

# LEADERSHIP IN ACTION

a briefing series for new england's educational leaders

## I Want to Know More

*A Leadership in Action Supplement*

*I Want to Know More* is a selection of information and resources for education leaders, parents, and community members who want to learn more about the teaching and learning strategies taking place in today's most innovative high schools.

## Education, Prosperity, and Economic Competitiveness

"The persistence of these educational achievement gaps imposes on the United States the economic equivalent of a permanent national recession. The recurring annual economic cost of the international achievement gap is substantially larger than the deep recession the United States is currently experiencing."

*—The Economic Impact of the Achievement Gap in America's Schools*

Across all time periods, cultures, and countries, education has been an enduring, universal gateway to prosperity, health, and social stability. In study after study, researchers have connected higher educational attainment and literacy rates to better economic and life outcomes. Where education is scarce, we tend to see poverty, ill health, violence, and insecurity. But where literacy rates are higher and public education is provided, people are nearly always wealthier, healthier, and happier.

Unlike some forms of economic investment that produce immediate returns or show clear indicators of progress, the benefits derived from educational investments and improvements are more often realized over several years, if not decades, and certainly longer than the next election cycle.

When unemployment rates rise dramatically, as they have over the past two years, job growth becomes an urgent state and national priority. Even though more effective schools and higher graduation rates yield more productive and employable workers—not to mention higher employment rates, income levels, and tax revenues—education rarely presents the kind of short-term, quick-fix solutions for high unemployment that play well on the evening news. Consequently, tax cuts, economic stimulus, or other strategies intended to promote business growth are generally deployed, while investments in education remain a much lower priority. In fact, in times of economic crisis, educational investments tend to be cut or frozen, not redoubled and expanded.

For this reason, education leaders and policy makers face a daunting task—convincing the public, politicians, and business leaders of the critical importance of making educational investments today, not tomorrow, even though the full return on these investments may be years down the road. Making this case for education is never easy, but few investments hold as much promise for our children, citizens, and communities.

Education will never be a perfect solution to all of humanity's ills, but a more educated populace has proven to be essential to sustainable, long-term economic health, not to mention greater economic mobility for both individuals and the communities in which they reside. In today's knowledge-driven economy, where our children are competing for jobs alongside highly motivated and educated graduates from every corner of the globe, education has never been more necessary or vital to our country's economic competitiveness.

## The National Achievement Gap

When considering the costs of low educational attainment and underperforming schools, America's persistent achievement gap—the difference in educational outcomes between white students and those from higher-income families and their minority and lower-income counterparts—can be particularly revealing. Since the relative incomes of individuals with different educational backgrounds (high school dropouts, high school graduates, and those who have earned postsecondary degrees) can be determined from U.S. Census data, many researchers have calculated an estimated cost to society and the economy resulting from our persistent national achievement gap.

Closing this gap will not be easy, but the consequences represent nothing less than a “permanent national recession,” according to the report *The Economic Impact of the Achievement Gap in America's Schools*. Overcoming this invisible recession is all the more difficult because it has been the status quo for so long in our country. Some researchers estimate that some minority and low-income students in the United States are two to three years behind their counterparts in terms of academic performance and learning, and in some urban areas, such as Washington, D.C., minority and low-income students could fall as much as four years behind during their high school years—a learning gap that our schools, as currently designed, have failed to eradicate. Students on the low-end of the socioeconomic spectrum begin school far behind their peers, in terms of reading skills and intellectual development, and this achievement gap only grows over the course of their education, perpetuating multigenerational cycles of poverty, illiteracy, underemployment, and social-welfare dependence.

## Individual Costs

When we only look at education's large-scale economic impact, the numbers can easily obscure the real-life stories and human faces behind them. Statistics such as median incomes or unemployment rates are stand-ins for relative states of human wellbeing—and human suffering. One unemployed parent or one injured, uninsured child can devastate a family, just as a single factory closing can devastate a community. It must be kept in mind that the economics of the individual is not only about such things as purchasing power, home ownership, or social status, but about providing for one's family and living a secure, dignified, and fulfilling life.

## Societal Costs

The economics of education in America impacts every facet of society. Less-educated adults are far more likely to end up in prison, be uninsured, engage in unhealthy lifestyles (smoking, alcoholism, drug abuse, obesity), and consume public resources such as welfare, unemployment benefits, or health care. College graduates are also 50% more likely to vote than adults with only a high school diploma, while high school graduates are 50% more likely to vote than those who only completed eighth grade. Charitable donations and volunteerism rates also rise along with educational attainment. Ensuring universal access to high-quality education benefits everyone, not just those who earn a degree.

## The Costs to New England

For states and communities, which bear much of the financial burden for funding our public education system, it is useful to view high school dropouts as a lost investment. If, for example, the average cost to educate a single student works out to \$8,000 a year, then the total cost to educate that student from pre-kindergarten through twelfth grade would be \$112,000. Given that the earning potential of a high school dropout is significantly reduced (by an estimated national average of \$260,000 over the course of his or her lifetime), while the likelihood of that same dropout becoming a greater burden on our justice, healthcare, and social-

service systems is greatly increased, the net loss for our state and national economies—when projected across millions of dropouts over decades—is simply colossal. For example, if the 2008 high school graduation rates in Connecticut, Maine, New Hampshire, Rhode Island, and Vermont had met the New England Secondary School Consortium’s goal of ninety percent, the potential increase in lifetime earnings by these additional 13,133 graduates could add up to more than \$3.4 billion dollars—a figure that does not consider the estimated burdens on society that these dropouts already represent in terms of increased crime, decreased spending, lower tax revenues, and greater demand on social services (see table below).

### Estimated Additional Lifetime Income If the High School Graduation Rate Increased to 90%

STATE	Estimated Graduates for the Class of 2008	Additional Graduates at a 90% Graduation Rate	Estimated Increase in Lifetime Earnings
Connecticut	34,618 (78%)	5,326	\$1,384,699,709
Maine	12,769 (77%)	2,156	\$560,554,171
New Hampshire	14,208 (77%)	2,399	\$623,651,055
Rhode Island	8,997 (71%)	2,408	\$626,002,145
Vermont	6,756 (80%)	845	\$219,528,836
<b>TOTAL</b>	<b>77,348</b>	<b>13,133</b>	<b>\$3,414,435,916</b>

### Education and the Economy by Improving High School Graduation Rates

The following state briefings, compiled by the [Alliance for Excellent Education](#), also reveal some of the collective costs of low educational attainment in New England.

[Connecticut](#)

[Maine](#)

[New Hampshire](#)

[Rhode Island](#)

[Vermont](#)

[All States](#)

## Selected Online Resources

The following online resources are easy to use and they provide a wealth of information on the impact that education has on the economy and society.

### [Common Good Forecaster](#)

The United Way and American Human Development Project created this tool to “forecast how things might change in your community if educational outcomes were better.” The interactive online tools make the presentation of data come alive by letting users generate customized reports on their state or community.

### [Measure of America](#)

The ambitious Human Development Project provides “easy-to-use yet methodologically sound tools for understanding the distribution of well-being and opportunity in America and stimulating fact-based dialogue about issues we all care about: health, education, and living standards.”

## **Education Pays 2010**

*Education Pays* is comprehensive report published every three years by the College Board that “presents detailed evidence of the private and public benefits of higher education.” The full report is available for download, but the website also provides ready access to selected findings.

## **Education and the Economy Metro-Area Map**

This interactive map created by the Alliance for Excellent Education provides estimated community-level economic impacts such as “individual earnings, home and auto sales, job and economic growth, spending and investment, tax revenue, and human capital based on reducing by half the number of students from the class of 2010 who failed to graduate on time.” Thirteen New England communities are profiled.

## **Education Equality Project Fast Facts**

The Education Equality Project raises awareness of the detrimental effects of persistent achievement gaps and advocates more a more equitable public education system. Its Fast Facts service provides handy access to a selection of critical education data.

## **Economic Mobility Project**

The Pew Charitable Trusts Economic Mobility Project focuses “public attention on economic mobility—the ability to move up or down the income ladder within a lifetime, or from one generation to the next.” The website provides an abundance information on education and economic mobility, including briefings that make research findings more accessible.

## **Selected Readings**

The following readings all address the hidden costs of low educational attainment—as well as the potential societal and economic benefits of a stronger education. A few of the reports include more technical information, but most are quite accessible to a variety of audiences.

### ***The Consequences of Dropping out of High School: Joblessness and Jailing for High School Dropouts***

Center for Labor Market Studies at Northeastern University (2009)

***Detailed Findings on the Economic Impact of the Achievement Gap in America’s Schools*** McKinsey & Company (2009)

***Diplomas, Dropouts, and Dollars: U.S. High Schools and the Nation’s Economy*** Alliance for Excellent Education (2008)

***Dismantling the School to Prison Pipeline*** NAACP Legal Defense and Educational Fund (2005)

***The Economic Benefits of Halving the Dropout Rate: A Boom to Business in the Nation’s Largest Metropolitan Areas*** Alliance for Excellent Education (2011)

***The Economic Impact of the Achievement Gap in America’s Schools*** McKinsey & Company (2009)

***Education and the Economy: Boosting the Nation’s Economy by Improving the High School Graduation Rates Among Students of Color and Native Students*** Alliance for Excellent Education (2011)

***Education Pays 2010: The Benefits of Higher Education for Individuals and Society*** College Board (2010)

***Goals for the Common Good: Exploring the Impact of Education*** American Human Development Project (2009)

**Healthier and Wealthier Decreasing Health Care Costs by Increasing Educational Attainment** Alliance for Excellent Education (2006)

**Help Wanted: Projections of Jobs and Education Requirements through 2018** Georgetown University Center on Education and the Workforce (2010)

**Hidden Benefits: The Impact of High School Graduation on Household Wealth** Alliance for Excellent Education (2007)

**The High Cost of High School Dropouts: What the Nation Pays for Inadequate High Schools** Alliance for Excellent Education (2009)

**Left Behind in America: The Nation's Dropout Crisis** Center for Labor Market Studies at Northeastern University (2009)

**New England 2020: A Forecast of Educational Attainment and Its Implications for the Workforce of New England** Nellie Mae Education Foundation (2006)

**One in 100: Behind Bars in America 2008** Pew Center on the States (2008)

**Saving Futures, Saving Dollars: The Impact of Education on Crime Reduction and Earnings** Alliance for Excellent Education (2006)

**Saving Now and Saving Later: How High School Reform Can Reduce the Nation's Wasted Remediation Dollars** Alliance for Excellent Education (2011)

**What's It Worth: The Economic Value of College Majors** Georgetown University Center on Education and the Workforce (2011)

**Where Is the Best Place to Invest \$102,000—In Stocks, Bonds, or a College Degree?** Brookings Institution (2011)

**The Undereducated American** Georgetown University Center on Education and the Workforce (2011)

## Still Want to Know More?

If you are interested in the foundational research behind many of the ideas discussed in the Leadership in Action series, we recommend our [Global Best Practices Research Summary](#), which is available on the [New England Secondary School Consortium website](#) or the engaging report [Changing the Odds for Student Success: What Matters Most](#) by McREL and the Stupski Foundation.

## LEADERSHIP IN ACTION

is a new england secondary school consortium resource

[newenglandssc.org/leadership\\_in\\_action](http://newenglandssc.org/leadership_in_action)