

Costs of Not Addressing Barriers to Learning

On October 24 and 25, 2005 Teachers College, Columbia University sponsored a symposium on the “Social Costs of Inadequate Education.” Major presentations were given by a group of distinguished researchers. See <http://www.tc.columbia.edu/centers/EquityCampaign/symposium/resource.asp>

Below are a few major points from the presentations:

>In 2005, it is estimated that close to one trillion dollars was spent on education in the U.S. This approaches 10% of the overall economy.

>What are the benefits or return on this investment? Estimates depend on whether we are talking only in terms of immediate increases in test scores or are including longer-term economic, social, health, and cultural benefits. From strictly an economic perspective, symposium presenters estimated that the U.S. could recoup nearly \$200 billion a year in economic losses by raising the quality of schooling, investing more money and other resources in education, and lowering dropout rates.

Some Data from the Symposium Papers:

- A high school dropout earns about \$260,000 less over a lifetime than a high school graduate and pays about \$60,000 less in taxes. Annual losses exceed \$50 billion in federal and state income taxes for all 23 million of the nation's high school dropouts ages 18 to 67.
- The United States loses \$192 billion– 1.6% of its current gross domestic product – in combined income and tax-revenue losses with each cohort of 18-year-olds who never complete high school. Increasing the educational attainment of that cohort by one year would recoup nearly half those losses.
- Health-related losses for the estimated 600,000 high school dropouts in 2004 totaled at least \$58 billion, or nearly \$100,000 per student. High school dropouts have a life expectancy that is 9.2 years shorter than that of graduates.
- Increasing the high school completion rate by 1% for men ages 20 to 60 could save the U.S. up to \$1.4 billion a year in reduced costs from crime. A one-year increase in average years of schooling for dropouts correlates with reductions of almost 30 % in murder and assault, 20% in car theft, 13% in arson, and 6% in burglary and larceny.
- The country will have a shortfall of 7 million college-educated workers by 2012, compared with the projected need.
- Participation in excellent preschool programs has been shown to boost academic achievement and reduce dropout rates, among other benefits. The economic benefits of such programs range as high as \$7 for each dollar spent (although savings and positive results are not linked to preschools that lack adequate funding and strong teaching).

Henry Levin, who chaired the symposium, reminds us that: “Educational inequity is first and foremost an issue of justice and fairness, but the research findings ... show that it is also an issue that affects all of us in our daily lives – and will affect our children even more so.”