# The Economics of Education



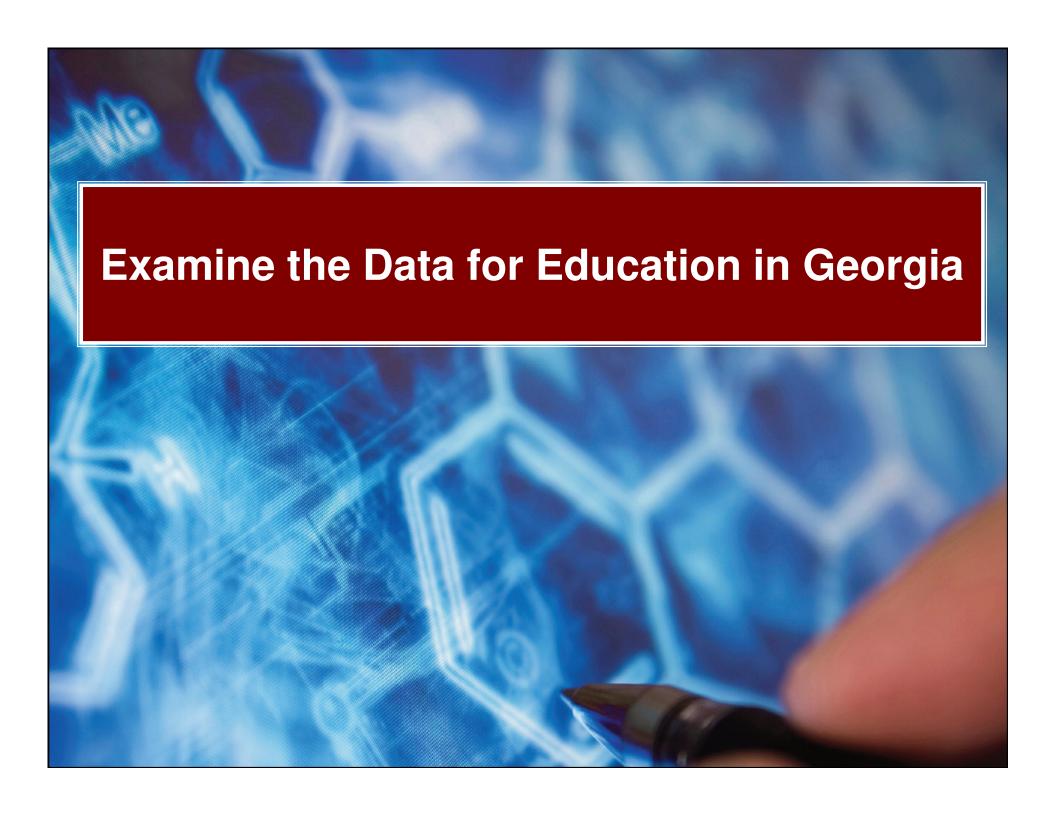
## The Economics of Education

### Regional Leadership Institute



**September 14, 2011** 

- 1 Examine the Data for Education in Georgia
- 2 Economic Impact of Georgia Non-Graduates
- 3 Strengthening the Birth to Work Pipeline
- What Can We Do?



#### **Academic Achievement Milestones**

**School Readiness** 

Literacy by 3<sup>rd</sup> Grade

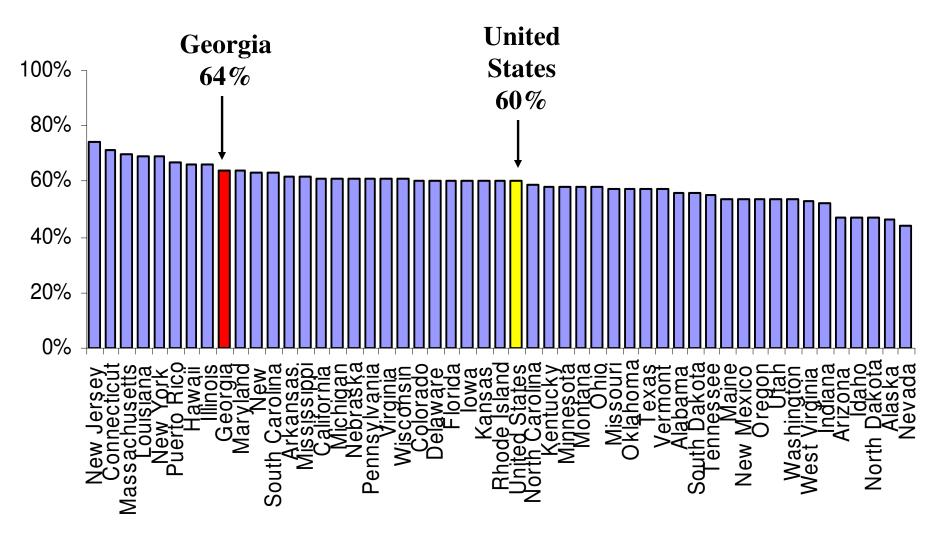
Numeracy by 8th Grade

**High School Graduation** 



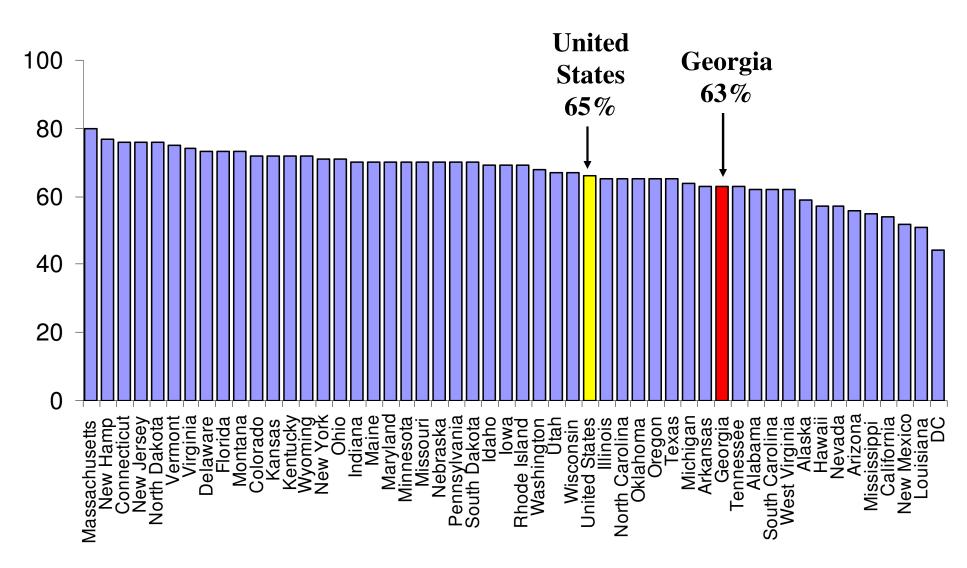
Workforce and/or College Ready

# Percent of Children Age 3-5 Enrolled in Early Education, 2009



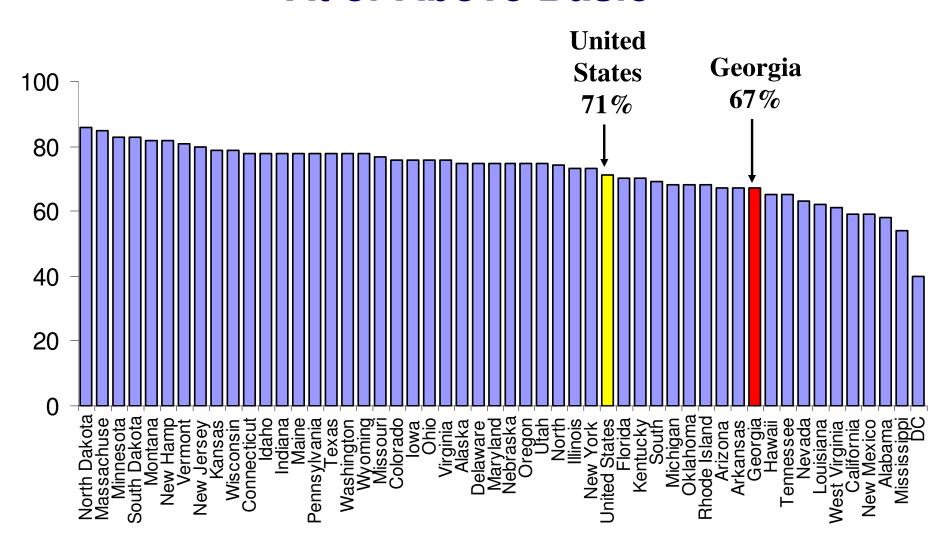
Source: The Annie E. Casey Foundation, KIDS COUNT Data Center.

### NAEP 2009 4<sup>th</sup> Grade Reading At or Above Basic

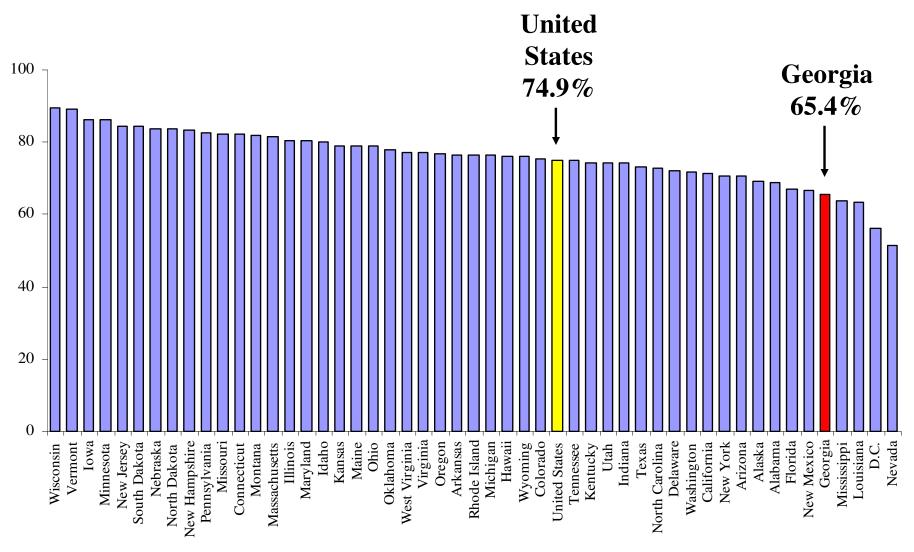


Source: National Center for Education Statistics

### NAEP 2009 8<sup>th</sup> Grade Math At or Above Basic



# High School Graduation Rates: State-by-State Rankings

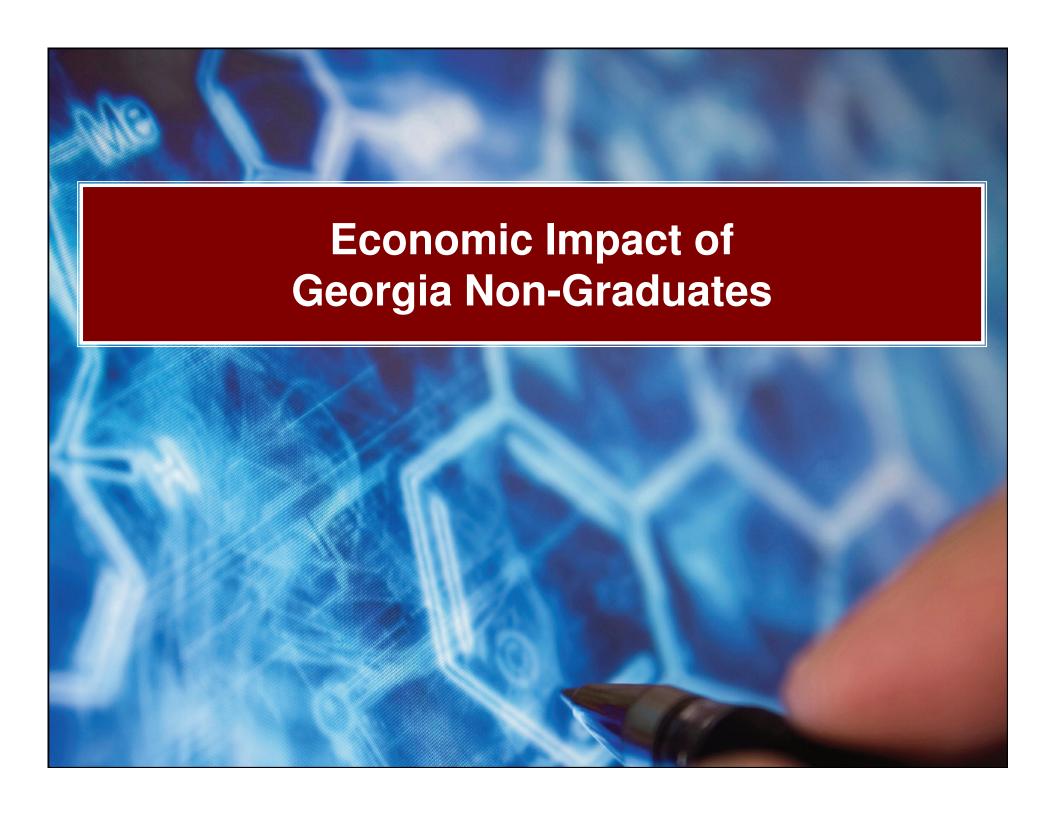


Source: NCES (2010). Public School Graduates and Dropouts: School Year 2007-08.

### **Georgia High School Graduation Rates**

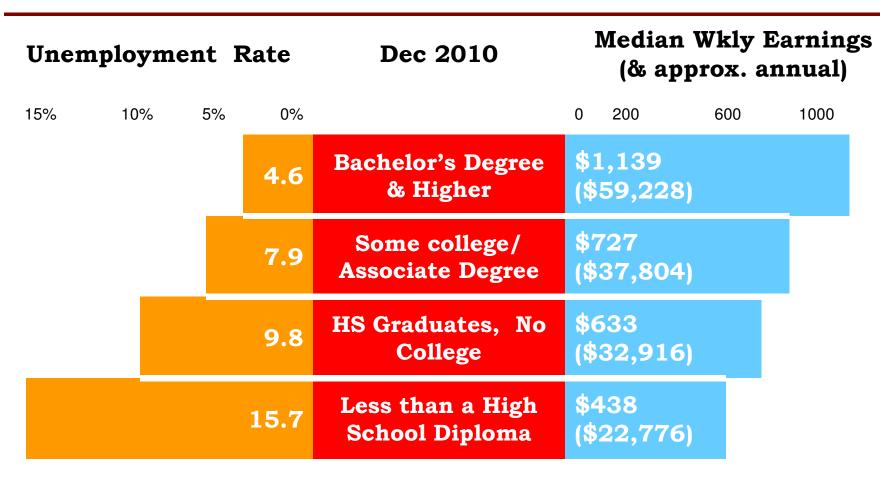
Year	High School Graduation Rate	Number of High School Non-Grads
2007	72%	28,883
2008	75%	27,248
2009	79%	23,567
2010	81%	21,803
Total		101,501

Source: The Governor's Office of Student Achievement, State Report Cards.



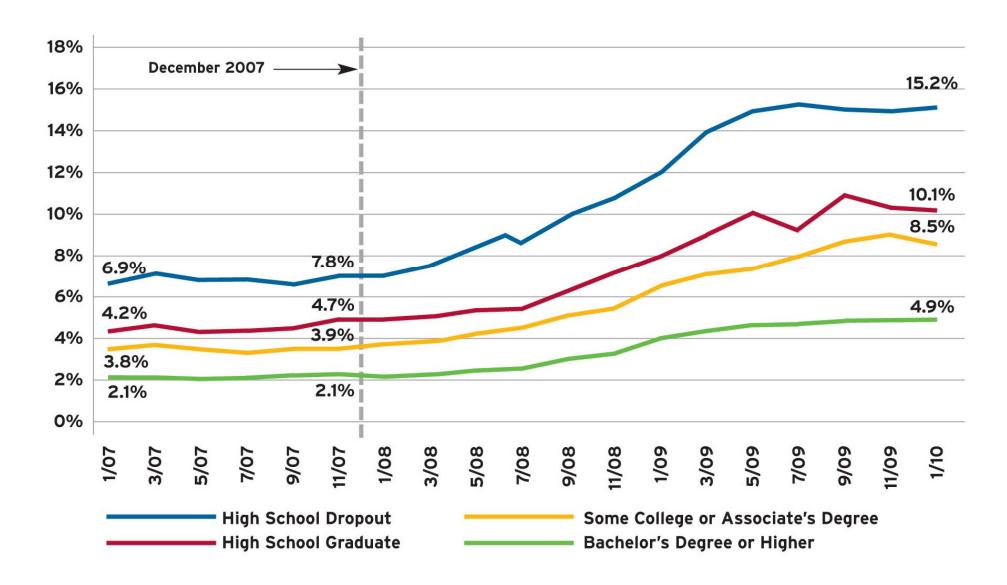
### **Education Pays**

#### EDUCATIONAL ATTAINMENT & EMPLOYMENT



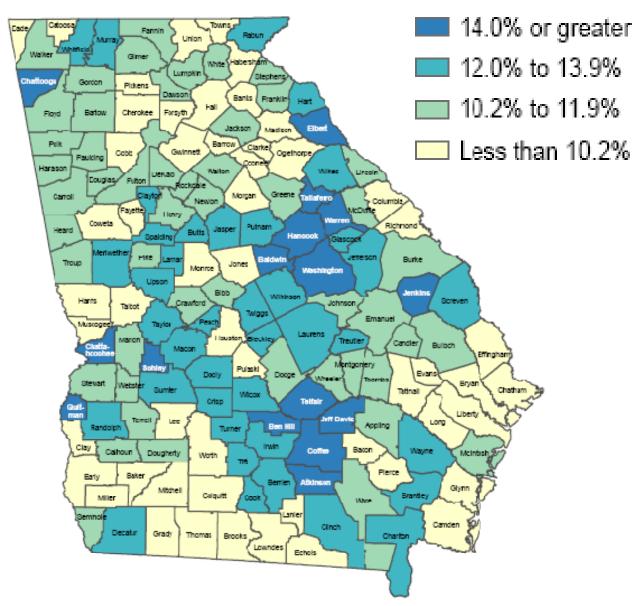
<u>Source:</u> U.S. Bureau of Labor Statistics. Earnings & unemployment for full-time workers age 25 & older, not seasonally adjusted.

### **Unemployment Rates by Education Level**



Source: U.S. Bureau of Labor Statistics, February 2010.

### **Unemployment Rates by County, Dec. 2010**



Source: Georgia Department of Labor; State average = 10.2%

### **State Service Delivery Regions**



## Economic Impact of High School Non-Completion

Region 1	\$2.2 billion
Region 2	\$1.2 billion
Region 3	\$4.2 billion
Region 4	\$1.1 billion
Region 5	\$1.1 billion
Region 6	\$1.0 billion
Region 7	\$1.1 billion
Region 8	\$0.9 billion
Region 9	\$0.9 billion
Region 10	\$2.0 billion
Region 11	\$1.0 billion
Region 12	\$1.1 billion
TOTAL	\$18 billion*

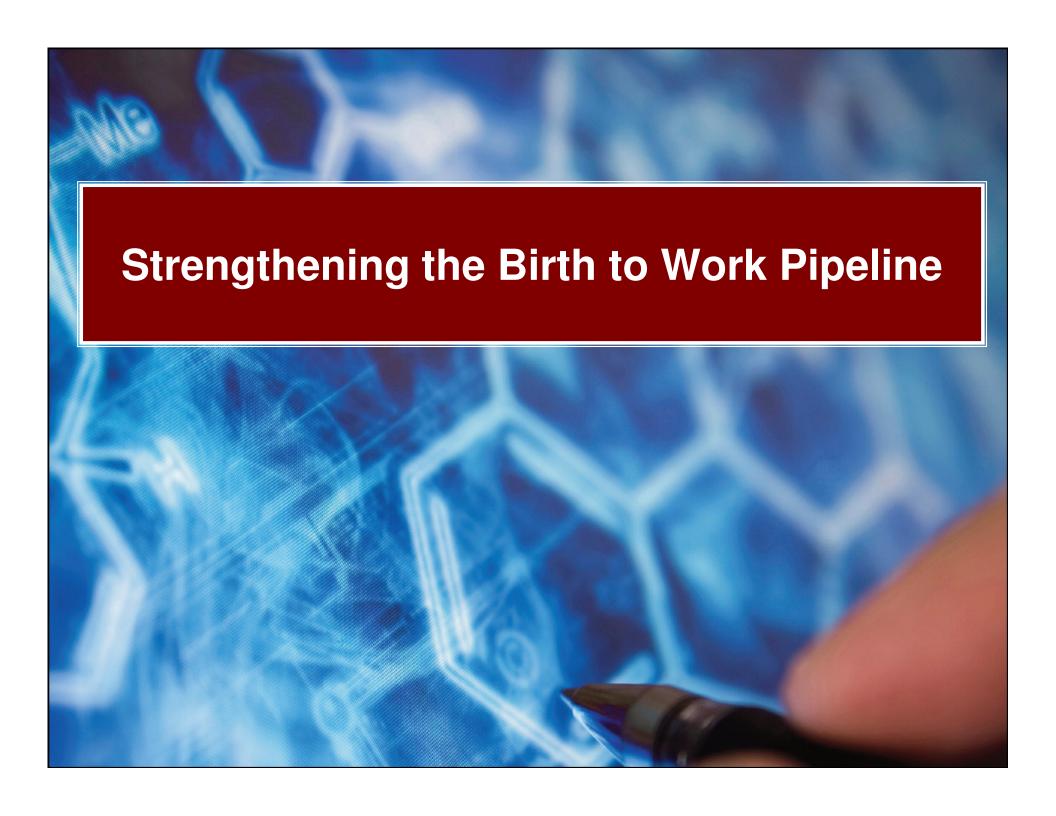
How much could YOUR region benefit from this additional income currently being foregone?

<u>Source</u>: Isley, P. & Hill, J. "Updated Economic Impact of High School Non-Completion in Georgia: 2005 Estimate," Georgia Southern University. April 2007. \*According to GSU study, totals may not add due to rounding.

# Compounded Impacts of High School Non-Completion

#### THE COMMUNITY **INDIVIDUALS** Reduced buying power & tax **Lower Lifetime Earnings** revenues; less economic growth Decreased health status; Higher Higher health care & criminal mortality rates; More criminal justice costs activity **Higher teen pregnancy rates; Higher public services costs** Single motherhood Low rate of community Less voting; Less volunteering involvement

Source: Levin, H., et al., (2007). The Costs and Benefits of an Excellent Education for All of America's Children.



### Strengthening the Birth to Work Pipeline

KEY ISSUE #1

**Early Life Experiences** 

KEY ISSUE #2

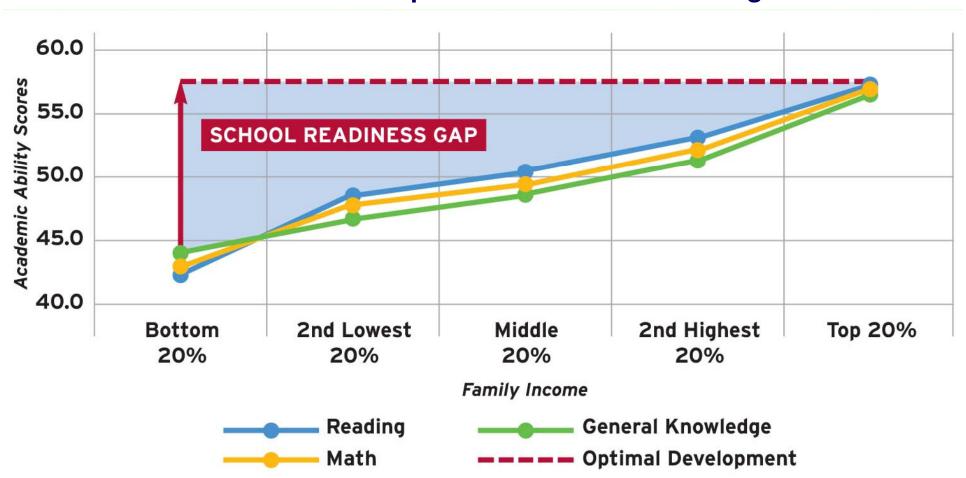
**Academic Achievement K-12** 



**Transitions to Work or College** 

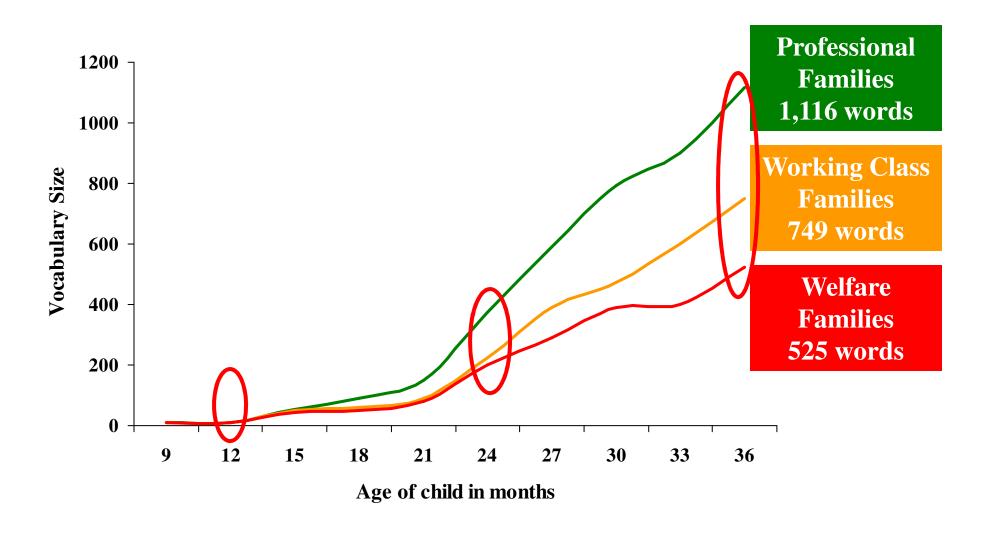
### Family Income Affects School Readiness

#### **Achievement Gap as Children Enter Kindergarten**



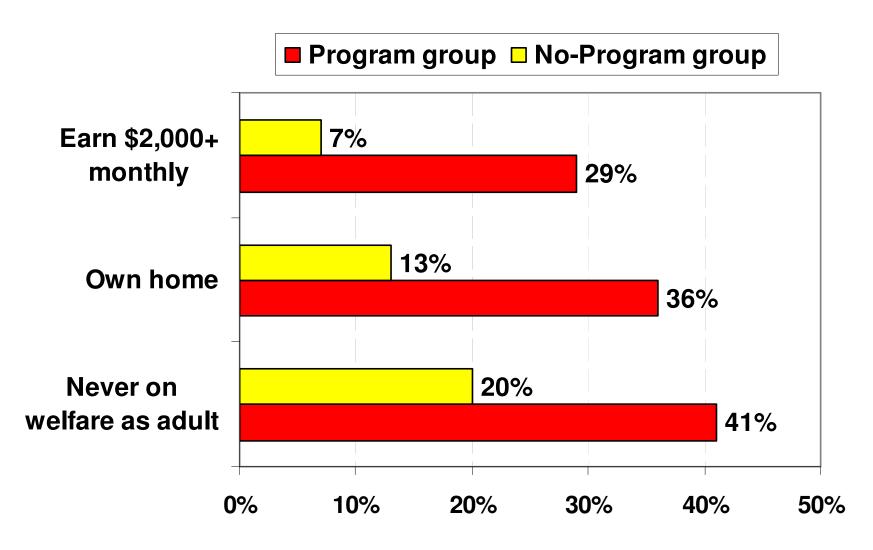
Source: National Center for Education Statistics. (2004). Early Longitudinal Study, Kindergarten Class of 1998-99.

### Disparities in Early Vocabulary Growth



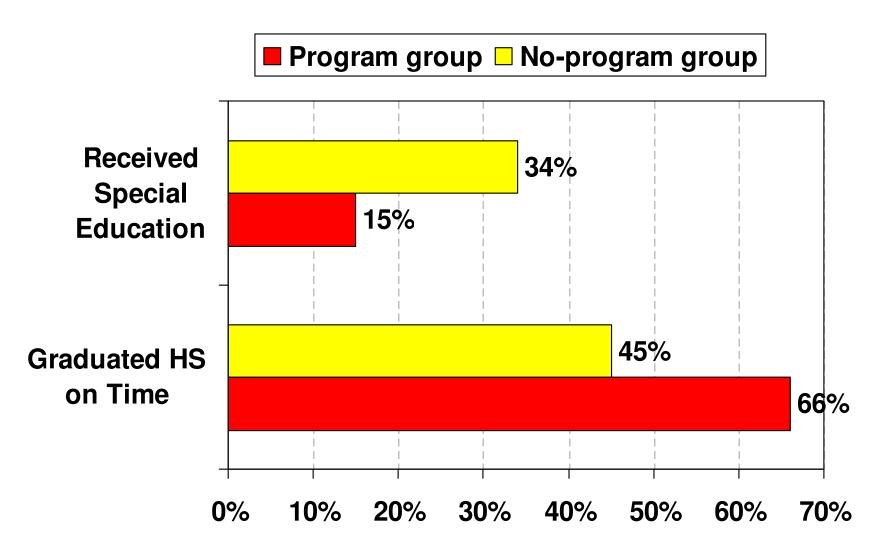
Source: Hart, B. and Risley, T. R. (2003). "The Early Catastrophe: The 30 Million Word Gap by Age 3."

## **Economic Benefits of Early Education: Perry Preschool Study**



Source: Schweinhart, L.J., et al. (2005). Lifetime effects: The High/Scope Perry Preschool study through age 40.

## **Economic Benefits of Early Education: Perry Preschool Study**



Source: Schweinhart, L.J., et al. (2005). Lifetime effects: The High/Scope Perry Preschool study through age 40.

### Strengthening the Birth to Work Pipeline

KEY ISSUE #2

**Academic Achievement K-12** 



# 6<sup>th</sup> Grade Outcomes Can Predict Failure to Graduate High School

	Flag in Sixth Grade				
Percent with this flag who	Attended ≤ 80%	Failed Math Course	Failed English Course	Suspended Out of School	Un- satisfactory Behavior
Graduated on time	13	13	12	16	24
Did not graduate	83	81	82	80	71

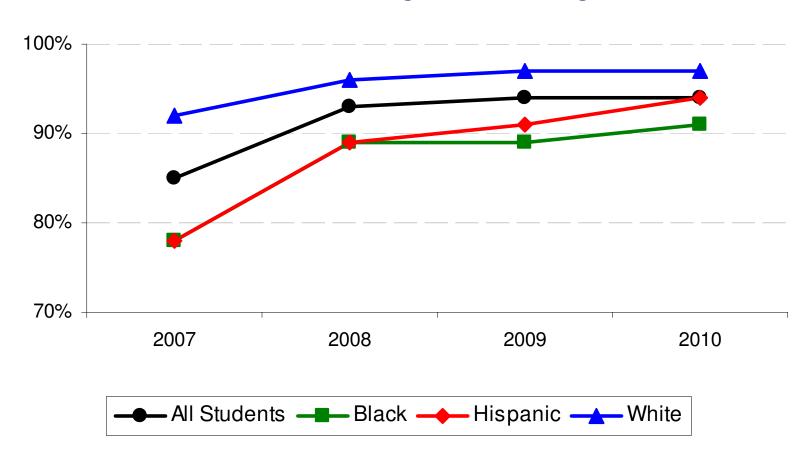
<u>Source:</u> Balfanz, R. (2007). Preventing Student Disengagement and Keeping Students on the Graduation Path in Urban Middle-Grades Schools: Early Identification and Effective Intervetions.

# Essential Building Blocks of High Performing States

- **✓** Higher Standards
- **✓ Rigorous Curriculum**
- ✓ Clear Accountability System
- **✓** Statewide Student Information System
- **✓** Leadership Training

## 3<sup>rd</sup> Grade Reading Achievement in Georgia: Closing the Gaps

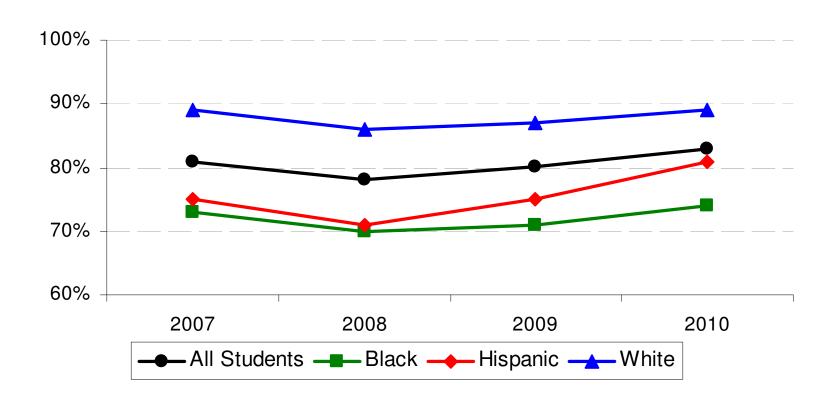
#### % of Students Meeting or Exceeding Standards



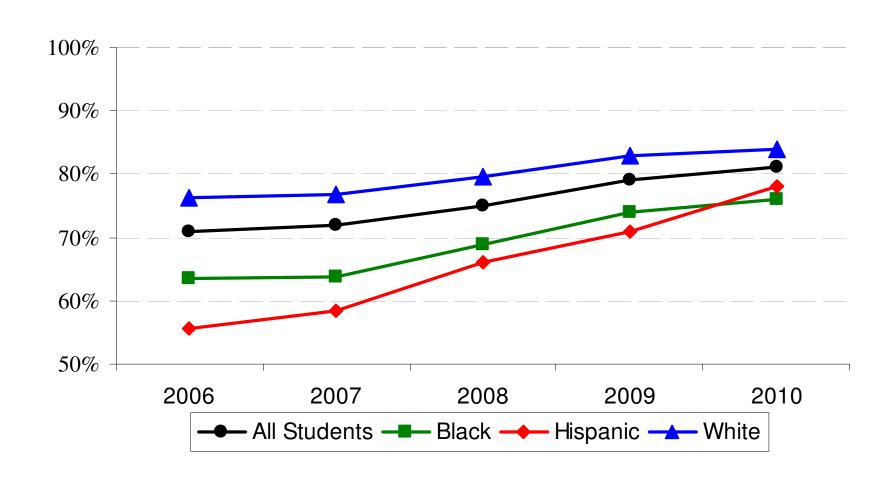
Source: Georgia Department of Education.

# 8<sup>th</sup> Grade Math Achievement in Georgia: Closing the Gaps

% of Students Meeting or Exceeding Standards



## High School Graduation Rates in Georgia: Closing the Gaps



Source: Georgia Department of Education.

### Strengthening the Birth to Work Pipeline



**Transitions to Work or College** 

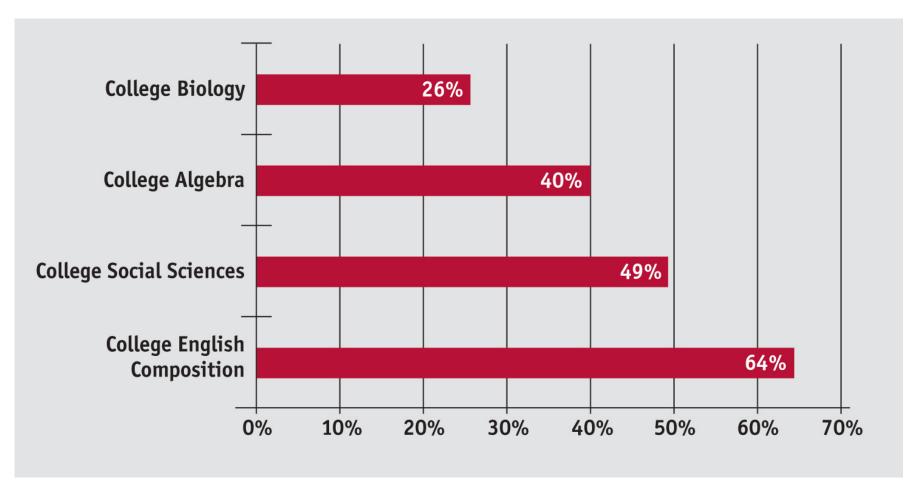
### The Demands of America's New Economy

12 of the 20 fastest growing occupations require an associate degree or higher.

The number of jobs for workers with a bachelor's degree or higher will increase from 38 million in 2006 to 43 million by 2016 – a growth rate of nearly 15 percent.

### **Are They College Ready?**

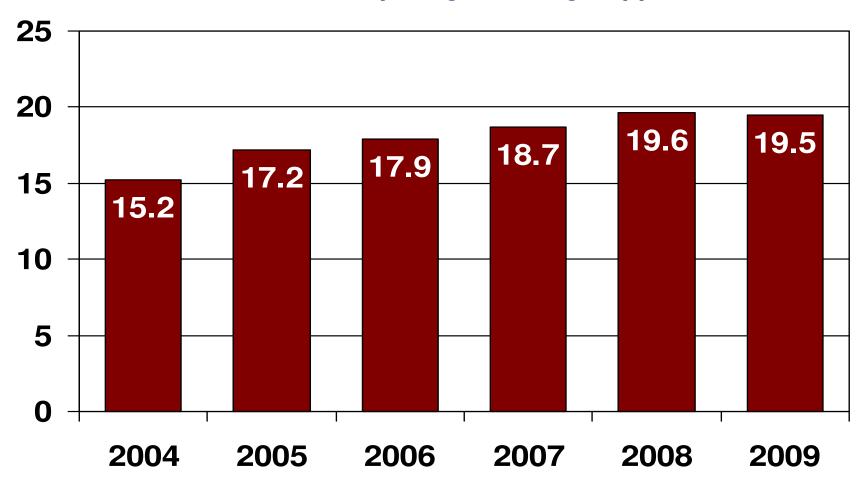
#### Percent of Georgia High School Graduates Prepared for College Courses



Source: ACT. "The Condition of College & Career Readiness: Class of 2010."

### Remediation Among College Freshmen

Percent of 1<sup>st</sup>-time Freshmen in Georgia's Public Colleges & Universities Requiring Learning Support



Source: University System of Georgia



### Improving the Pipeline: Low Birth Weight in 2009

	Henry County	Georgia
Total # of births	2,608	141,332
# of low weight births	212	13,412
low birth weight rate	8.1%	9.5%

GOAL: Reduce the number of low birth weight babies by 10 percent in Henry County.

**RESULT: 23 healthier babies!** 

Source: Georgia Department of Community Health. Georgia Partnership Calculation.

# Improving the Pipeline: High School Graduation in 2010

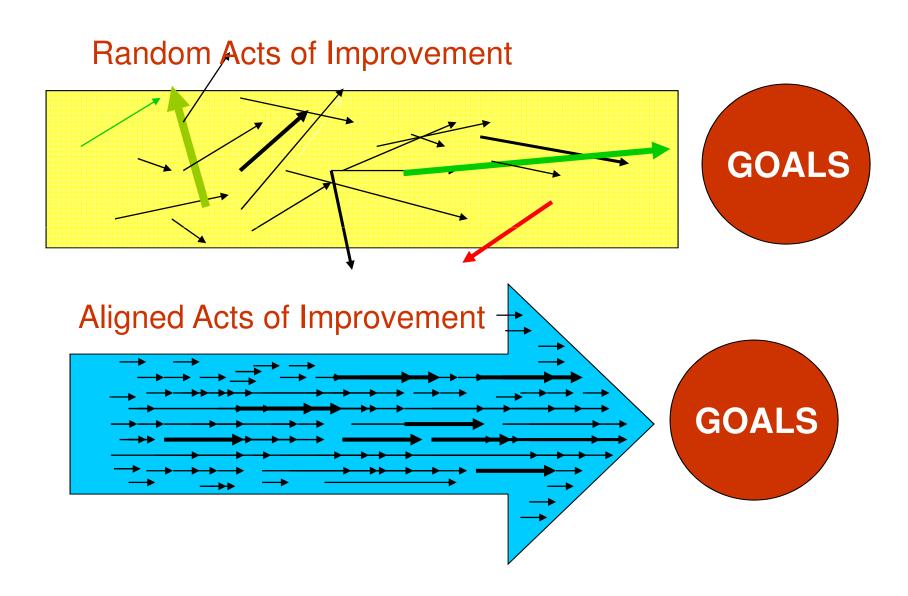
	Henry County	Georgia
Total # of Graduates	2,830	91,561
Graduation Rate	90.6%	80.8%

GOAL: Improve the number of graduates by 10 percent in Henry County.

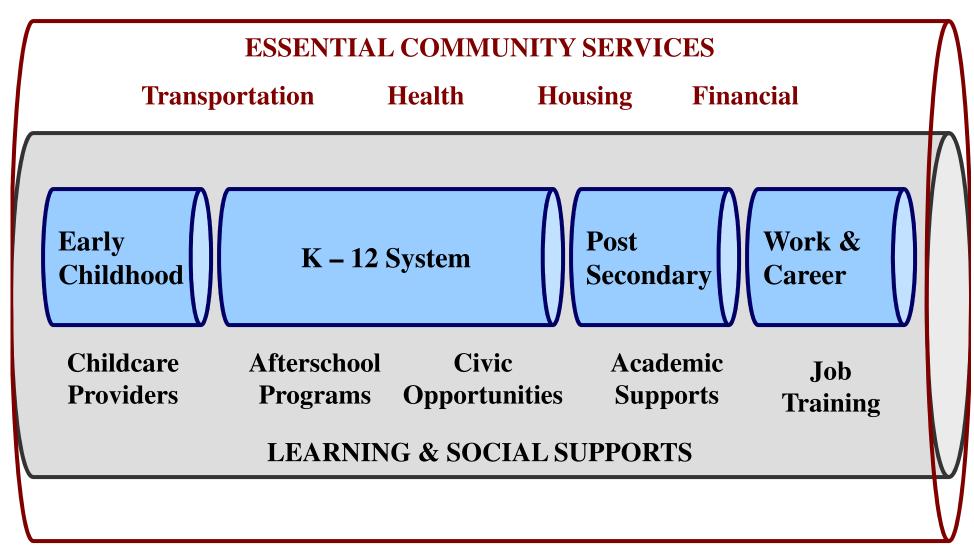
**RESULT: 257 more high school graduates!** 

Source: Georgia Department of Education. Georgia Partnership Calculation.

### **Aligning Educational Strategies**



# How Will You Insulate the Birth to Work Pipeline?



Source: The Forum for Youth Investment



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