

BOULDER COUNTY BUSINESS REPORT

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Education is 'super stimulus' - smart investments key

By Francie Anhut

Educating more people and doing a better job of it is the single-best investment we can make. Period.

While "shovel-ready" infrastructure projects - including improvements to schools - are key to reviving our economy, steady, smart investments in public education - from preschool through college - are essential to creating sustainable growth in our economy.

President Barack Obama created a bit of a stir by setting a goal for the United States to have the highest proportion of college graduates in the world by 2020. It is certainly true that all kids don't belong in college, and that we need mechanics, electricians and plumbers to keep our cars running, lights on and toilets working.

However, he's right: "Dropping out of high school is no longer an option", and we are a long way from having too many college graduates. Increasing the percentage of citizens with a college degree would be good for our democracy and great for our economy.

According to the Paris-based Organization for Economic Cooperation and Development, which tracks education attainment and performance among its 30 member countries, the United States, at 30 percent, is tied for sixth place in college graduation among those 25 to 34 years of age, using 2006 data. We actually held the lead until around 2000, when countries such as Norway, South Korea and the Netherlands overtook us. With many countries placing a higher premium on education than we do in America, attaining President Obama's goal won't be easy.

Yet, the facts are clear and compelling. Technical training notwithstanding, the more education a person has, the more money he/she makes and the higher the likelihood of staying employed. Less education translates into lower wages and higher unemployment levels.

The value of education is also becoming more significant over time. In 1970, the average college graduate earned 45 percent more than a high school graduate. Today, the differential exceeds 75 percent. And it's much worse for high school dropouts. Earning just 28 percent of a college graduate's income, high school dropouts are relegated to a lifetime of low wages, diminishing opportunities and a much higher likelihood of engaging in crime.

While the current economic tailspin is affecting all of us, the jobless rate for those with a bachelor's degree or higher is 4.1 percent, while high school dropouts face 12.6 percent unemployment, more than three times the rate of more-educated workers. Unfortunately, it's going to get worse before it gets better, and prospects for recovery are grim for the under-educated.

Over the past several decades, education levels in the U.S. have been relatively flat, with millions struggling to complete high school, and one in four students dropping out. Low-income and minority students make up the largest percentage and, tragically, actually have a greater likelihood of dropping out than graduating.

Of the disadvantaged students that do manage to beat the odds and graduate, only half enroll in college, and they are substantially less likely than their classmates to finish their degree. In graduating 63 percent of minority and economically disadvantaged students, Boulder Valley School District does better than the national average, though can't be proud of those results.

The earnings disparity between those who graduate from high school and those who complete college adds up to \$1.1 million over a lifetime. In addition to affording a higher standard of living and greater

discretionary spending, higher earnings increases tax collections and municipal strength. As education levels increase, expenditures on social programs - such as welfare, unemployment and criminal justice - go down. Economists have long noted the inverse relationship between investments in education and jails.

A study by Colorado Succeeds, a business nonprofit organization founded in 2005 to improve student performance, concluded that each high school dropout costs our communities \$2.3 million when factoring decreased personal income potential along with increased expenditures for social programs. Given that nearly a third of our high school students fail to graduate, Colorado forfeits \$3.4 billion in earning potential every year. Not only do increased levels of education reduce expenditures on social programs, but more highly educated people also experience better health and a richer life beyond income.

Colorado has been successful attracting renewable energy, bioscience, aerospace and clean-tech industries, thanks to our research laboratories, universities and our highly educated work force. At 39 percent, our state ranks among the top in percentage of residents with college and advanced degrees. As home to the University of Colorado, many federal labs and a concentration of technology companies, the Boulder area is frequently touted as "the smartest" city in America.

However, the majority of residents with college and advanced degrees moved here from somewhere else and Colorado actually ranks among the lowest in college attainment by people who are growing up here. This "Colorado Paradox" is our greatest shame.

We must stop decimating the budgets of our higher-education institutions, forcing them to compete with K-12 for table scraps. They are of a piece of the single objective that is to transform lives now and for generations to come and, in the process, increase the economic strength of our communities.

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