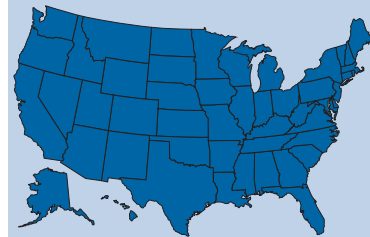


Education and the Economy:

Boosting the Nation's Economy by Improving High School Graduation Rates



An estimated 1.3 million students across all fifty states and the District of Columbia dropped out from the Class of 2010 at great costs to themselves and to their communities. Cutting in half the number of each state's dropouts for this single high school class could result in tremendous economic benefits. Below are the contributions³ that these 650,000 "new graduates" would likely make to the economy:

| | | |
|--|---|---|
| | <p>\$7.6 Billion in Increased Earnings</p> | <p>Collectively, this single class of new graduates would likely earn as much as \$7.6 billion more in an average year compared to their likely earnings without a high school diploma.</p> |
| | <p>\$5.6 Billion in Increased Spending; \$2 Billion in Increased Investments</p> | <p>New graduates' increased earnings, combined, would likely allow them to spend an additional \$5.6 billion and invest an additional \$2 billion during an average year.</p> |
| | <p>\$19 Billion in Increased Home Sales; \$741 Million in Increased Auto Sales</p> | <p>By the midpoint of their careers, these new graduates, combined, would likely purchase homes totaling in value of as much as \$19 billion more than what they otherwise would have spent without a diploma. In addition, they would likely spend up to an additional \$741 million in vehicle purchases during an average year.</p> |
| | <p>54,000 New Jobs; \$9.6 Billion in Economic Growth</p> | <p>The additional spending and investments by these new graduates, combined, would be enough to support as many as 54,000 new jobs and increase the gross domestic product by as much as \$9.6 billion by the time they reach their career midpoints.</p> |
| | <p>\$713 Million in Increased Tax Revenue</p> | <p>As a result of increased wages and higher levels of spending, state tax revenues would likely grow by as much as \$713 million during an average year.</p> |
| | <p>Increased Human Capital</p> | <p>After earning a high school diploma, 43% of these new graduates would likely continue on to pursue some type of postsecondary education, but only 173,100 students, or 27% of all new graduates, are expected to complete their studies. Boosting the share of new high school graduates who complete postsecondary programs to 60%—President Obama's goal for the nation⁴—would increase the number of postsecondary graduates to 390,300.</p> |

Every Student Counts

Moving even one student from dropout status to graduate status will contribute to the nation's economic growth. This box offers a scaled-down look at the figures presented on the left by projecting the likely benefits if just 1,000 dropouts in each state and the District of Columbia had graduated from high school. These 51,000 new graduates, combined, would likely

- earn \$554 million in additional earnings in an average year;
- spend an additional \$57 million each year purchasing vehicles and, by the time they reach the midpoint of their careers, buy homes worth \$1.4 billion more than what they would likely have spent without a diploma; and
- support 3,800 new jobs, increase the gross domestic product by \$681 million, and pour an additional \$50 million annually into state coffers, all through their increased spending and investments.

³ These figures represent rounded estimates of gross benefits to the state economy and are not intended to reflect the net impact of additional graduates.

⁴ President Obama's goal to increase the postsecondary attainment rate among young Americans to 60 percent in order to lead the world in the share of the population with a higher education degree has been stated in numerous instances, including the U.S. Department of Education's National Technology Plan and U.S. Secretary of Education Arne Duncan's remarks on June 3, 2010 at North Carolina Central University.

| | Economic benefits as a result of cutting the number of Class of 2010 dropouts in half | | Increase in average annual earnings compared to average income of high school dropouts | | |
|----------------------|---|------------------------|--|--------------------|-------------------|
| State | Potential combined increased annual earnings among new graduates | Potential jobs created | HS Graduate | Associate's Degree | Bachelor's Degree |
| Alabama | \$118 million | 800 | \$ 6,942 | \$ 15,035 | \$ 27,004 |
| Alaska | \$35 million | 200 | \$ 13,046 | \$ 24,228 | \$ 31,962 |
| Arizona | \$138 million | 700 | \$ 7,498 | \$ 16,483 | \$ 27,439 |
| Arkansas | \$42 million | 300 | \$ 5,339 | \$ 11,425 | \$ 23,935 |
| California | \$1.4 billion | 8,700 | \$ 9,367 | \$ 20,744 | \$ 34,244 |
| Colorado | \$119 million | 800 | \$ 10,911 | \$ 17,630 | \$ 28,821 |
| Connecticut | \$64 million | 300 | \$ 9,618 | \$ 18,677 | \$ 33,271 |
| Delaware | \$22 million | 200 | \$ 8,719 | \$ 17,120 | \$ 30,217 |
| District of Columbia | \$17 million | 50 | \$ 10,279 | \$ 22,498 | \$ 39,205 |
| Florida | \$461 million | 4,000 | \$ 7,115 | \$ 14,885 | \$ 24,846 |
| Georgia | \$343 million | 3,700 | \$ 8,089 | \$ 16,902 | \$ 29,888 |
| Hawaii | \$28 million | 200 | \$ 6,759 | \$ 15,599 | \$ 22,316 |
| Idaho | \$24 million | 200 | \$ 6,519 | \$ 11,733 | \$ 22,004 |
| Illinois | \$263 million | 2,300 | \$ 8,220 | \$ 16,654 | \$ 29,816 |
| Indiana | \$119 million | 900 | \$ 8,055 | \$ 15,027 | \$ 25,191 |
| Iowa | \$39 million | 200 | \$ 7,659 | \$ 14,811 | \$ 23,857 |
| Kansas | \$44 million | 300 | \$ 6,583 | \$ 13,973 | \$ 24,614 |
| Kentucky | \$86 million | 600 | \$ 8,593 | \$ 16,134 | \$ 26,155 |
| Louisiana | \$136 million | 900 | \$ 9,399 | \$ 15,998 | \$ 28,027 |
| Maine | \$17 million | 100 | \$ 7,724 | \$ 13,929 | \$ 22,184 |
| Maryland | \$153 million | 1,200 | \$ 10,844 | \$ 21,174 | \$ 33,423 |
| Massachusetts | \$88 million | 600 | \$ 9,444 | \$ 17,679 | \$ 29,379 |
| Michigan | \$193 million | 1,200 | \$ 8,456 | \$ 17,450 | \$ 29,674 |
| Minnesota | \$92 million | 700 | \$ 8,961 | \$ 17,187 | \$ 27,961 |
| Mississippi | \$65 million | 500 | \$ 6,316 | \$ 12,503 | \$ 21,810 |
| Missouri | \$106 million | 1,000 | \$ 8,109 | \$ 16,090 | \$ 25,640 |
| Montana | \$12 million | 100 | \$ 6,684 | \$ 10,101 | \$ 18,390 |
| Nebraska | \$28 million | 200 | \$ 5,423 | \$ 14,176 | \$ 23,115 |
| Nevada | \$107 million | 700 | \$ 6,237 | \$ 13,912 | \$ 19,524 |
| New Hampshire | \$21 million | 200 | \$ 6,101 | \$ 15,697 | \$ 26,268 |
| New Jersey | \$138 million | 900 | \$ 11,650 | \$ 21,710 | \$ 37,419 |
| New Mexico | \$62 million | 600 | \$ 6,328 | \$ 13,931 | \$ 25,029 |
| New York | \$445 million | 3,000 | \$ 9,036 | \$ 18,308 | \$ 31,338 |
| North Carolina | \$292 million | 2,600 | \$ 8,095 | \$ 16,085 | \$ 27,606 |
| North Dakota | \$8.4 million | 50 | \$ 8,089 | \$ 14,615 | \$ 20,349 |
| Ohio | \$199 million | 1,400 | \$ 7,650 | \$ 15,833 | \$ 27,445 |
| Oklahoma | \$69 million | 500 | \$ 7,140 | \$ 14,276 | \$ 24,239 |
| Oregon | \$59 million | 500 | \$ 7,149 | \$ 14,475 | \$ 24,336 |
| Pennsylvania | \$173 million | 1,400 | \$ 7,680 | \$ 15,749 | \$ 26,893 |
| Rhode Island | \$19 million | 100 | \$ 8,725 | \$ 15,501 | \$ 25,698 |
| South Carolina | \$161 million | 1,000 | \$ 7,867 | \$ 16,523 | \$ 25,704 |
| South Dakota | \$12 million | 50 | \$ 7,285 | \$ 12,928 | \$ 19,494 |
| Tennessee | \$145 million | 1,000 | \$ 7,762 | \$ 15,455 | \$ 26,028 |
| Texas | \$859 million | 5,900 | \$ 8,781 | \$ 18,070 | \$ 33,089 |
| Utah | \$40 million | 200 | \$ 7,536 | \$ 12,236 | \$ 20,669 |
| Vermont | \$6.3 million | 50 | \$ 7,489 | \$ 14,310 | \$ 18,629 |
| Virginia | \$207 million | 1,300 | \$ 8,562 | \$ 18,766 | \$ 33,976 |
| Washington | \$201 million | 1,100 | \$ 9,951 | \$ 18,404 | \$ 30,595 |
| West Virginia | \$27 million | 200 | \$ 6,134 | \$ 13,165 | \$ 22,463 |
| Wisconsin | \$72 million | 400 | \$ 8,010 | \$ 15,039 | \$ 23,929 |
| Wyoming | \$6.7 million | 50 | \$ 4,861 | \$ 10,642 | \$ 18,873 |