

Utah State Office of Rehabilitation Economic Impact Study January 15, 2010

Authored by Sarah Wilhelm and Jennifer Robinson The Center for Public Policy & Administration 260 So. Central Campus Dr., Room 214 Salt Lake City, UT 84112 (801) 581-6781

Background:

The purpose of this study was to find out what are the tangible benefits of the vocational rehabilitation program in the form of benefits to individual participants and to the State of Utah. The study included 6030 vocational rehabilitation consumers that were closed from services in FY 2005. The control group was 2058 individuals that were eligible but for whatever reason chose not to participate before closure and 3972 were the program group that did receive services. Earnings information for the study was taken from unemployment insurance data matched to cases for quarterly earnings for 3 years before application and 3 years after closure.

Results:

- The impact on earnings for those who did receive services compared to those that did not was \$3,534 for the first year after services, \$3,347 in the second year and \$2,976 in the third year.
 - The average annual increase in earnings for these 6030 consumers is \$3,360.
- Those who received services are 16% likely to be employed than those that were closed before services were provided.
- The reduction in public benefits for these consumers results in \$32,231,036 in savings.
- Federal dollars and impact were factored separately are not included in the return on investment figure below.
- **Return on Investment:** For each state dollar spent, <u>\$5.64</u> is returned to state in terms of increased taxes and decrease benefits from public programs.

To access full report click on:

http://www.usor.utah.gov/publications/ECONSTUDYFINAL-1-26-10-b.pdf