



2020 Economic Impact Study

Prepared for

Priscilla Alvarez, Executive Director, VIDA

By

The University of Texas Rio Grande Valley
Michael Uhrbrock, Economic Research Director
Sai Mullanpudi, Business Economic Research Associate IV
(956) 665-2301, (956) 665-7185

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The University of Texas
Rio Grande Valley
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Systems Center

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Table 2: VIDA Budget '18-'19

Revenue	\$2,215,487
Expenses	
Program Services	\$1,873,900
Administrative Services	332,322
Total Operating Expenses	\$2,206,222

The \$2.2 million in spending made to educational institutions for training VIDA participants, wages paid to VIDA employees, and various expenses made by VIDA to businesses to operate its program, such as rent, utilities, professional services, etc., supports the creation of 47 jobs, generates \$1.2 million in labor income, adds \$1.7 million in value added, creates \$27,537 in sales taxes and \$28,600 in property taxes, for an economic output of \$3.7 million (See Table 3).

Table 3: Economic Impact – VIDA Operating Expenses

	Employment	Labor Income	Value Added	Output
Direct Effect	37	\$801,994	\$1,001,157	\$2,249,304
Indirect Effect	5	\$222,126	\$360,998	\$844,239
Induced Effect	5	\$188,729	\$347,888	\$617,157
Total Effect	47*	\$1,212,849	\$1,710,043	\$3,710,701
Sales Tax				\$27,537
Property Tax				\$28,600

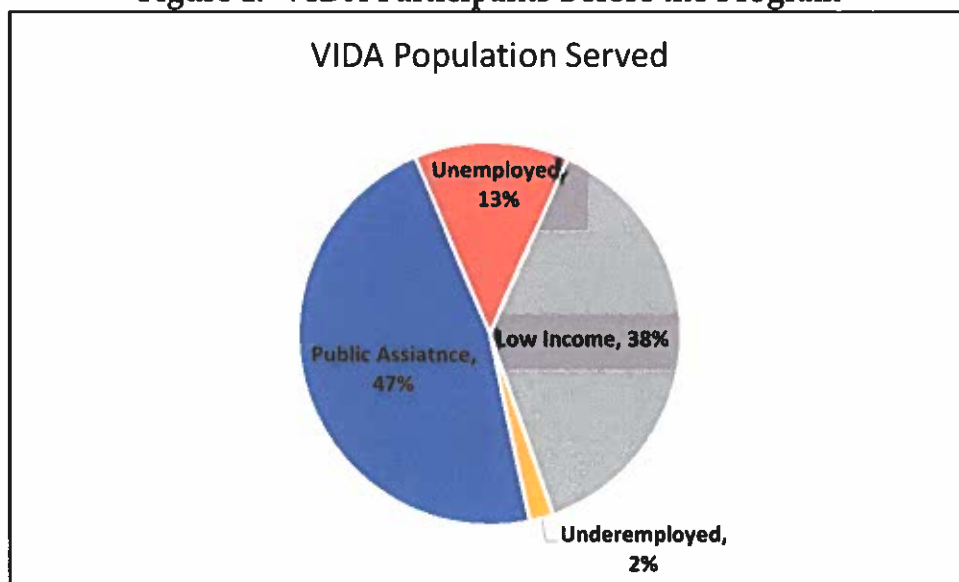
*The 47 jobs represent total jobs at businesses in the local economy that are created through economic activity from VIDA's operating expenses, businesses buying from businesses, and household spending by workers employed at the businesses in the supply chain.

B. VIDA Graduate Wage Increases

The bigger economic impact of VIDA's program is through wage increases that VIDA graduates earn after they complete their training and start working. Graduates whose ability to successfully move from the ranks of the low-income to middle income, has a significant impact on the economy. Their increased earnings from employment after training translate to increased spending in the economy for goods and services. Their increased earnings also enhance their contributions to the tax system and reduce their dependence on public welfare.

According to VIDA, 501 participants--65 students were unemployed; 235 were on public assistance, with an average salary of \$8,050, and an average household size of 2 or more per family; and 10 were underemployed, with an average salary of less than \$14,706 were enrolled in VIDA programs in '18-'19. See Figure 1.

Figure 1: VIDA Participants Before the Program



With a 90% graduation rate, a total of 451² graduates were placed at an average annual starting salary of \$41,808.³ This generates a \$18.8 million increase in wages. In order to estimate the economic impacts of increase in wages and payroll, the direct salary and wage expenditures were discounted by 15 percent to account for average tax burden, with the remainder representing disposable income of \$16 million. Based on the analysis, the wage increase of \$16 million creates 553 jobs and \$718,789 in state and local tax, for a total economic output of \$28.8 million (See Table 4).

Table 4: Economic Impact – VIDA Graduate Wage Increases

	Direct	Secondary	Total
Output	\$16,023,543	\$12,785,425	\$28,808,969
Employment	451	102	553
State and Local Tax			\$718,789

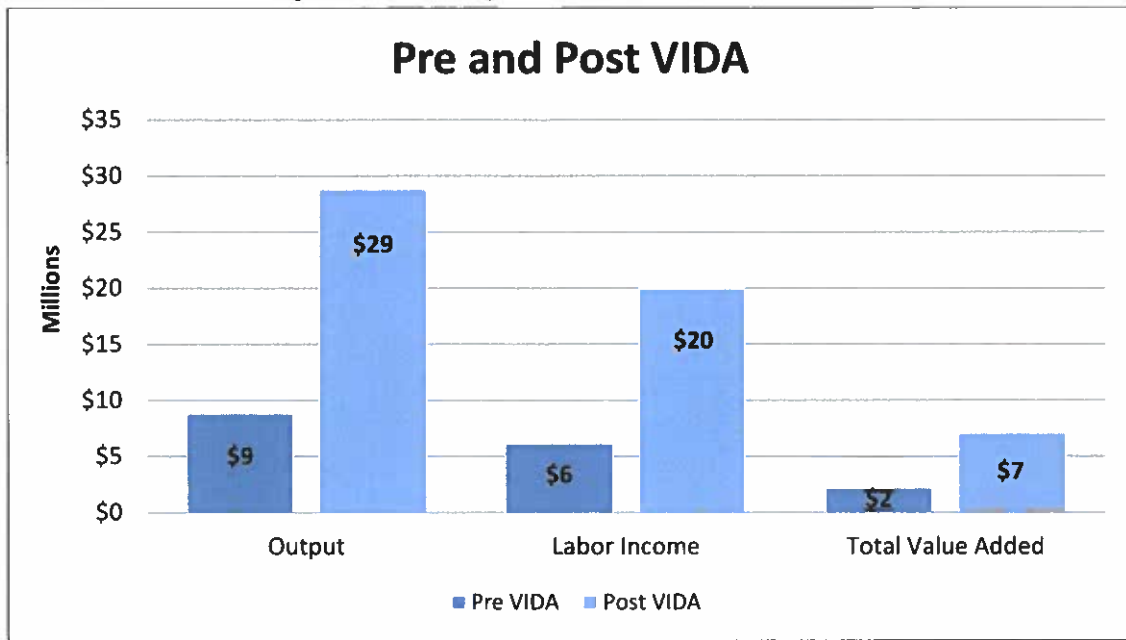
Source: VIDA Annual Report 2018-2019, UTRGV DISC

² Fall to fall student tracking system indicates a 90% graduation rate for 2018-19.

³ Certificate, Bachelors, and Associate degrees and marketable skills.

After completing training, VIDA participants see an increase of 222 percent in total output. They also experience an increase in labor income by 233 percent and see an increase in total value added to the local economy by 250 percent. See Figure 2.

Figure 2: Change from Pre and Post VIDA



C. VIDA Total Impact

Altogether, combined investment made by VIDA for operating expenses (administrative expenses, training and program services) and VIDA graduates' wage increases supports a total of 600 jobs, generates \$21.1 million in labor income, adds \$8.8 million in value added, creates \$802,525 in state and local tax, for a total economic output of \$32.5 million (See Table 5). **Based on the economic output, for every \$1.00 invested in VIDA, there is a return of \$14.74 to the communities served.**

Table 5: VIDA Total Economic Impact

	Employment	Labor Income	Value Added	Output
Direct Effect	488	16,825,537	1,001,157	18,272,847
Indirect Effect	5	222,126	360,998	844,239
Induced Effect	107	4,110,933	7,395,984	13,402,582
Total Effect	600	\$21,158,596	\$8,758,139	\$32,519,669
State and Local Tax				\$802,525

Methodology

This study estimates the economic impact created by VIDA. With local unemployment rate very high, an economic impact analysis of VIDA aims to help local leaders, the business community, and the investors gain perspective on how the funding invested in VIDA benefits the region. Using public information and audited financial data VIDA provided, this study estimates the aggregate value added to the local economy, plus direct and indirect jobs created by the program.

The economic impact study of VIDA was conducted using IMPLAN economic impact modeling software. The software captures the regional dollar flows from purchasers to producers using inter-industry transaction information for more than 500 industries. Production functions describing how much is spent in each industry (and the proportions) are created using inter-industry transaction data. A predictive model and the associated multipliers are then constructed to show how output changes with a change in final demand.

IMPLAN is used by more than 1,000 public and private institutions to enable users to make in-depth examinations of state, multi-county, county, sub-county, and metropolitan regional economies. It is a nationally-recognized, economic impact modeling software.

Final demand drives input-output models. Industries respond to meet demand directly or indirectly (by supplying goods and services to industries responding directly). Each industry that produces goods and services generates increasing demand for other goods and services for multiple rounds. These iterations generate multipliers, which are related to three kinds of effects:

1. **Direct effects** are changes in the local economy caused by an economic change in the area.
2. **Indirect effects** are changes in inter-industry transactions as supplying industries respond to increased demands from the directly affected industries.
3. **Induced effects** reflect changes in inter-industry spending resulting from household spending. This spending comes from household income generated from the direct and indirect effects.

Definitions

- Output (gross sales)
- Employment (jobs)
- Value Added (gross regional product)

Exhibit A

VIDA Programs of Study 2020-2021	STC	TSTC	TSC	UTRGV	LRG/DC
Allied Health					
One Year Certificate Programs					
LVN/Vocational Nurse	X	X	X		
Medical Coding Specialist	X				
Diagnostic Medical Sonography	X				
Medical Coding and Billing			X		
Two Year Associate Programs:					
A.D.N.	X	X	X		
LVN-A.D.N. Progressive or Transition	X		X		
Paramedic to RN	X				
Dental Hygiene		X			
Diagnostic Medical Sonography			X		
Emergency Medical Technology	X				
Emergency Medical Science			X		
Health Information Technology	X	X			
Medical Assistant Technology	X				
Medical Laboratory Technology			X		
Medical Office Management			X		
Physical Therapy Assistant	X				
Radiologic Technology	X		X		
Respiratory Therapy or Respiratory Care	X		X		
Occupational Therapy Assistant	X				
Surgical Technology		X			
Last 2 years of Bachelor Degree					
BSN				X	
Manufacturing					
Two Year Associate Programs:					
Precision Manufacturing Technology or Precision Machining Technology	X	X			
Mechatronics Technology		X			
Technology					
One Year Certificate Programs					
Computer Aided Drafting Technology			X		
Multimedia Specialist	X				
Two Year Associate Programs:					
Architectural Design and Engineering Graphics Technology		X			
Biomedical Equipment Technology		X			
Architecture			X		
Architectural and Civil Engineering Technology	X				
Architectural and Visual Technology	X				
Computer -Aided Drafting Technology			X		
Computer Information Systems	X		X		
Chemical Technology		X			
Computer Specialist	X				
Computer and Advanced Tech - Specialization: Computer Support and Telecommunication Specialist	X				
Computer Networking and Security Technology		X			
Computer Web Development			X		
Computer Science - Graphics, Gaming & Simulation Programming		X			
Digital Media Design		X			
Information Technology - Specialization: Digital Forensics Specialist	X				
Forensic Investigation			X		
Information Technology - Specialization: Network Specialist	X				
Aircraft Airframe Technology		X			

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Cyber Security	X				
Business					
One Year Certificate Programs					
Office Specialist	X				
Management and Office Management	X		X		
Legal Office Specialist	X				
Legal Assisting			X		
Two Year Associate Programs:					
Accounting Technology			X		
Administrative Office Assistant	X				
Business Administration - Specialization: Accounting	X				
Business Administration - Specialization: Import/Export/Logistics	X				
Legal Office Assistant	X				
Business Administration - Specialization: Management	X				
Business Management and Technology			X		
Business Management Technology		X			
Business Administration - Specialization: Marketing	X				
Public Administration	X				
Paralegal or Paralegal Studies	X		X		
Education/Social Services					
One Year Certificate Programs					
Basic Peace Officer	X	X			
Police Officer					X
Two Year Associate Programs:					
Child Care and Development	X		X		
Social Work	X		X		
Education and Training		X			
Education:					
Elementary: EC-8 Generalist	X				
EC - 8th Grade Teaching			X		
4th - 8th Grade Teaching			X		
Middle School: 4-8 Generalist	X				
Grades 5-12 Teaching	X		X		
American Sign Language	X				
Criminal Justice	X		X		
Law Enforcement	X				
Last 2 years of Bachelor Degree					
Social Work (BSW)				X	
Elementary Education: EC-8				X	
Elementary Education - Bilingual Education: EC-8				X	
Elementary Education - Early Childhood Specialization: EC-8				X	
Early Care and Early Childhood Specialization for Elementary Education: EC - 8				X	
Uteach - Math (Grades 4-8, 7-12)				X	
Uteach - Chemistry (Grades 7-12)				X	
Uteach - Life Science (Grades 4-8, 7-12)				X	
Uteach - Math (Grades 4-8, 7-12)				X	
Uteach - Physical Science (Grades 6-12)				X	
Uteach - Physics (Grades 7-12)				X	
STEM PROGRAMS					
One Year Certificate Programs					
Fire Science: Basic Firefighter	X				
Two Year Associate Programs:					
Biology	X				
Chemistry	X				
Fire Science Technology	X				

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Engineering	X	X			
Science			X		
Mathematics	X				
Physics	X				
Computer Science	X	X	X		
Technology			X		
Last 2 years of Bachelor Degree					
STC: ONLY the last 2 years of the degree					
Bachelor of Applied Science in Organizational Leadership	X				
Bachelor of Applied Technology in Computer Information Technologies	X				
Bachelor of Applied Technology in Technology Management	X				
Bachelor of Applied Technology in Medical and Health Services Management	X				
UTRGV: ONLY the last 2 years of the degree					
Biology				X	
Biochemistry				X	
Biomedical Sciences				X	
BS in Clinical Laboratory Sciences				X	
Chemistry				X	
Civil Engineering				X	
BS Computational Science				X	
Computer Engineering				X	
Computer Science				X	
Electrical Engineering				X	
Engineering Physics				X	
Engineering Technology				X	
Earth, Environmental and Marine Sciences				X	
Information Systems				X	
Manufacturing Engineering				X	
Mechanical Engineering				X	
Physics				X	
Mathematics and Statistical Science				X	
Specialized Trades					
One Year Certificate Programs					
Heating Ventilation & Air Conditioning Technician		X			
Heating, Ventilation, Air Conditioning & Refrigeration Technology	X		X		
Automotive Technology	X	X			
Ford Maintenance and Light Repair	X				
Automotive Maintenance and Light Repair		X			
Auto Collision Generalist		X			
Auto Body Repair Technology: Body Repair Specialist			X		
Auto Body Repair Technology: Refinishing Specialist			X		
Auto Mechanics Technology: Line Specialist			X		
Auto Mechanics Technology: Parts Specialist			X		
Auto Mechanics Technology: Repair Specialist			X		
Construction Supervision Assistant	X				
Building Construction Technology		X			
Construction Technology			X		
Diesel Technology	X				
Diesel Equipment Technology		X			
Plumbing: Solar Thermal Technology			X		
Electrician Assistant	X				
Wind Energy Technology		X			
Residential Electrician			X		
Combination Welding	X	X			
Structural and Pipe Welding		X			
Structural Welding	X	X			

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Two Year Associate Programs:						
HVAC Technology		X				
Heating, Ventilation and Air Conditioning			X			
Heating, Ventilation, Air Conditioning & Refrigeration Technology	X					
Automotive Technology	X	X	X			
Automotive Technology: GM-ASEP	X					
Auto Collision and Management Technology		X				
Construction Supervision	X					
Commercial and Residential Electrician			X			
Building Construction Technology		X				
Welding Technology	X	X				
Diesel Technology	X					
Wind Energy Technology		X				
Electrician Technology	X					
Pre-PSOT Training Programs (PSOT):						
College Prep Academy (CPAcad)	X					
Marketable Skills :						
Commercial Drivers Licensing: Truck Driving - 4 weeks (CDL)	X	X				
Patient Care Assistant (PCA)	X					
Industrial Scaffolding (80 hr - 2 week program)			X			

LEGEND:

- One year Certificate
- Two year Associates
- Bachelor Degree



The Results Are In!!

Valley Initiative for Development and Advancement: *Implementation and Early Impact Report*

PACE Evaluation

VIDA was one of nine programs in the nation chosen for a rigorous evaluation, Pathways for Advancing Careers and Education (PACE), on the effectiveness for improving the skills and economic conditions of low-wage workers.

Program Goals & Overview

VIDA aims to simultaneously address employers' needs for skilled workers and the area's unemployed skill gaps and training needs. VIDA's primary goal is for participants to graduate with an associate's or industry recognized certificate in a high demand occupation and achieve living-wage employment.

Evaluation Results

Participation Findings

24 months following study entry:

- 98% participated in any education or training
- 55% obtained a credential or degree
- 42% were still attending training at the end of the follow-up period

Key Highlights

Key Impacts:

Over a 24-month follow-up period, compared to a randomly assigned control group that could not access the program, VIDA participants:

- **Enrolled in college full-time at a greater rate and for more months**
- **Earned more college credits**
- **Earned more college degrees or certifications**

For More Information

<http://www.career-pathways.org/>

<https://www.acf.hhs.gov/opre/resource/valley-initiative-development-advancement-implementation-early-impact-report>

www.vidacareers.org

PACE Evaluation: Funded by the Administration for Children and Families (ACF) in the U.S. Department of Health and Human Services and led by Abt Associates, PACE is a 10 year study of nine programs that include key features of a "Career pathways framework."

