

Summary Findings:

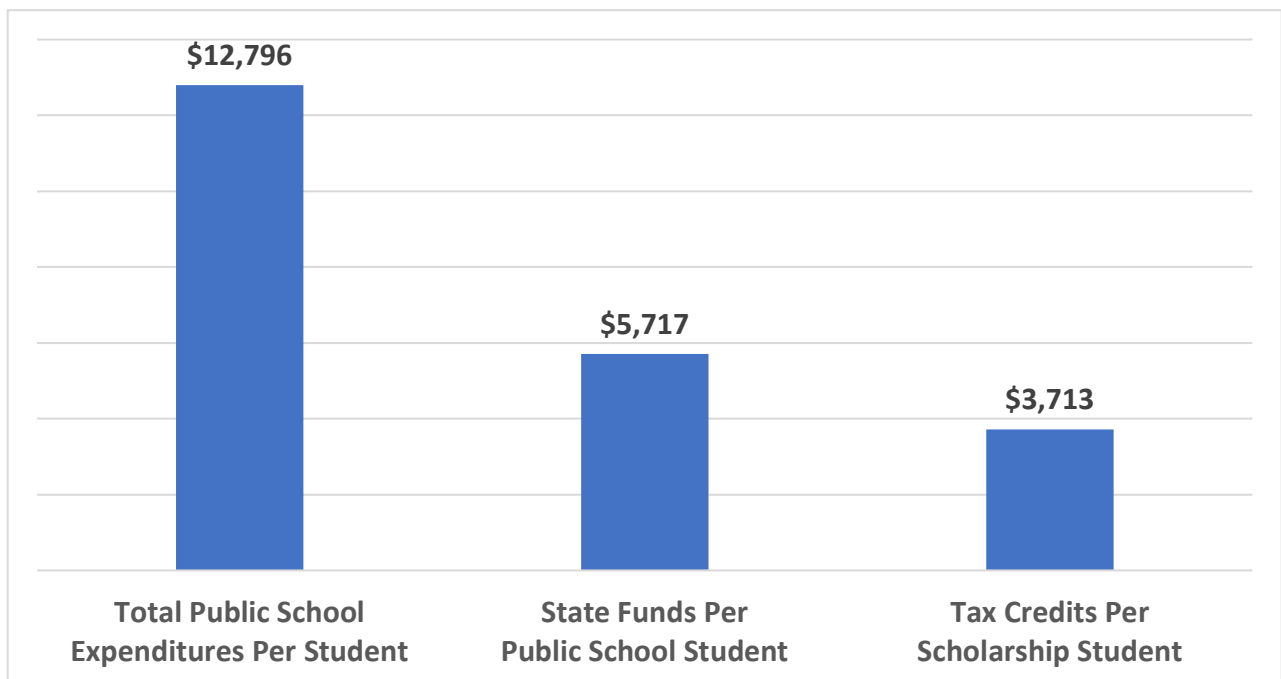
An Analysis of the Fiscal and Economic Impact of Georgia’s Qualified Education Expense (QEE) Tax Credit Scholarship Program

Heidi Holmes Erickson and Benjamin Scafidi
Education Economics Center
Kennesaw State University

Analysis of the Fiscal and Economic Impact of Georgia’s K-12 Education Expense Credit Program by Kennesaw State University’s Education Economic Center reveals the impressive fiscal and economic benefits of the Program in its report released November 30, 2020:

- ***The Program saved Georgia taxpayers \$53.2 million in the 2018-2019 academic year alone.***
- ***The Program will generate an estimated \$66.4 million in economic benefits related to students who entered ninth grade on program scholarships in that year and attained improved educational outcomes.***

The Fiscal Big Picture



Fiscal Impact of the Program on State Taxpayers:

State Cost of Educating 90% of Scholarship Students in Public Schools	0.9 x 13,895 scholarship students x \$5,717 = \$71.5 million
Revenue Forgone by the State Treasury Due to Tax Credits Given to Donors	\$3,713 x 13,895 scholarship students = \$51.6 million
Net Savings to State Taxpayers from the QEE Scholarship Program	\$19.9 million

Fiscal Impact of the Program on Local Taxpayers:

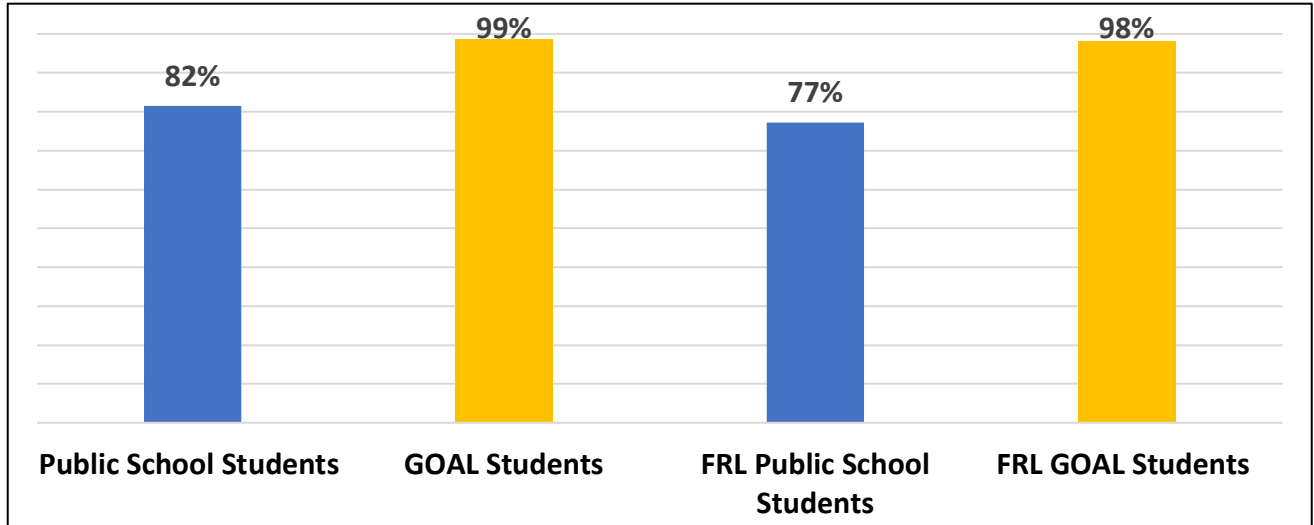
Local Cost of Educating 90% of Scholarship Students in Public Schools	0.9 x 13,895 scholarship students x \$8,381 = \$104.8 million
State Funding for Public School Enrollment	0.9 x 13,895 scholarship students x \$5,717 = \$71.5 million
Net Savings to Local Taxpayers from the QEE Scholarship Program	\$33.3 million

Estimate of the Overall Net Fiscal Savings to Georgia from the QEE Tax Credit Program for the 2018-2019 Year:

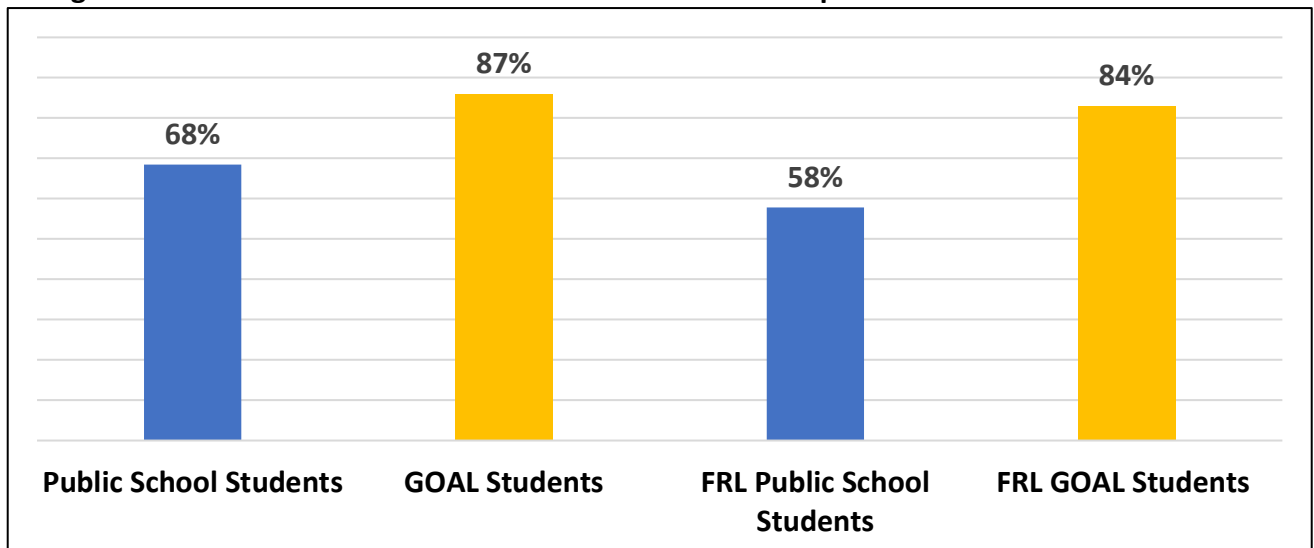
Net Savings to <u>State</u> Taxpayers from the QEE Scholarship Program	\$19.9 million
Net Savings to <u>Local</u> Taxpayers from the QEE Scholarship Program	\$33.3 million
Total Savings to State and Local Taxpayers in Georgia	\$53.2 million

Additional Economic Benefits occur related to improved educational attainment. GOAL students graduate high school and enter college at a higher rate than public school students:

Four-Year High School Graduation Rate for Public School and GOAL Scholarship Students



College Entrance Rates for Public School and GOAL Scholarship Students



Estimated Economic Return from High School Graduation

GOAL Students High School Graduation	0.99
Public School Students High School Graduation	0.82
Difference (GOAL-Public School)	0.17
# GOAL Students in Adjusted Cohort	784
Increase in lifetime earnings and public benefits per student	\$300,000
Economic Benefit	\$39,984,000

Estimated Value of Lifetime Labor Market Earnings from Some College

GOAL Students College Entrance	0.87
Public School Students College Entrance	0.68
Difference (GOAL-Public School)	0.19
# of GOAL Students who Graduate High School	775
Increase in lifetime personal income per student	\$45,938
Economic Benefit	\$6,764,370

Economic Benefits

Benefit from High school Graduation	\$ 39,984,000
Benefit from College Entrance	\$ 6,764,370
Total Benefit	\$ 46,748,370

If extrapolated to all scholarship recipients across the entire QEE program, the estimated economic benefits would be \$66.4 million for the cohort of ninth grade students starting high school in 2018, alone.

Data provided by: EDUCATION ECONOMICS CENTER. The mission of the Education Economics Center is to provide nonpartisan research and technical assistance in the evaluation and design of education policy, including both tax and expenditure issues.

The objective of the Center is to promote the development of sound education policy and public understanding of education issues with the goal of maximizing student learning and achievement.