



Education Matters: Invest in Learning for Economic Prosperity April 29, 2015

Federal investments in education are crucial so that students are prepared for success in a 21st Century global society and workforce.

Investing in education is crucial to ensuring the future health of our economy and country's global competitiveness. Many students are not prepared for success in our 21st Century society and to fill current and future jobs. A robust federal investment in education is necessary to equip schools with the resources – personnel, facilities, technology – to position students to acquire the skills and knowledge needed for college and career success.

Invest in education to:

- Prepare our high school and college graduates for the jobs of today and tomorrow.
 - By 2018, 63% of all jobs in the United States will require some sort of post-secondary education, yet nearly 30% of U.S. students do not finish high school, and only 42% of young people who enroll in college complete a bachelor's degree by the age of 26, and just 12% complete an associate's degree.¹
 - The U.S. economy's largest and fastest growing sectors – business services, finance, healthcare, and education – are service sectors that have been clamoring for more educated workers and powering the dramatic upskilling of America's occupational structure.²
 - American students rank well behind those in economically competitive countries on international tests: 17th in reading, 20th in science, and 27th in mathematics among the 34 Organisation for Economic Co-Operation and Development (OECD).³
 - The transition from an industrial to a post-industrial economy has resulted in a shift from an economy rooted in high school-level skills to an economy anchored in postsecondary education and training.⁴
- Ensure the future health of our economy, including productivity, earnings, and tax revenues.
 - Nearly nine out of 10 graduate degree-holders work as managers or professionals, while seven out of 10 high school dropouts work in low-skill occupations.
 - The college wage premium – the difference between the average wages of college- and high school-educated workers – has spiked since 1973, rising from 37 percent to 82 percent by 2007.⁵
 - The earnings of four-year, college-educated workers remain nearly twice those of high school-educated workers.⁶
 - If U.S. students matched OECD average PISA scores, the GDP would increase by \$678 billion by 2050 and cumulative GDP growth would be \$2.5 trillion.⁷

¹ Bill and Melinda Gates Foundation, 2010.

² *The Economy Goes to College*. Georgetown University, Center on Education and the Workforce.

<https://cew.georgetown.edu/wp-content/uploads/EconomyGoesToCollege.pdf>.

³ PISA 2012: <http://www.oecd.org/pisa/keyfindings/pisa-2012-results.htm>

⁴ *The Economy Goes to College*

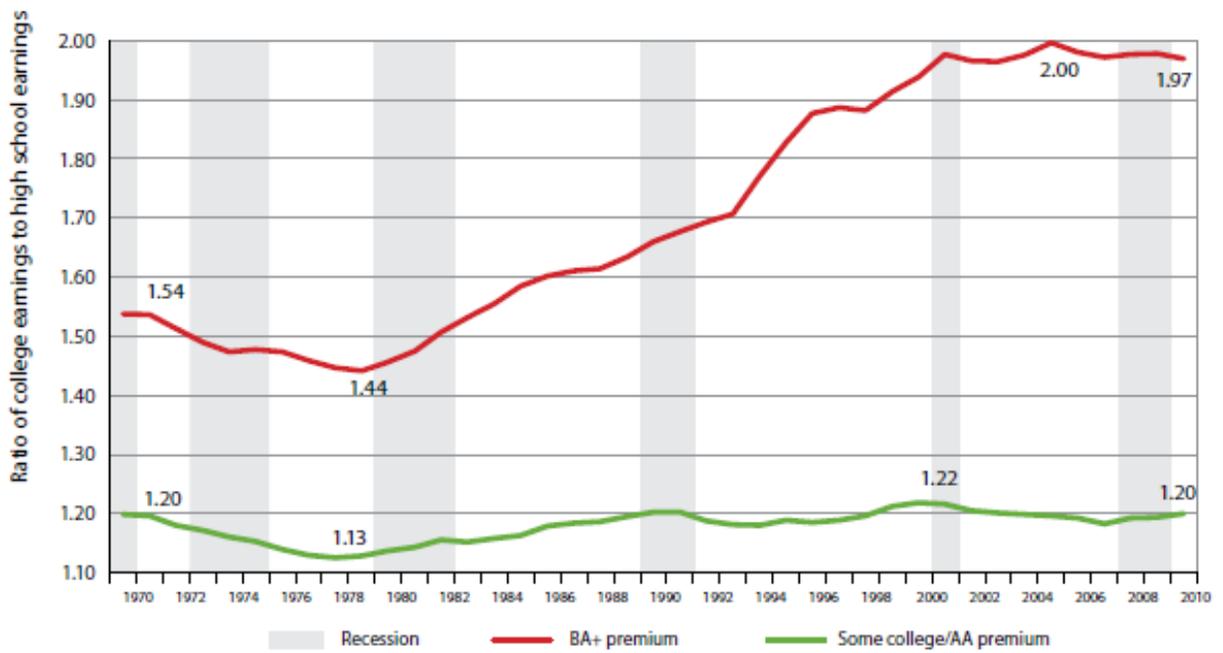
⁵ *Ibid.*

⁶ *The College Advantage: Weathering the Economic Storm*. Georgetown University Center on Education and the Workforce.

<https://cew.georgetown.edu/report/the-college-advantage/>

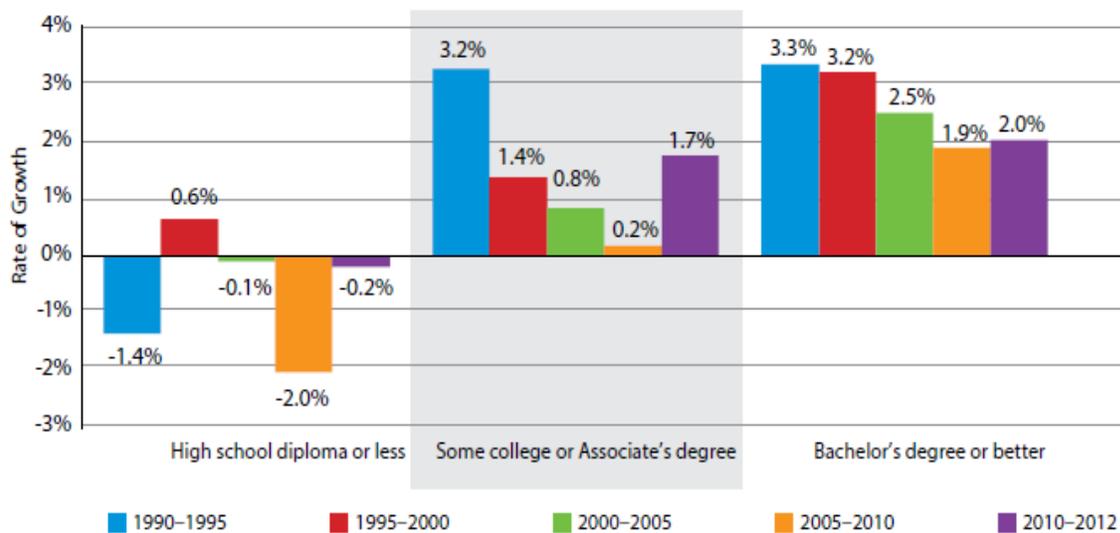
⁷ OECD (2010), *The High Cost of Low Educational Performance: The Long-run Economic Impact of Improving PISA Outcomes*, PISA, OECD Publishing, Paris.

DOI: <http://dx.doi.org/10.1787/9789264077485-en>



Source: Georgetown University Center on Education and the Workforce: *the College Advantage: Weathering the Economic Storm*

Average annual growth rate of employment by education in five-year intervals



Source: Authors' estimate using Current Population Survey data (1990-2012). Employment includes all workers aged 18 and older. Note: The monthly employment numbers are seasonally adjusted using the U.S. Census Bureau X-12 procedure and are smoothed using four-month moving averages.

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