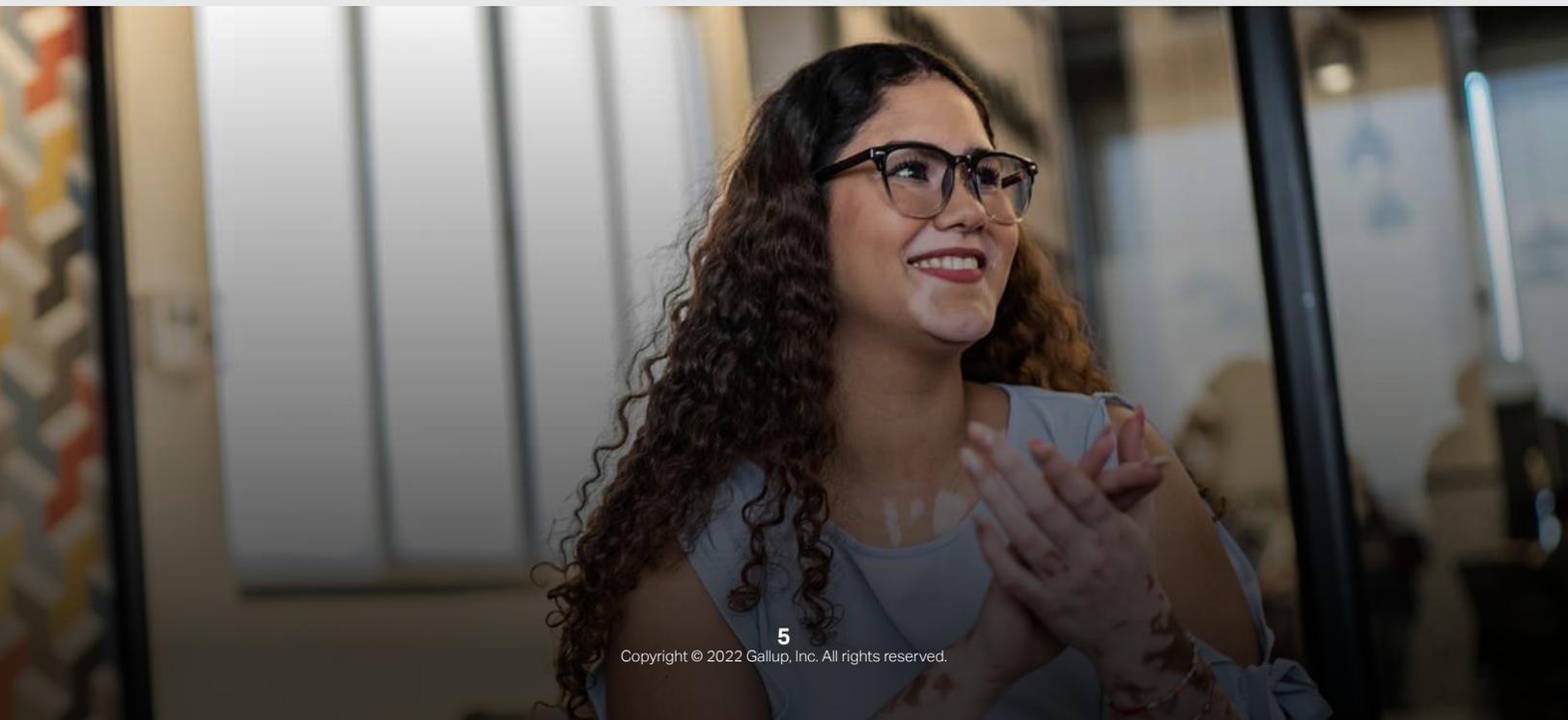
5 High levels of wellbeing and engagement

Two metrics that Gallup uses to measure postgraduation outcomes of undergraduate alumni are life evaluation — how highly they rate their current lives on a scale of zero to 10 — and the extent to which they are engaged in their careers and workplaces. Seventy-seven percent of WGU alumni are thriving in their lives, and 44% are engaged in their jobs — both higher proportions than bachelor's degree holders nationally (63% and 35%, respectively) and U.S. adults without a postsecondary degree (50% and 30%).

Moreover, while life evaluation and engagement tend to increase with age — which would appear to benefit WGU due to the higher-than-average age of its students — WGU graduates enjoy advantages in both areas even when controlling for alumni age. Gallup estimates roughly 125,000 WGU graduates are thriving in their lives; of those 125,000, more than 46,000 would not be thriving if they had not received their degree from WGU.

77%
of WGU alumni
are **THRIVING**
in their lives and

44%
are **ENGAGED**
in their jobs.



Detailed Findings

1 WGU confers large numbers of degrees to those who otherwise may not have access to them

WGU has made significant progress toward its core mission of expanding access to higher education. This is most directly seen in its conferral of 190,664 degrees from inception through 2020. Sixty percent of these degrees have been bachelor's degrees and 39% master's degrees.

TABLE 1

Degrees awarded by Western Governors University, by year and level

	Bachelor's degree	Post-baccalaureate certificate	Master's degree	Total
Cumulative, 1999-2020	113,669	3,271	73,724	190,664
2020	24,676	214	17,808	42,698
2019	20,211	216	13,705	34,132
2018	16,089	188	10,894	27,171
2017	13,087	246	7,913	21,246
2016	10,265	254	5,925	16,444
2015	8,207	218	4,761	13,186
2014	6,312	226	4,284	10,822
2013	5,184	193	2,936	8,313
2012	3,608	239	2,048	5,895
2011	2,227	253	1,507	3,987
2010	1,224	244	803	2,271
2009	842	279	383	1,504
2008	679	159	237	1,075
2007	541	149	192	882
2006	374	137	143	654
2005	130	53	106	289
2004	12	3	46	61
2003	1	-	24	25
2002	-	-	6	6
2001	-	-	3	3

Source: Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System, Completions Survey, unrevised provisional release data.

Note: WGU also awarded 71 associate degrees between 1999 and 2009 and zero thereafter, according to our data.

The majority of these degrees have been conferred upon non-traditional students, particularly working adults. Given that approximately 62% of the U.S. adult population does not have a college degree,⁵ the adult population is a very large source of potential students. Work and family responsibilities — along with the inconvenience of commuting and being on campus — deter many adults from enrolling in college courses. WGU's orientation toward adults — particularly those who are also working during their degree programs — sets it apart, and the results are distinctive.

Using College Scorecard data from 2003 to 2019 and aggregating it across years, Gallup finds WGU students are more likely to be older, married, and financially independent than bachelor's degree students nationally. The average WGU enrollee is 35 years old — 12 years older than the average college enrollee at a predominately bachelor's-degree-granting institution. Fifty-seven percent of WGU students are married, compared with 11% at all other bachelor's degree colleges, and just 5% are dependent financially (meaning they are claimed as dependents on tax records), compared with 71% of all students at bachelor's colleges.

TABLE 2

OTHER DEMOGRAPHICS <i>Among Title IV Recipients</i>	WGU	All predominately bachelor's-degree-granting colleges	Online only, bachelor's-degree-granting colleges
Average age at entry	35	23	33
% Female	66	58	62
% Married	57	11	37
% Dependent	5	71	11
% Veteran	4	2	7
% First generation	47	35	52
% Students of color	22	29	36
Median family income	\$43,305	\$44,720	\$24,754

Source: College Scorecard. Non-WGU categories exclude WGU from calculation. The means use the number of undergraduate students as the weight, so that the average is for the average student (not institution) in a non-WGU online bachelor's program and all non-WGU programs at predominately bachelor's-degree-granting institutions.

5 <https://www.census.gov/newsroom/press-releases/2022/educational-attainment.html>

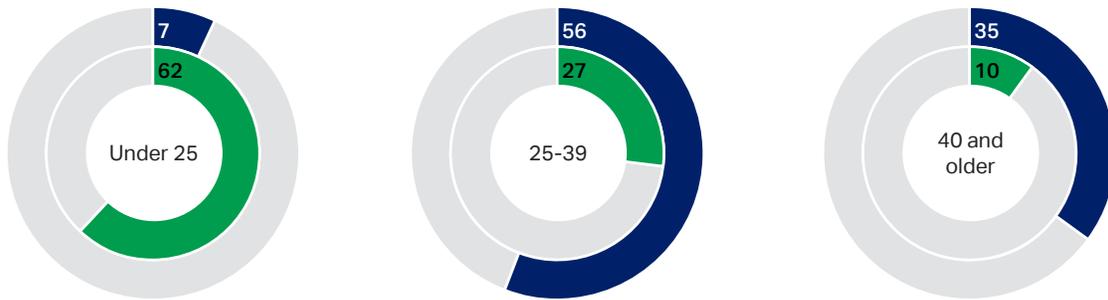
Using more detailed age data from IPEDS, Gallup finds 62% of enrolled students nationally were under the age of 24, but only 7% of enrolled WGU students were at that age level. Instead, most WGU students (56%) were between the ages of 25 and 39, with just over one-third (35%) of students 40 and older. Both rates are more than double the national average. In this way, WGU has filled a hole in the higher education market and attracted older students who otherwise would be unlikely to attend.

CHART 1

Age of enrolled students at WGU and all colleges, 2003-2019, summary categories

% Age

■ WGU ■ All colleges



Note: A small percentage of students have "Unknown" age (2% in 2019 for WGU and less than 1% nationally).

Source: Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System. Accessed via NCSES Data Explorer, <https://ncesdata.nsf.gov/home>



2 WGU's focus on in-demand majors results in higher-earning alumni

By focusing on in-demand fields in computer science, nursing, management and teaching, WGU raises the likelihood its alumni will find work in their preferred field and, for many, enjoy a lucrative salary. Using a novel valuation method,⁶ this report shows the mix of majors at WGU is worth approximately \$15,000 more for bachelor's degree holders than the mix of majors provided by all predominately bachelor's-degree-granting colleges, and approximately \$8,000 more for master's degree holders.

TABLE 3

Mean value of degrees given, by degree type, 2001-2019

Degree type	WGU	All colleges
Bachelor's degree	\$55,788	\$40,958
Post-baccalaureate certificate	\$56,365	\$56,214
Master's degree	\$67,327	\$59,183

College Scorecard data show a generally favorable, but mixed picture for WGU alumni earnings relative to other schools. Since 2011, median earnings six years after entry for WGU students have been higher than those at both the typical bachelor's-degree-granting college, as well as those earned by other online-only bachelor's degree colleges. These earnings data reflect students who began bachelor's degree programs between 2005 and 2009. Using the latest available data from the College Scorecard, median earnings for WGU attendees six years after enrollment are 29% higher when compared with the average bachelor's degree student and 17% higher compared with the average online student who entered at the same time.

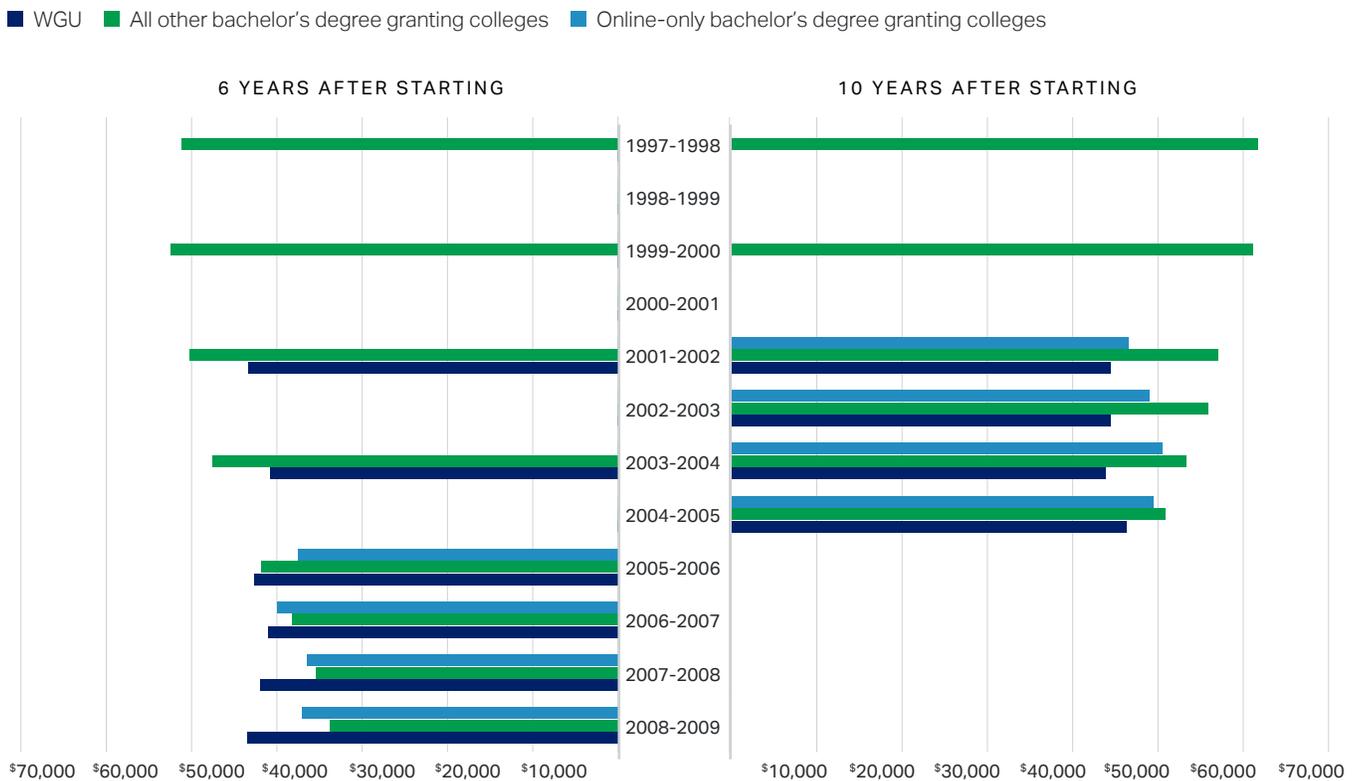
⁶ For a detailed explanation of this valuation method, please refer to the "Estimating Income Effects" portion of the Methods and Data Sources section.

WGU earnings 10 years after entry, however, are lower than benchmark schools. The cohorts represented in these data entered as early as 2001 and as late as 2005. Thus, these students represented some of the first cohorts at WGU, a large majority of whom were graduates of the Teachers College. As the program-level income analysis in Appendix A demonstrates, students who major in education — both at WGU and nationally — earn noticeably lower salaries than their peers in IT, business and healthcare programs. As a result, the high proportion of these students in the early cohorts for whom 10-year salary data is available may partially explain the salary gap between WGU graduates and bachelor's degree holders nationally.

MEDIAN EARNINGS
for WGU attendees six years after enrollment are **29% HIGHER,** when compared with the average bachelor's degree student.

CHART 2

Earnings during initial years after entry among Title-IV-Funded students at WGU and other predominately bachelor's-degree-granting colleges from College Scorecard



Gallup analysis of College Scorecard. Non-WGU institutions are weighted by the 6-year earnings cohort. Sample includes all employed and non-enrolled former students (including those who did not graduate) who received a Pell grant or federal student loan. All earnings data is converted to 2021 USD using the Consumer Price Index.

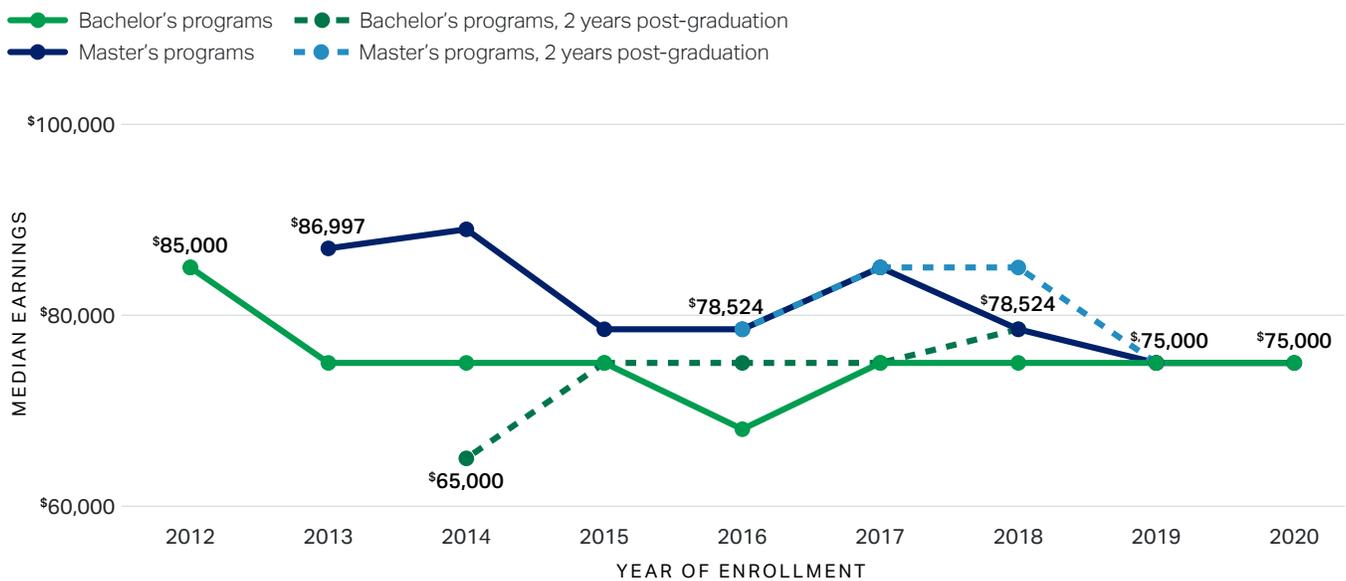
There are notable limitations to the College Scorecard data, as noted in the Methods section, including a lack of reporting for recent cohorts; a lack of earnings data for students who do not receive Title IV federal funding (i.e., grants and loans); earnings data includes all students who started at WGU and other colleges, whether or not they completed their program; earnings data may include graduates who are only working part time, and are thus only partially attached to the labor force; and the scorecard only includes bachelor's degree recipients.

Since WGU alumni are often married, non-traditional students with work experience, and WGU programs are relatively low-cost, the aid-recipient population may be less representative of WGU alumni.

For these reasons, Gallup also analyzed and reported income data from the WGU Alumni Survey. These data show notably higher earnings for each cohort of students. Median earnings are \$78,500 two years after graduation for bachelor's alumni who started in 2018 and \$85,000 for master's alumni from WGU. Looking across year of entry, \$75,000 emerges as typical median earnings for a given bachelor's cohort and slightly more for master's students. The lack of growth can be accounted for by the fact that all dollar amounts are collected between 2020 and 2022 and reported in 2021 dollars.

CHART 3

Median earnings in 2020-2022 by year of enrollment for WGU bachelor's and master's alumni



Source: Gallup analysis of WGU Alumni Survey database. All income were collected between 2020 and early 2022. 2020 dollars were adjusted to 2021 dollars. 2 years post-graduation includes those who were surveyed greater than 1 year after graduation date and less than 3 years.

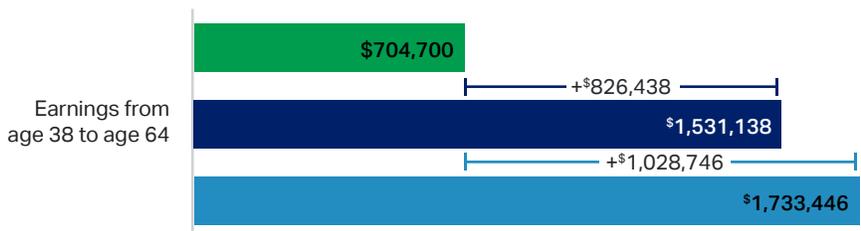
Given the limitation of the College Scorecard data, a more appropriate national benchmark may be the Bureau of Labor Statistics' Current Population Survey (CPS). The CPS is a large scale, representative survey that allows for calculation of median earnings by age cohort for workers with various levels of education.

Compared to CPS data regarding high school graduates' earnings, WGU bachelor's and master's alumni earn far more than workers in the same age group with no post-secondary education. Gallup estimates that from age 38 — the average age at graduation of a WGU alumnus — to age 64, a WGU bachelor's degree holder will earn more than \$1.5 million, and a master's degree holder will earn over \$1.7 million. Both earnings figures are more than double the roughly \$700,000 a high school diploma holder would earn over the same period.

CHART 4

WGU postgraduation earnings premiums

■ U.S. high school diploma holder ■ WGU bachelor's alumni ■ WGU master's alumni



Source: IPUMS CPS, 2021 data, restricted to those who are currently employed and not enrolled in school. WGU Alumni Database is the source for WGU data and is restricted to alumni who completed the survey at least one year after graduation. There were less than 100 alumni below age 29 and above age 64 so those values are suppressed. WGU data are collected from 2020 to 2022 and reported in 2021 dollars. The colored bars show the net present value of median lifetime earnings — starting at age 38 — of WGU alumni relative to the median high school graduate with no postsecondary education, using a 3% discount rate.

**WGU BACHELOR'S
DEGREE GRADUATES**
can expect to earn over
\$826,000
MORE
than they would have with only
a high school diploma.

**WGU MASTER'S
DEGREE ALUMNI**
can expect to earn
\$1.03M
MORE
than they would have with only
a high school diploma.

When scaled out over the nearly 166,000 bachelor's degree alumni and 120,000 master's degree alumni who had completed their programs at the time of this report, WGU graduates will earn about \$463 billion over the course of their postgraduation lives — more than \$261 billion more than they would have earned if they did not have a postsecondary degree. In this sense, WGU is delivering on its promise to boost the earnings potential of adults relative to a scenario in which they do not attend or complete college, particularly when considering many WGU students may not otherwise be able to advance their education at another institution.

Second, relative to adults with comparable degrees, WGU bachelor's alumni earn substantially higher salaries. This is likely the result of WGU's concentration in high-earnings majors, such as computer science and management. By contrast, WGU's degrees in teaching result in lower earning for alumni, but it is well established that teacher salaries are low relative to their level of education. For 29-to-39-year-olds, WGU master's students earn essentially the same salaries as U.S. master's students generally. For those aged 40-64, U.S. master's students earn slightly more than WGU alumni. As with bachelor's degree alumni, the median for WGU master's degree alumni is brought down by master's programs in education, even as other programs result in significantly higher earnings.

TABLE 4

Median earnings of non-enrolled U.S. workers in 2021 by level of education compared with WGU alumni

	Age 16-28	Age 29-39	Age 40-64	Age 65 and over
Employed adults in the United States				
Doctorate or professional degree	\$70,072	\$100,135	\$130,303	\$135,904
Master's degree	\$55,451	\$74,101	\$90,187	\$83,001
Bachelor's degree	\$50,000	\$62,000	\$75,094	\$77,216
Associate degree	\$30,100	\$45,000	\$52,122	\$59,289
Some college, no degree	\$28,000	\$40,648	\$50,050	\$57,200
High school	\$25,003	\$35,616	\$41,000	\$48,000
Less than high school	\$18,800	\$26,401	\$30,000	\$30,001
WGU alumni				
Master's degree	N/A	\$75,000	\$88,994	N/A
Bachelor's degree	N/A	\$75,000	\$85,000	N/A

Source: IPUMS CPS. 2021 data, restricted to those who are currently employed and not enrolled in school. WGU Alumni Database is the source for WGU data and is restricted to alumni who completed the survey at least one year after graduation. There were fewer than 100 alumni below age 29 and above age 64 so those values are suppressed. WGU data are collected from 2020 to 2022 and reported in 2021 dollars.

The earnings patterns are clarified by decomposing the results by major. WGU bachelor's alumni earn between \$45,000 and \$100,000, depending on the field of study, whereas median earnings by major for master's alumni range from \$55,000 to \$138,000. It is clear that most WGU programs result in earnings substantially above the national median for that degree and age level, using the Current Population Survey. If earnings could be further decomposed by occupation and compared with national data, it would likely show that WGU alumni are earning the market wage for their field.



3 WGU provides time- and cost-efficient degrees that minimize debt burdens

One reason Western Governors University is able to grant degrees to so many non-traditional students is that WGU bachelor's alumni spend remarkably little time in college, due largely to WGU's competency-based learning model, which allows students to complete a course "as soon as they can prove they've mastered the material, rather than advancing only when the semester or term ends."⁷

Using longitudinal data from U.S. colleges, a report by the National Student Clearinghouse calculated the time it usually takes students to complete bachelor's degree programs.⁸ For private, not-for-profit colleges, the mean is 5.4 years, and it is 5.6 years for public 4-year colleges. For WGU, it is only 2.4 years, meaning students complete their degrees in less than half the time of an average bachelor's degree student.

TABLE 5

Time to graduate

Level of degree	Number of graduates, 2015-2021	Percentage who graduate in less than 2 years	Percentage who graduate in less than 4 years	Percentage who graduate in less than 6 years	Mean years to graduate
WGU bachelor's degree	95,058	38%	81%	95%	2.4
WGU master's degree	67,245	59%	94%	99%	1.7
WGU post-baccalaureate certificate	1,051	60%	94%	99%	1.7
U.S. bachelor's degree			38%	75%	5.4

Sources: WGU Alumni Database and National Student Clearinghouse. Mean time to graduate is for four-year private schools. See Shapiro et al (2016), <https://nscresearchcenter.org/wp-content/uploads/SignatureReport11.pdf>

7 <https://www.wgu.edu/student-experience/learning/how.html>

8 Shapiro, D., Dundar, A., Wakhungu, P.K., Yuan, X., Nathan, A., & Hwang, Y. (2016, September). Time to Degree: A National View of the Time Enrolled and Elapsed for Associate and Bachelor's Degree Earners (Signature Report No. 11). Herndon, VA: National Student Clearinghouse Research Center, <https://nscresearchcenter.org/wp-content/uploads/SignatureReport11.pdf>

This rapid time between entry and completion mitigates costs. WGU students are just as likely as students in other programs to take out federal loans — and most do — but the median debt burden among WGU alum is approximately 60% of the debt burden of students at all bachelor’s degree-granting colleges, whether online or not. This fact, combined with the achievement of competitive market salaries, results in a low default rate on student loans. The three-year default rate is only 4.9% for WGU alumni, compared with 6.8% for comparable alumni from bachelor’s programs and 11.1% for alumni from online-only colleges.⁹

TABLE 6

Financial characteristics of average student at WGU and other colleges, 2003-2019

	WGU	All predominately bachelor's-degree-granting colleges	Online-only, predominately bachelor's-degree-granting colleges
Percentage receiving Pell grant	36%	34%	35%
Percentage taking out a federal loan	58%	50%	40%
Mean net tuition	\$7,242	\$10,298	\$8,431
Mean net cost of attendance	\$11,222	\$23,174	\$14,598
Median debt	\$8,699	\$12,104	\$7,958
Median debt, among graduates	\$11,916	\$18,503	\$19,058
Median debt, among non-graduates	\$6,970	\$6,934	\$5,923
Default rate on loans, 2-year	4.6%	4.2%	7.8%
Default rate on loans, 3-year	4.9%	6.8%	11.1%

Source: College Scorecard. Non-WGU categories exclude WGU from calculation. The means use the number of undergraduate students as the weight, so that the average is for the average student (not institution) in a non-WGU online bachelor’s program and all non-WGU programs at predominately bachelor’s-degree granting institutions.

⁹ This comparison comes from the College Scorecard and is subject to the same limitations as the earnings data.

Moreover, WGU tuition is assessed as a flat rate, allowing students to complete more classes in a single term without increasing the cost. Between 2004 and 2020, net tuition per student — defined as the “sticker price” of tuition, minus any discounts or allowances the university provides directly to students — was approximately \$6,608 annually. This is about 63% the rate of bachelor’s-degree-granting institutions nationally (\$10,486). That is to say: On average, WGU students paid less than two-thirds the tuition of the average American undergraduate. The flat rate tuition model lowers costs and maximizes convenience, allowing parents, workers and others an opportunity to balance personal responsibilities with academic work.

When this cost is adjusted for inflation and scaled across the roughly 187,000 graduates of WGU between 2004 and 2020, Gallup estimates WGU alumni have paid \$1.03 billion less in tuition than they would have if they had completed their undergraduate degree elsewhere. Nearly \$687 million of those savings came between 2017 and 2020, including \$230 million in savings in 2020 alone.

Traditionally, the Department of Education and other reporting bodies measure graduation rate as the percentage of first-time, full-time students who complete their degree programs within six years of enrollment. However, this only accounts for about 2% of the WGU student population, as 98% of WGU students began their college careers at another university before transferring, and are therefore not considered “first-time” students.

Therefore, while the traditional graduation rate metric suggests just 26% of first-time, full-time WGU students since 1997 have graduated — a rate still higher than the 18% first-time, full-time graduation rate of online-only bachelor’s-degree-granting institutions nationally — this measure does not account for the overwhelming majority of WGU students.

The College Scorecard has recently begun collecting and publishing graduation rates for all students — including those who transferred into their university, as is the case for nearly all WGU students, likely making it a more appropriate measure for the university. By this “all students graduation rate,” 54% of students who enrolled at WGU in the 2012-2013 academic year completed their program within eight years, a rate that is closer to the median of all four-year universities (57%) than the first-time, full-time rate.¹⁰

GALLUP ESTIMATES

WGU alumni have paid

\$1.03

BILLION LESS

in tuition than they would have if they had completed their undergraduate degree elsewhere.

¹⁰ <https://collegescorecard.ed.gov/school/?433387-Western-Governors-University>



4 WGU provides significant economic gains for the country

WGU was started by governors of U.S. states to encourage more adults to pursue a higher education, and despite the online orientation, a plurality of WGU alumni (42%) currently live in western states, especially California, Washington, and Utah. These western states are also home to \$2.6 billion in WGU alumni income. That figure is based on students who graduated between 2015 and 2020 (81% of all alumni), as income data were not available for earlier cohorts. A large fraction of spending from these alumni salaries would remain in their home state in the form of spending on housing, local services, and locally produced goods, as well as state and local taxes.

Still, given the online orientation, WGU alumni can be found in every state and contribute to the economies of every region of the country — and even some foreign countries (albeit to a very limited extent). Overall, WGU alumni who completed between 2015 and 2020 contributed an estimated \$6.5 billion to the U.S. economy in 2021 beyond what they would have if they only held a high school diploma.

We can estimate an even larger effect if we assume that previous cohorts — which do not have income data — have a similar earnings profile as recent cohorts. This is unlikely to be precisely true, as WGU has shifted its share of majors and degrees, but a back-of-the-envelope estimate would suggest that WGU alumni contribute an additional \$8 billion to the U.S. economy each year.

TABLE 7

Estimates of annual income effect of WGU degrees granted from 2015 to 2020 on GDP, by region of the United States

Region	Alumni	Regional income effect (in billion 2021 USD)	Share of alumni	Share of income effect
West	61,840	\$2.6	42%	40%
South	52,242	\$2.2	32%	34%
Midwest	28,665	\$1.2	19%	19%
Northeast	11,335	\$0.5	7%	7%
Foreign countries or unlisted address	795	\$0.0	0%	1%
Total, all alumni from 2015-2020	154,877	\$6.5		
Estimated total, all alumni from 2001-2020	190,664	\$8.0		



5 WGU alumni report higher levels of wellbeing and workplace engagement

In addition to the financial benefits of competitive salaries and reduced debt burdens, WGU alumni also report living higher quality overall lives than U.S. adults without a postsecondary degree, as well as bachelor’s degree holders nationally.

Gallup measures life evaluation using a two-item index that asks respondents to rate their current lives on a scale of zero to 10, and also asks them to project how they believe they would rate their lives in five years. Those who rate their current lives as a 7 or above and their future lives as an 8 or above are considered “thriving” in their life evaluation.

In the most recent WGU alumni survey, conducted Nov. 17-Dec. 12, 2021, Gallup found that 77% of WGU bachelor’s degree holders were currently thriving in their lives. By comparison, nationally representative Gallup data collected during the same general timeframe (Oct. 15-Dec. 5, 2021) found that half of U.S. adults without a postsecondary were thriving in their lives, and 63% of those with a bachelor’s degree were thriving.

TABLE 8

Wellbeing among WGU graduates, compared with U.S. adults

% Thriving in current lives

	WGU bachelor's degree alumni	Bachelor's degree holders nationally	U.S. adults without a bachelor's degree
Overall	77	63	50
25 to 34	73	65	42
35 to 44	76	61	47
45 to 54	78	61	52
55 or older	80	63	54

Results for the wellbeing of Western Governors University alumni are based on 1,149 web survey responses from WGU alumni. Gallup conducted the survey from Nov. 17 to Dec. 12, 2021. Results for the wellbeing of U.S. adults are based on a self-administered web survey of 3,671 adults, conducted between Oct. 18 - Dec. 5, 2021 via the Gallup Panel.

Gallup research finds current life evaluation and workplace engagement tend to increase with age. Western Governors University's heightened age of enrollment may then be expected to inflate its wellbeing and engagement numbers relative to alumni who enroll in their programs at earlier ages; however, WGU alumni retain their wellbeing advantage across age groups.¹¹

Using the gap in thriving within each age bracket between WGU survey respondents and U.S. adults without a college degree, and applying those gaps proportionally across the age brackets of all WGU bachelor's alumni, Gallup estimates, of the roughly 125,000 WGU bachelor's degree alumni who are thriving in their lives, 46,251 of these graduates would not have been thriving if they did not receive their degree.

TABLE 9

Net increases in thriving among WGU graduates

	Total count of WGU bachelor's alumni (2004-2022)	Estimated gap in thriving over U.S. adults with only a high school diploma	Net increase in thriving
25 to 34	41,343	+31%	12,816
35 to 44	61,011	+29%	17,693
45 to 54	40,992	+26%	10,658
55 or older	19,552	+26%	5,084
Total	162,898	+28%	46,251

GALLUP ESTIMATES

46,251

MORE INDIVIDUALS ARE THRIVING IN THEIR LIVES

than otherwise would be, thanks to earning their bachelor's degree at WGU.

¹¹ WGU alumni in the 18-24 age bracket are not shown, as there were insufficient respondents to the alumni survey to estimate this group's wellbeing or workplace engagement

Life evaluation is also closely related to a second measure of postgraduation satisfaction: workplace engagement. Since the 1990s, Gallup has quantitatively measured the degree to which employees are emotionally invested and engaged in their work. Decades of Gallup research has shown teams of highly engaged employees are more productive, have lower turnover, commit fewer errors, are more profitable, and exhibit other measurable advantages over teams with low engagement.¹²

WGU alumni are more engaged in their workplaces than employed bachelor's degree holders nationally. Among those who are employed full time for an employer, 44% of WGU alumni are engaged; that is to say, they are highly enthusiastic about their workplace, and drive performance and innovation at the organization. This is nine points higher than employed adults with a bachelor's degree nationally, and 14 points higher than those without a bachelor's degree. Thus, WGU alumni are making a positive contribution to the productivity and efficiency of organizations around the country at higher levels than their peers. This is in addition to their direct effect on GDP.

TABLE 10

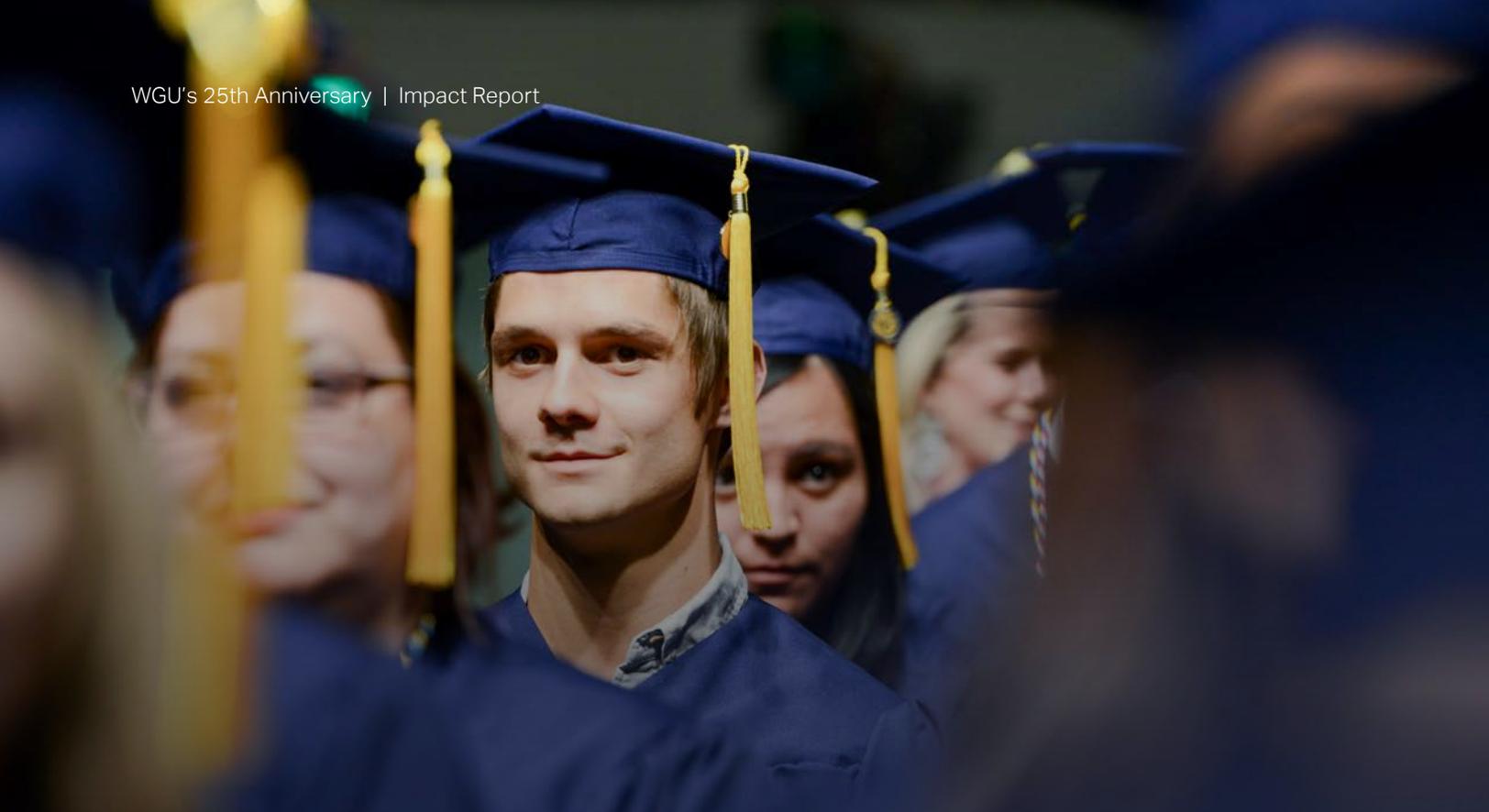
Workplace engagement among WGU graduates and U.S. adults

% Engaged among those employed full time for an employer

	WGU bachelor's degree alumni	Bachelor's degree holders nationally	U.S. adults without a bachelor's degree
Overall	44	35	30
25 to 34	49	35	26
35 to 44	46	33	30
45 to 54	45	34	32
55 or older	38	36	32

Engagement is restricted to adults who are currently working full time for an employer. Results for engagement of Western Governors University alumni are based on 1,149 web survey responses from WGU alumni. Gallup conducted the survey from Nov. 17 to Dec. 12, 2021. Results for the workplace engagement of U.S. adults are based on a self-administered web survey of 12,346 adults working full-time for an employer, conducted Feb. 3-14, 2022 via the Gallup Panel.

12 Harter, James K. et al. 2020. "The relationship between engagement at work and organizational outcomes: 2020 Q12 Meta-analysis." Gallup, <https://www.gallup.com/workplace/321725/gallup-q12-meta-analysis-report.aspx>



Conclusion

WGU fills an important gap in the higher education market: It offers time-efficient, flexible and convenient higher education in in-demand degree programs. These traits have made it highly attractive to older students who are juggling familial and work responsibilities and cannot practically live on a college campus for four years, and who might otherwise not be able to attain a postsecondary degree.

The impact has been tremendous. In 25 years, WGU has conferred nearly 290,000 degrees. In 2021, WGU alumni added about \$8 billion to the economy. They do so by earning salaries that comfortably exceed national benchmarks for similarly aged bachelor's degree earners in the United States and equal the earnings of similarly aged master's degree earners.

WGU programs are faster to complete and cost less, saving about \$6,500 in median student debt and shaving two years off the average time to complete. While first-time, full-time graduation rates at WGU (30%) are low, compared with four-year universities nationally (58%), WGU graduates a notably higher fraction of first-time students on time than the average online-only school (13%). Additionally, WGU's graduation rate rises to 54% when transfer students — who make up nearly all of the WGU student population — are taken into account, a number more in line with the median national four-year university (57%). Moreover, repayment rates on student loans are notably higher at WGU than the average U.S. bachelor's degree programs and far higher than at other online-only colleges.

Following graduation, WGU alumni earn market salaries in what are often competitive and lucrative fields. They exhibit higher-than-average life satisfaction and engagement with work, and these benefits translate into direct and indirect effects on state economies and the national economy. In exchange for these benefits, WGU students take on modest levels of student debt and spend less time in their degree program, leading to lower default rates on debt. In short, Western Governors University has created and sustained a successful model of higher education that fills an important market niche.

Methods and Data Sources

This report relies on several data sources to assess the impact Western Governors University has had over 25 years, all of which are necessary to account for the unique — and often unaccounted for by traditional higher education databases — circumstances of WGU and its students.

WGU Alumni Database

The WGU Alumni Database provides information on every WGU graduate who completed a degree program between 2015 and 2021, representing a total of 163,354 individuals. For all respondents, these data include:

- age
- ZIP code
- state of residence
- program completed
- start date
- end date

Income and other data were also collected for a subset (5%) of these alumni through a survey conducted between June 2020 through March 2022. Income is reported as a range for 7,767 alumni who were currently employed (either full-time or part-time) at the time of the survey. To estimate actual income, Gallup utilized the midpoint of the range to estimate actual income and used median values for reporting and analysis to mitigate bias from categorical reporting.

To test whether income reporting is biased by income level, Gallup merged data from the 2015-2019 American Community Survey and 2019 ZIP Code data from the Internal Revenue Service (IRS). Gallup then tested several variables to assess potential bias, including median household income, average income reported to IRS, median rent, and median home values. These variables were correlated with whether the respondent reported income. We found approximately zero correlation between these variables and whether the respondent reported income. This was true for the entire sample and the subset of alumni who were surveyed. Reported income, however, is highly correlated with ZIP Code levels of affluence, suggesting valid reporting. Thus, there is no evidence to suggest that higher income alumni are more or less likely to report their income to WGU.

Gallup Data

Results for the wellbeing and workplace engagement of Western Governors University alumni are based on 1,149 web survey responses from WGU alumni who enrolled in 2013 or later and received their bachelor's degree between 2016 and 2020. Gallup conducted the survey from Nov. 17-Dec. 12, 2021. Western Governors University provided the sample of alumni email addresses. A representative sample of WGU alumni who had an email address on file were included in the study.

Results for the workplace engagement of U.S. adults are based on a self-administered web survey of 12,346 adults working full-time for an employer, conducted Feb. 3-14, 2022 via the Gallup Panel.

Results for the wellbeing of U.S. adults are based on a self-administered web survey of 3,671 adults, conducted between Oct. 18-Dec. 5, 2021 via the Gallup Panel.

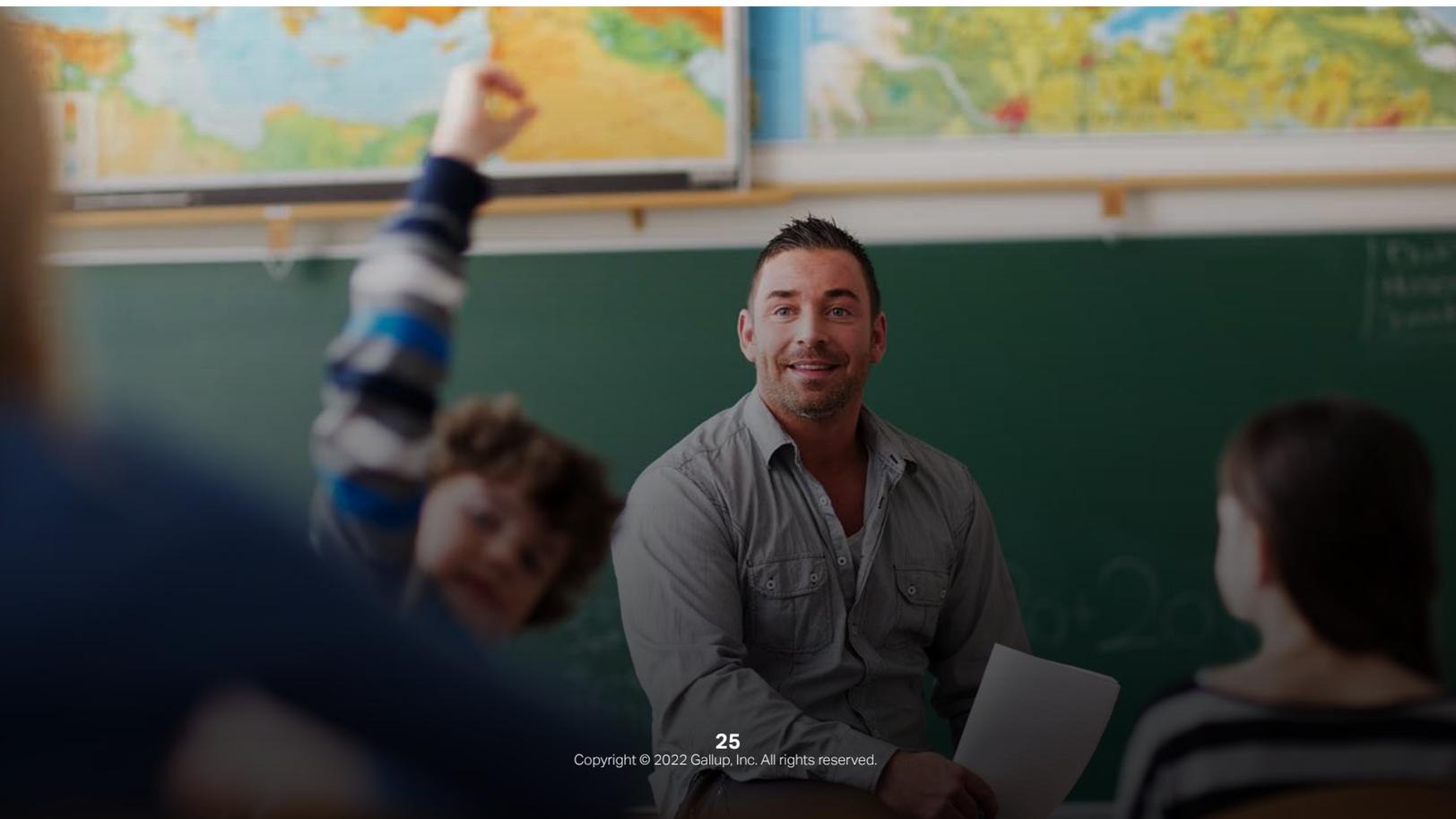
For more details about the Gallup Panel, please visit <https://www.gallup.com/174158/gallup-panel-methodology.aspx>.

U.S. Department of Education: IPEDS and College Scorecard

The U.S. Department of Education's National Center for Education Statistics maintains and publishes data from The Integrated Postsecondary Education Data System (IPEDS), which compiles data on every Title-IV eligible institution of higher education. These data include many important facts about the college, including student demographics, graduation rates, enrollment, degrees granted overall and by program. These data are recompiled and reorganized by the College Scorecard and the National Science Foundation.

The College Scorecard also includes data that has never previously been released by the U.S. Department of Education on student loans, earning after attendance, and repayment of loans. These elements are only available for Title IV recipients, meaning students who receive federal grants or loans. These data are reported at the individual level to the National Student Loan Data System (NSLDS), analyzed and recompiled by Department of Education staff to produce the College Scorecard.

These data are used to estimate the value of majors offered at WGU relative to other colleges. The data for this are derived from the most recent cohort field of study file from the Scorecard. These data show median annual earnings two years after graduation by major (4-digit CIP field) for Title-IV recipients. Students who graduated during the 2014-2015 academic year or the 2015-2016 academic year are included in these data. Earnings were observed during 2017 and 2018 and inflated to 2019 dollars by the Scorecard. The value of a major is estimated as median income of recent graduates by program level. Using all degrees granted from 1999 to 2019 by major, Gallup calculate the weighted average across years and institutions, using the number of awards as the weight.



Estimating Income Effects

This report also considers the economic effect of all degrees from WGU since its inception. This estimate includes the effect of getting a degree and effects specific to WGU and its students. The comparison population for this analysis is the set of U.S. adults who have not attended college, calculated from the income supplement to the 2021 Current Population Survey, which is produced by the Bureau of Labor Statistics. The data are accessed through the University of Minnesota's data platform IPUMS CPS.¹³

For both WGU alumni and U.S. adults, Gallup calculated median income by age group, using ages 16-28, 29-39, 40-64, and 65 and older. The estimated effect of a degree is calculated as alumni earnings minus the earnings of adults with a high school diploma but no college degree. This is calculated within each age group.

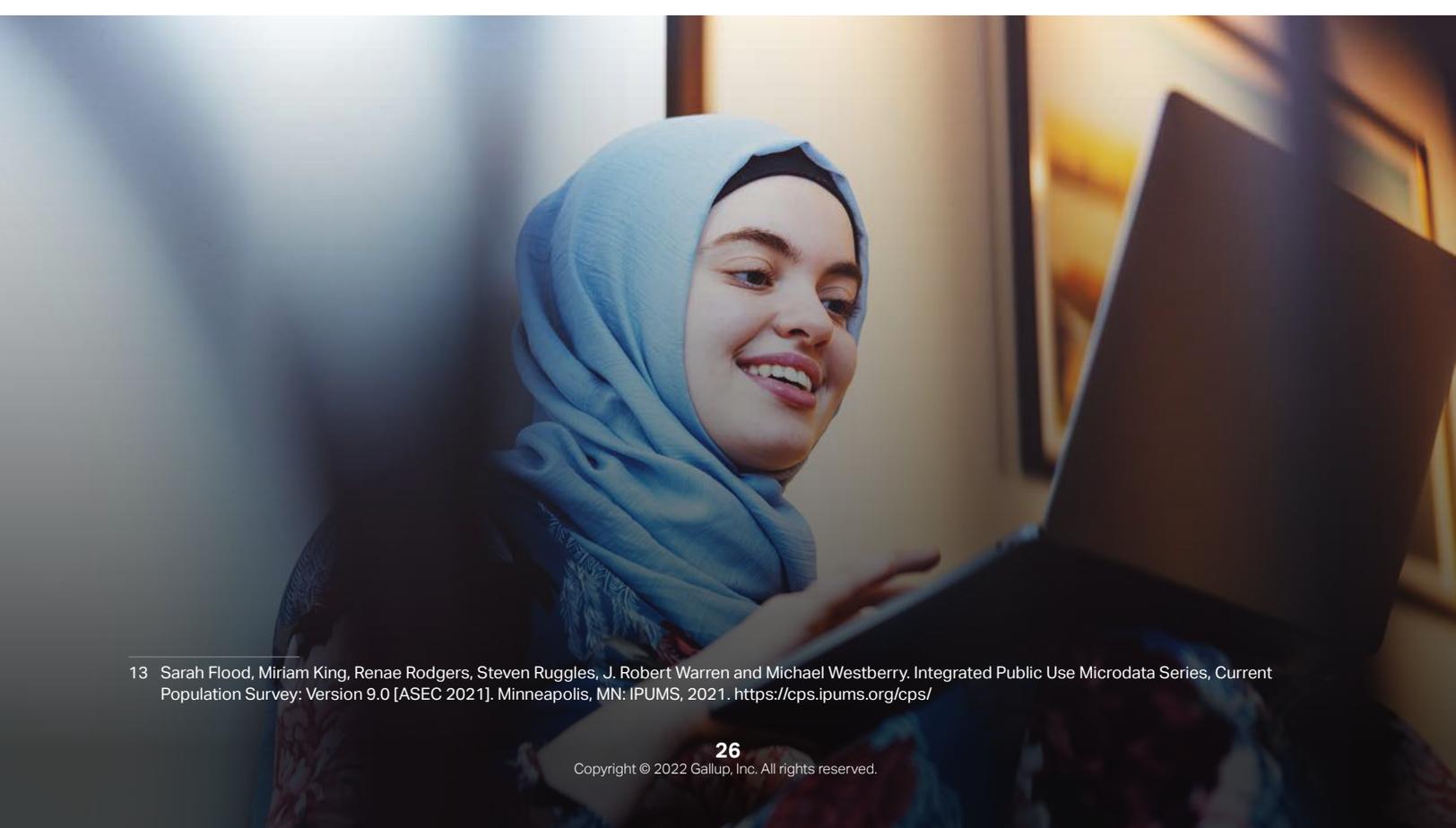
As income information is available for only a small subset (5%) of WGU alumni, Gallup imputed income to all respondents with missing data using median earnings by program for their age group, as calculated using the WGU Alumni Database by program for all alumni who were surveyed at least one year after graduation.

For a small number of age-program combinations with no income data, Gallup imputed median earnings by program. This is only done in the macroeconomic exercise, not the reported income data by cohort or major.

As income data are unavailable for the 19% of alumni who completed before 2015, we estimate their income by simply scaling up the total U.S. effect. This is done by dividing the effect by 81%, which is valid if the earnings profile of 2001-2014 graduates is similar to the 2015-2020 graduates.

We report these income effects at the state and regional levels as contributions to gross domestic product (GDP). Income can be directly tied to GDP, as GDP can be calculated as the sum of all personal and business income in the United States.

¹³ Sarah Flood, Miriam King, Renae Rodgers, Steven Ruggles, J. Robert Warren and Michael Westberry. Integrated Public Use Microdata Series, Current Population Survey: Version 9.0 [ASEC 2021]. Minneapolis, MN: IPUMS, 2021. <https://cps.ipums.org/cps/>



Appendix A

Earnings two years after graduation by major and program level for WGU alumni, compared with bachelor's alumni from all other predominately four-year institutions

Major (WGU program code)	WGU survey, bachelor's alumni	WGU survey, master's alumni	Scorecard, all institutions, bachelor's only	Scorecard, WGU, bachelor's only
Computer and Information Sciences, General (BSIT)	\$88,994	\$112,500	\$60,693	\$74,056
Computer Programming (BSITSF)	\$81,762		\$55,184	
Computer Software and Media Applications (MSDA)		\$88,994	\$39,161	
Computer/Information Technology Administration and Management (BSITSEC)	\$95,000	\$137,500	\$51,290	
Curriculum and Instruction (MSCIN)		\$61,292	\$41,036	
Educational Administration and Supervision (MSEDLST)		\$68,054	\$29,788	
Educational/Instructional Media Design (MEDID)		\$65,000	\$53,311	
Special Education and Teaching (BASP)	\$45,000	\$55,000	\$37,926	\$37,484
Teacher Education and Professional Development, Specific Levels and Methods (BAISK8)	\$45,000	\$55,000	\$35,004	\$31,012
Teacher Education and Professional Development, Specific Subject Areas (MAMES)		\$55,000	\$36,353	\$39,276
Teaching English or French as a Second or Foreign Language (MAELLP12)		\$57,584	\$26,802	
Health and Medical Administrative Services (BSBUHCM)	\$75,000	\$112,500	\$36,001	
Registered Nursing, Nursing Administration, Nursing Research and Clinical Nursing (BSNU)	\$85,000	\$95,000	\$69,380	\$75,430
Business Administration, Management and Operations (BSMG)	\$75,000	\$86,997	\$46,725	\$59,392
Accounting and Related Services (BSAC)	\$65,000	\$81,762	\$45,986	\$49,019
Human Resources Management and Services (BSBUHR)	\$65,000		\$44,979	
Management Information Systems and Services (BSBUIITM)	\$99,464	\$112,500	\$55,465	
Marketing (BSMK)	\$75,000		\$43,919	\$51,065

Sources: College Scorecard and WGU Alumni Survey. Scorecard data is collected for students who graduated in 2015 and 2016. Their earnings are two years later in 2017 or 2018. Dollar amounts are reported in 2019 dollars and converted to 2021 dollars by Gallup, using the Consumer Price Index. All WGU Alumni Survey data are from students who graduated on or after 2015 and restricted in this table to those who completed the survey between 1 and 3 years after graduation to facilitate comparisons to the Scorecard. WGU alumni earnings are observed from 2020-2022 and reported in 2021 dollars. Program codes are shown only for bachelor's if they apply to both.

Appendix B

Annual income effect estimate of WGU degrees granted between 2015 and 2020 on GDP, by state

State	Alumni	Effect on income (in thousands, 2021 USD)	Share of alumni	Share of income effect
California	15,800	\$697,562	10%	11%
Washington	17,921	\$663,294	12%	10%
Texas	13,205	\$587,880	9%	9%
Utah	10,468	\$420,518	7%	6%
Florida	7,920	\$364,305	5%	6%
Indiana	7,632	\$316,689	5%	5%
Tennessee	5,119	\$214,347	3%	3%
Virginia	4,127	\$188,802	3%	3%
Illinois	4,167	\$174,398	3%	3%
Ohio	4,262	\$169,093	3%	3%
Georgia	4,077	\$168,463	3%	3%
North Carolina	3,476	\$158,508	2%	2%
Missouri	3,857	\$153,560	2%	2%
Nevada	3,694	\$145,611	2%	2%
Colorado	3,366	\$139,764	2%	2%
Oregon	3,335	\$138,849	2%	2%
Arizona	3,020	\$133,928	2%	2%
Pennsylvania	3,068	\$133,363	2%	2%
South Carolina	3,038	\$133,363	2%	2%
New York	3,053	\$132,786	2%	2%
Idaho	2,691	\$104,037	2%	2%
Michigan	2,376	\$95,591	2%	1%
Minnesota	2,217	\$95,100	1%	1%
Maryland	2,012	\$93,042	1%	1%
Wisconsin	1,995	\$84,504	1%	1%
Kentucky	1,755	\$77,839	1%	1%
New Jersey	1,755	\$74,270	1%	1%
Connecticut	1,000	\$44,262	1%	1%
Alabama	951	\$42,768	1%	1%
Massachusetts	956	\$42,648	1%	1%
Iowa	1,025	\$41,590	1%	1%
Kansas	929	\$40,858	1%	1%
Wyoming	1,237	\$40,856	1%	1%
Oklahoma	921	\$39,717	1%	1%
Arkansas	846	\$35,403	1%	1%
Foreign countries or unlisted address	693	\$31,922	0%	0%
Montana	947	\$31,377	1%	0%
New Mexico	680	\$29,563	0%	0%
Mississippi	627	\$27,205	0%	0%
Louisiana	638	\$26,390	0%	0%
Alaska	625	\$24,725	0%	0%
Hawaii	539	\$24,373	0%	0%
West Virginia	635	\$23,230	0%	0%
Nebraska	411	\$16,084	0%	0%
Vermont	336	\$14,417	0%	0%
New Hampshire	286	\$13,036	0%	0%
Rhode Island	259	\$10,498	0%	0%
Maine	243	\$10,280	0%	0%
North Dakota	232	\$8,439	0%	0%
Delaware	174	\$7,385	0%	0%
South Dakota	179	\$6,731	0%	0%
District of Columbia	70	\$3,123	0%	0%
Puerto Rico	21	\$960	0%	0%
Virgin Islands	14	\$490	0%	0%

GALLUP®

World Headquarters

The Gallup Building
901 F Street, NW
Washington, D.C. 20004

t +1.877.242.5587

f +1.888.500.8282

www.gallup.com