

The Impact of Education on: *The Economy*

Six million students throughout America are currently at risk of dropping out of school. High school dropouts are unable to enter the workforce with the necessary skills to meet the demands of the nation's global economy. Increasing the number of graduates with a quality education will raise national revenues and will reduce billions of dollars in public and private expenditures currently spent on rectifying the shortcomings of a failed high school education.

- Increasing minority students' participation in college to the same percentage as that of white students would create an additional \$231 billion in GDP and at least \$80 billion in new tax revenues. (Carnevale and Desrochers, 2002)
- If literacy levels in the United States were the same as those in Sweden, the U.S. GDP would rise by approximately \$463 billion and tax revenues would increase by approximately \$162 billion. (Carnevale and Desrochers, 2002)
- American business currently spends more than \$60 billion each year on training, much of that on remedial reading, writing, and mathematics. (National Association of Manufacturers, 2001)
- It costs employers in the state of Michigan about \$222 million annually to correct the shortcomings of workers who leave high school without basic skills. (Greene, 2002)
- In 2001, the National Association of Manufacturers reported that, despite the slowing economy, 80 percent of manufacturers continue to experience a moderate-to-serious shortage of qualified job candidates. Of the survey's participants, 78 percent believed that public schools are failing to prepare students for the workplace. (National Association of Manufacturers, 2001)
- More than 70 percent of both college professors and employers said that recent high school graduates were unable to write clearly and had only poor or fair grammar and spelling skills. (Utility Business Education Coalition, 2003)
- The unemployment rate decreased with increased education for all age and racial/ethnic groups. For example, in 2000, the unemployment rate of blacks twenty to twenty-four years of age with less than a high school education was 32 percent, compared to 6 percent for blacks ages in the same age group with a bachelor's degree or higher. (National Center for Education Statistics, 2003)

- Employment projections indicate that jobs requiring only a high school degree will grow by just 9 percent by the year 2008 while those requiring a bachelor's degree will grow by 25 percent and those requiring an associate's degree will grow by 31 percent. (American Youth Policy Forum, 2001)
- In 1973, 36 percent of Americans in skilled blue-collar and related fields had not finished high school, while just 17 percent had some college or a degree. By 1998, only 11 percent of Americans in skilled blue-collar and related careers had not finished high school, while 48 percent of such workers had some college or a degree. (Carnevale, 2001)