



ALLIANCE FOR
EXCELLENT EDUCATION

StraightA's

Public Education Policy And Progress



SAVING FUTURES, SAVING DOLLARS: Five Percent Increase in Male Graduation Rate Could Lead to Savings of \$8 Billion Annually

Effectively reforming the nation's high schools would increase the number of graduates and, as a result, significantly reduce the nation's crime-related costs and add billions of dollars to the economy, according to conservative calculations by the Alliance for Excellent Education. In its new issue brief, *Saving Futures, Saving Dollars: The Impact of Education on Crime Reduction and Earnings*, the Alliance has estimated that increasing the graduation rate and college matriculation of male students by only 5 percent could lead to combined savings and revenue of almost \$8 billion each year. This issue brief was made possible with the generous support of MetLife Foundation.

"Research has shown that 75 percent of America's state prison inmates, almost 59 percent of federal inmates, and 69 percent of jail inmates did not complete high school," said **Bob Wise, former governor of West Virginia and Alliance for Excellent Education president**. "For each student we can keep in school until Graduation Day, we'll win twice: not only will we spend less on crime-related costs, but we'll also enjoy additional tax revenue from the higher salary that a high school graduate would command over a dropout."

According to the issue brief, lower educational attainment levels increase the likelihood that individuals, particularly males, will be arrested and/or incarcerated. As evidence, it points to a study that looked at state prisoners' education levels in 1997 and showed that male inmates were about twice as likely as their counterparts in the general population to not have completed high school or its equivalent.

The brief lists several theories as to why people with more education commit less crime. For one, people who have high school diplomas earn higher wages through legitimate work, thus reducing their perceived need to commit a crime. In addition, the stigma of a criminal conviction may be greater for professional workers, who tend to have higher levels of education, than for those in lower-paying, lower-skilled jobs. Whatever the reason, education has a strong impact on crime prevention and the personal safety of Americans.

"The financial cost of crime to communities, states, and the nation cannot be overstated," the brief reads. "It includes expenses related to medical care for victims, loss of victims' income, reduced tax revenue as a result of lost wages, and rising police payrolls and court operating budgets. Most expensive of all is the cost of incarcerating convicted criminals."

The United States spent almost \$50 billion in incarceration costs in 2004 alone, with an average annual cost per inmate of \$22,600. Compare that number to the \$9,644 average that the nation spends to educate a student for one year.

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Using methods outlined by economists Lance Lochner of the University of Western Ontario and Enrico Moretti of the University of California, Berkeley, the Alliance conservatively estimates that if the male graduation rate were increased by just 5 percent, *annual crime-related savings* to the nation would be approximately \$5 billion dollars. The benefits would vary from state to state: for example, South Dakota (at the low end) would save \$1.6 million; Oklahoma (near the middle) would save \$63 million; and California (at the high end) would save almost \$753 million.

Beyond the savings related directly to crime reduction, almost \$2.8 billion in *additional annual earnings* would enter the economy if more students graduated from high school. Using 2004 U.S. Census Current Population Survey data, the brief reports that if an additional 5 percent of male students not only graduated but also went on to college in the same percentages as current male high school graduates, their average earnings would increase significantly. The benefits, again, would vary from state to state: Wyoming (at the low end) would see an increase of \$5 million, Massachusetts (near the middle) would add \$55 million to its economy, and California's economy (at the high end) would accrue an additional \$352 million.

The complete issue brief, which includes a breakdown of state-by-state costs, is available at <http://www.all4ed.org/publications/SavingFutures.pdf>.



EDUCATION AT A GLANCE: International Comparison Places the United States Near the Bottom in High School Graduation Rates and College Graduates

The financial penalty for not graduating high school is more severe in the United States than in almost every other of the thirty countries that are part of the Organisation [*sic*] for Economic Cooperation and Development (OECD).¹ In fact, according to *Education at a Glance 2006*, the annual report of international education statistics from the OECD, the earnings of a 25–64-year-old high school dropout in the United States is only 65 percent of someone with a high school diploma—the greatest income disadvantage of all OECD countries. In addition, it notes that people without a high school diploma are less likely to be employed than a high school graduate.

Forty years ago, when an individual did not necessarily need a high school diploma to guarantee landing a good job, the United States led the world in producing high school graduates. In fact, according to the report, 86 percent of 55–64 year-olds in the United States have a high school diploma, well above the OECD average of 53 percent and four percentage points higher than the next closest country, the Czech Republic (82 percent).

A lot has changed in the last forty years. Today, as the report argues, an “upper secondary qualification”—the international equivalent of a high school diploma—is the “baseline for successful entry into the labour [*sic*] market.” Based on the significant increase in their graduation rates, most of the United States’ international counterparts have figured that out and have moved past the United States in the rankings.

¹ The thirty countries that make up the OECD are Australia, Austria, Belgium, Canada, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Spain, Sweden, Switzerland, Turkey, the United Kingdom, and the United States.

In fact, the OECD analysis pegs the United States' high school graduation rate at 75 percent, which places it in a tie for seventeenth out of the twenty-two OECD countries for which data is available—well below the OECD average of 81 percent, and far behind leaders such as Norway, Germany, and Korea.

Country	High School Graduation Rate	Country	High School Graduation Rate
Norway	100%	Slovak Republic	83%
Germany	99%	France	81%
Korea	96%	Italy	81%
Ireland	92%	Poland	79%
Japan	91%	Sweden	78%
Denmark	90%	New Zealand	75%
Finland	90%	United States	75%
Switzerland	89%	Luxembourg	69%
Czech Republic	87%	Spain	66%
Hungary	86%	Turkey	53%
Iceland	84%	Mexico	38%

The high school graduation rate is not the only indicator of the United States' loss of hegemony. In producing college-educated individuals, what was once a case of clear dominance by the United States has transformed into a struggle to keep pace.

Thirty-five to forty-five years ago, 36 percent of individuals in the United States had obtained a college degree, giving the nation top ranking. Only Canada, at 35 percent, was close behind. Today, however, at 39 percent, the United States has seen only a small increase in the percentage of individuals with a college degree. Meanwhile, several other countries have caught up and surpassed the United States, including Canada (53 percent), Japan (52 percent), and Korea (49 percent). The United States now ranks in a tie for seventh with Norway. Given that, from 1995 to 2003, college enrollment in the United States increased by 21 percent, a figure considerably lower than the OECD average of 38 percent, it is likely that even more countries will catch up and surpass the United States in college degree attainment.

Perhaps more than any other factor, the United States can blame its low college “survival rate,” the percentage of individuals who enroll in college and ultimately receive a degree, as the main cause of its loss of preeminence. At 54 percent, the United States' survival rate, which is on par with those of Mexico and New Zealand, is one of the lowest of the OECD countries and well below the OECD average of 70 percent. Japan, at 91 percent, is the pace setter. If these trends in college enrollment and degree attainment are projected into the future, the United States' share of college graduates is expected to decline from 41 percent to 36 percent over the next ten years, while countries such as Japan and Korea are expected to benefit.

Some of the blame for a low survival rate must go to the poor preparation that individuals receive in high school. As the report noted, fifteen-year-olds in the United States performed poorly on the 2003 international comparison assessment. Out of the thirty OECD countries that participate in the Programme [*sic*] for International Student Assessment (PISA) in math, an international test for fifteen-year-olds, the United States' average performance was statistically lower than twenty countries and statistically higher than that of only Portugal, Italy, Greece, Mexico, and Turkey.

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The United States rewards individuals who persist through college and earn their degree more than almost any other country. In fact, among 25–64-year-olds, earnings for college graduates are 72 percent higher than for those people with only a high school degree, an increase of 4 percent since 1997, and higher than every other country except the Czech Republic (82 percent) and Hungary (117 percent).

The United States' colleges and universities remain the envy of the world, but the report contains evidence that this dominance might also be on the verge of ending, as the number of international students who choose to enroll in American universities is also on the decline. "While the U.S. is still the most popular destination for foreign students, in a four year period when the number of international students worldwide has increased by 41 percent, the U.S. share of the international tertiary student market has fallen from 25 percent to 22 percent," the report reads.

In a search for international solutions, OECD analysts imply that countries should reconsider the way that they fund education and address "inherently class-biased and often regressive ways of funding educational opportunities." As an example, the report notes that students from the most socioeconomically disadvantaged quartile of the population are "3.5 times more likely than their peers to be in the bottom quartile of mathematics performance and in no country is this less than twice as likely to be the cause."

More information about the report is available at <http://www.oecd.org/edu/eag2006>.

Administration Links Education to Interests of American Businesses

Within the last two weeks, two high-ranking members of the Bush administration have reached out to the business community to stress the importance of education to the health of the American economy.

On September 8, **U.S. Secretary of Education Margaret Spellings** rang the opening bell of the New York Stock Exchange. While she was in New York City, Spellings spoke with business leaders about the president's proposals to improve education and to prepare students for the needs of the global marketplace. "One of the most pressing concerns in the business community today is a shortage of skilled, qualified employees," Spellings said.

In a speech before the National Association for Business Economics on September 12, **Edward P. Lazear, chairman of the President's Council of Economic Advisors**, called K–12 education the "weakest component of our human capital investment structure." On a more positive note, he said, "Fortunately, our colleges and graduate schools are the best in the world. We export education by training large numbers of international students in our American colleges and universities and it is good for us to continue to do that, but we must also make sure that those Americans who do not go on to college also get the skills that allow them to compete in a modern American economy. Strengthening K–12 education, reducing our dropout rates, and ensuring that all of our young citizens receive high-quality education will be important not only in the near future, but as we move into the later years of the 21st century."

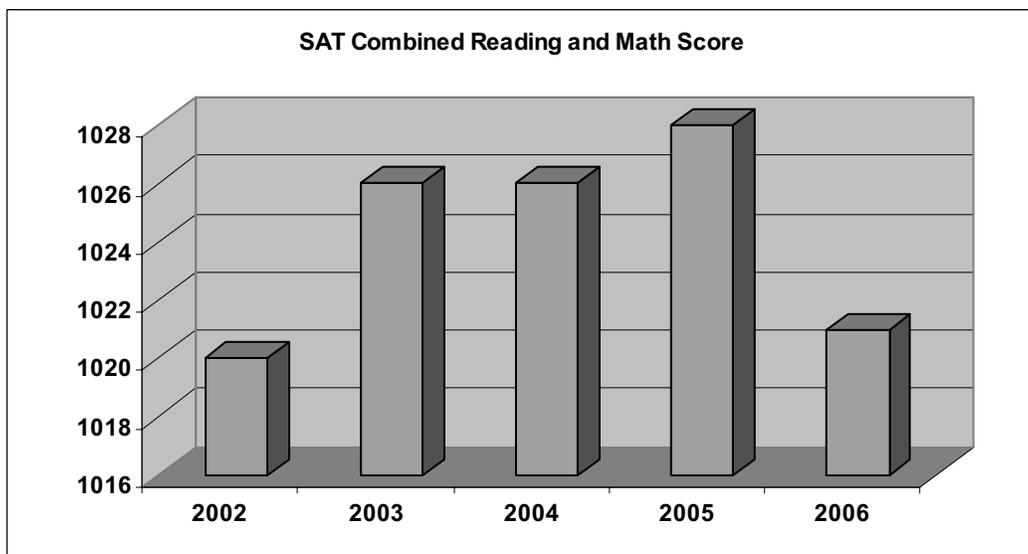
More information about Secretary Spellings' appearance at the NYSE can be found at <http://www.ed.gov/news/pressreleases/2006/09/09082006a.html>.

Lazear's complete address is available at <http://www.whitehouse.gov/cea/lazear20060912.html>.



SAT SCORES DROP FOR CLASS OF 2006: Observers Question Whether Longer Tests and Test-Taker Fatigue Are to Blame for Lower Scores

The Class of 2006 posted an average SAT score of 1021 out of 1600, a number that was seven points lower than the composite score in math and reading for last year's high school graduates (see the chart below for results for the last five years). According to a new report from the College Board, the organization that sponsors the test, mathematics scores dropped by two points and critical reading scores decreased by three points.



This year's results are the first to include scores on the recently added writing section of the SAT. While the writing test was administered three times in the spring of 2005, it was not reflected in last year's report. Some observers have pointed to the writing test and the additional time needed to take it as a reason for the lower scores. On the new test, students are given forty-five additional minutes to take the longer version, which, in addition to the writing component, also includes more advanced math and a revamped reading section that uses longer passages to test comprehension. When time on administrative matters is included, most students spend nearly five hours at their designated test center on the day of the test.

In its report, the College Board was quick to dispel the notion that fatigue could play a factor in the lower scores. "Research has shown that fatigue is not a factor," a statement from the College Board reads. "A College Board analysis of the performance of more than 700,000 test-takers on the critical reading and mathematics sections during the spring and fall 2005 SAT administrations showed no difference in student performance." Instead, the College Board points out that fewer students are taking the SAT a second time. In the past, students who take the test a second time see an average increase of 30 points on their combined score.

In an article in *Education Week*, the National Center for Fair & Open Testing, or FairTest, a Cambridge, Mass.-based critic of the standardized-testing industry, points out that many test-takers could have been deterred from taking the SAT a second time by the higher cost for the new test, which is \$41.50, compared to \$29.50 for the old test. According to the College Board, 54

SAT Scores Drop for Class of 2006

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percent of students reported an annual family income of \$60,000 or higher, compared to 11 percent who reported an income below \$20,000, the 2006 federal poverty guideline for a family of four.

About 1.45 million students took the SAT during the 2005–06 school year. Of that total, 54 percent were female and 46 percent were male. Overall males (1,041) posted a higher composite score than female students (1,004), but female students scored higher than males by 11 points on the writing portion. Among student subgroups, Asian-American students posted the highest composite score (1,088), followed by white students (1,063), American-Indian students (981), and African-American students (863). The report broke down scores for Hispanic students into Mexican or Mexican-American students (919), Puerto Rican students (915), and Other Hispanic students (921).

Complete national results, as well as individual state results, are available at <http://www.collegeboard.com/press/releases/150054.html>.



MAXIMIZING THE POWER OF EDUCATION DATA: New Issue Analysis from the Data Quality Campaign Balances Need for Data with Privacy Concerns

There is increasing recognition that educational data—particularly student-level data—is extremely powerful for educators and policymakers in evaluating student, school, teacher, and program performance. Such data is also useful for appropriately targeting interventions and support where they are most needed. In an effort to capture this data, states and districts across the country are building statewide longitudinal data systems, which follow each student over time.

One issue of concern to states as they develop data systems is compliance with the Family Educational Rights and Privacy Act (FERPA), the federal law that protects the privacy of student education records, imposes limits on the disclosure of student information, and gives parents the right to review and challenge their children’s records. A new issue analysis from the Data Quality Campaign, a national coalition working to improve the collection and use of education data, provides critical information to assist states as they build and use state longitudinal data systems in ways that comply with federal privacy laws.

The increased demand for education data has created some questions about FERPA compliance, including some that cannot be answered definitively by current law or regulations. Unfortunately, states need this information now to build state data systems consistent with FERPA requirements. The DQC issue analysis, *Maximizing the Power of Education Data While Ensuring Compliance with Federal Student Privacy Laws: A Guide for Policymakers*, describes both resolved issues and approaches to issues for which there is not currently a clear answer.

“Federal law sanctions and supports state longitudinal data systems, which are intended to facilitate more effective use of data for improving education and meeting the academic needs of students, consistent with core state and federal policy and law,” the brief reads. “Through state longitudinal data systems, states, educators and researchers can have access to and use student data to meet these

purposes—subject to applicable safeguards and procedures—while safeguarding privacy protections for students and their parents that FERPA is designed to secure.”

According to the brief, current FERPA law and regulations permit the sharing of student data that are not personally identifiable. In addition, state longitudinal data systems can obtain and disclose anonymous student information provided that there are safeguards against sharing data that are easily traceable to individual students. The brief also tackles three of the most common unanswered questions from states about state data systems, including whether schools and districts, without parental consent, can provide students’ education records to a state longitudinal data system, or whether data may be released for studies to improve instruction that are initiated by an entity other than a school or district.

The U.S. Department of Education is planning to issue proposed regulations that will clarify some of these issues. In the meantime, the DQC issue analysis provides states with some approaches for consideration. The issue analysis also includes a set of actions for state policymakers to take to ensure privacy while supporting the use of data.

The complete issue analysis from the Data Quality Campaign is available at <http://dataqualitycampaign.org/publications/#publication>.

Lights On Afterschool!

On October 12, more than 7,500 communities and one million Americans will celebrate *Lights On Afterschool*, a nationwide event organized by the Afterschool Alliance to rally support for afterschool programs. This nationwide event calls attention to the importance of afterschool programs and to the resources required to keep the lights on and the doors open. In the United States today, 14.3 million children go home alone after school.

“Instead of receiving help with homework and a chance to explore their talents and interests, too many of our children are unsupervised and at risk in the afternoons,” said **Afterschool Alliance Executive Director Jodi Grant**. “Americans are keenly aware that opportunities are lost when children have no safe, supervised activities after the school day ends. That is why *Lights On Afterschool* has grown so quickly. We expect events this year in every state and every corner of the country. The tremendous participation underscores the strong support for afterschool programs and widespread awareness that our nation needs many more.”

To learn more about *Lights On Afterschool*, including events scheduled in your area, visit <http://www.afterschoolalliance.org>.

Straight A’s: Public Education Policy and Progress is a biweekly newsletter that focuses on education news and events both in Washington, DC, and around the country. The format makes information on federal education policy accessible to everyone from elected officials and policymakers to parents and community leaders. The Alliance for Excellent Education is a nonprofit organization working to make it possible for America’s secondary school students to achieve high standards.



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