

Education and Our Community

I remember talking with a colleague several years ago about her visit to China. This was around the time of the United States involvement in the Iraq war. She observed that her Chinese hosts were surprised at our squandering resources on such an undertaking while allowing our educational infrastructure to crumble. They, conversely, were investing heavily in education, so that even some rural communities had access to modern educational infrastructure. We should not be surprised that GDP growth in China now eclipses that of the United States.

Let us look at the benefits of our investing in education. The following table shows the estimated increase in U.S. GDP for three scenarios. First if we match OECD (Organization for Economic Cooperation and Development – 34 economically advanced countries) average math and science achievement scores in our schools, second if we match Canadian average math and science achievement scores, and third if we match math and science achievement scores of the most advantaged quarter of U.S. students. Cognitive skills, such as math and science achievement scores, have been shown to directly link to economic growth and are most comparable across countries.

Improving educational outcomes and narrowing educational achievement gaps would significantly increase economic growth and raise government revenues.



Bronze

Scenario 1: If the U.S. matches the OECD average math and science achievement score

2050

2075

GDP would be	1.7% higher	5.8% higher
The cumulative increase in present value GDP would be	\$2.5 trillion	\$14 trillion
The cumulative increase in present value government revenues would be	\$902 billion	\$5.2 trillion



Silver

Scenario 2: If the U.S. matches the Canadian average math and science achievement score

2050

2075

GDP would be	6.7% higher	24.5% higher
The cumulative increase in present value GDP would be	\$10 trillion	\$57.4 trillion
The cumulative increase in present value government revenues would be	\$3.6 trillion	\$21.5 trillion



Gold

Scenario 3: If the U.S. matches the average math and science achievement score of the most advantaged quarter of U.S. students

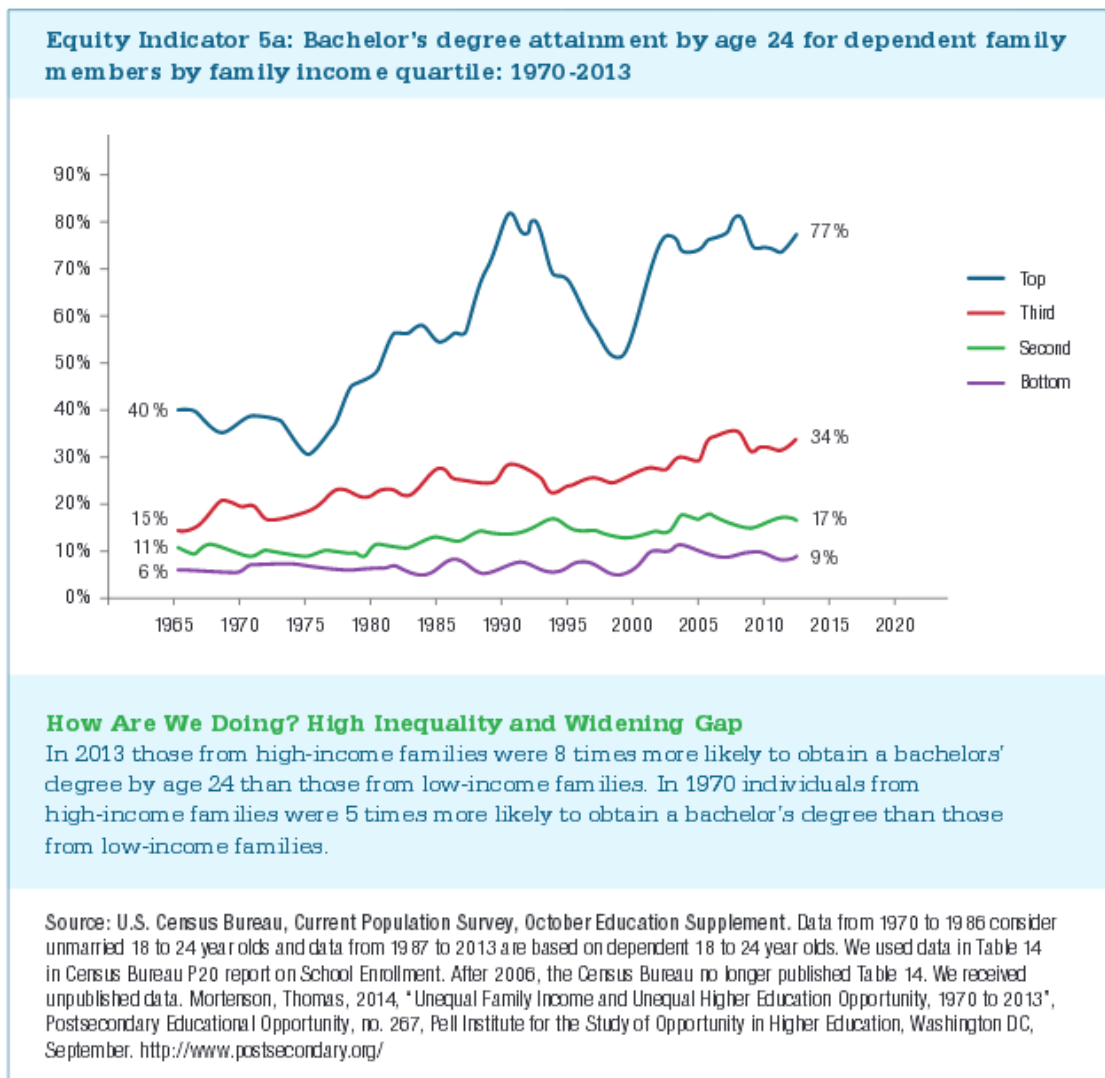
2050

2075

GDP would be	10% higher	37.7% higher
The cumulative increase in present value GDP would be	\$14.7 trillion	\$86.5 trillion
The cumulative increase in present value government revenues would be	\$5.3 trillion	\$32.4 trillion

Source: The Economic and Fiscal Consequences of Improving U.S. Educational Outcomes, Robert G. Lynch, Washington Center for Equitable Growth, January 2015.

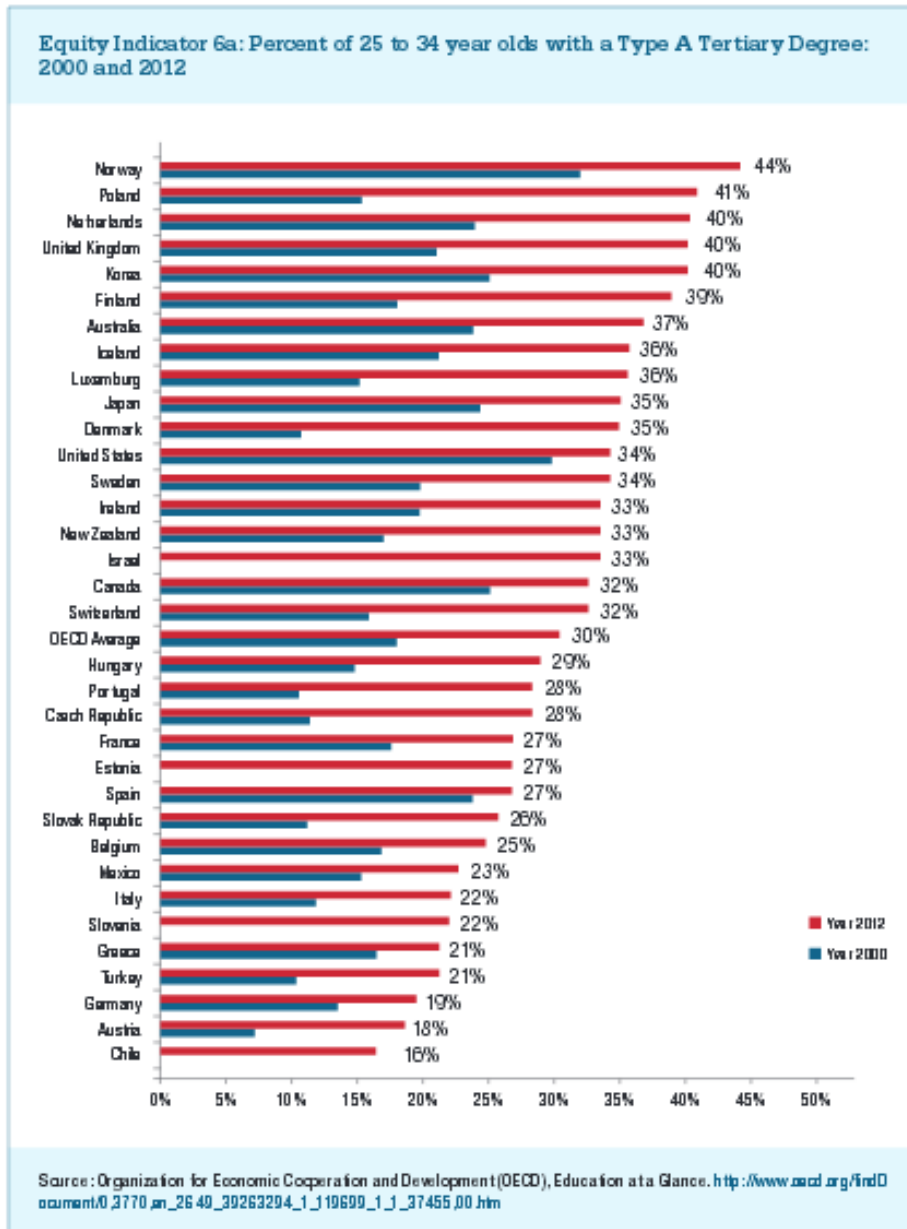
The estimated increase in cumulative GDP ranges from \$2.5 trillion to \$14.7 trillion by 2050. It is worth noting that first case is comparable to the estimated cumulative loss of U.S. discretionary spending from 1990 to 2010 due to growing income inequality (Business Behaving, Well: Social Responsibility for Learning to Doing, Ron Elsdon Editor, Potomac Books, Inc., 2013, p. 187). Indeed educational inequity and income inequality are intimately interwoven. The following figure shows how those from higher income families were eight times more likely to obtain a bachelor's degree by age 24 than those from lower income families. This disparity is much greater than in the 1970s as inequality has mushroomed in our society.



Source: Indicators of Higher Education Equity in the United States, 45 Year Trend Report, The Pell Institute and PennAhead, 2015.

While years of education, and degree completion, are not necessarily primary determinants of educational system effectiveness, degree completion can provide some insights into national

educational system comparisons. We see this in the following figure that points to the erosion of our global competitive position.



Source: Indicators of Higher Education Equity in the United States, 45 Year Trend Report, The Pell Institute and PennAhead, 2015.

Tertiary-type A programs (ISCED 5A) are largely theory-based and are designed to provide sufficient qualifications for entry to advanced research programs and professions with high skill requirements. Tertiary-type A programs have a minimum cumulative theoretical duration (at tertiary level) of three years full-time equivalent, although they typically last four or more years. These programs are not exclusively offered at universities. This degree is comparable to the BA or BS

degree in the U.S. system. We present data for the population age 25 to 34 for the years 2000 and 2012.

Tertiary-type B programs (ISCED 5B) are typically shorter than tertiary-type A degrees and focus on practical, technical or occupational skills for direct entry into the labor market, although some theoretical foundations may be covered in the programs. These programs have a minimum duration of two years full-time equivalent at the tertiary level.

The blue bars show the percentage of 25 to 34 year olds with the equivalent of a three- or four-year college degree in 2000. At that time the United States was second only to Norway. The red bars show the same index in 2012. Over the twelve year period from 2000 to 2012 the United States fell from second to twelfth place. Meanwhile we invested trillions of dollars in an ill-advised Iraq war, and in the early 2000s cut taxes on the wealthy, as a result diminishing resources available for societal needs such as education.

It is good to hear encouraging words from the current administration about increasing access to education. This is part of a difficult, and critical conversation about how to distribute societal resources equitably and provide for our coming generations. This needs to happen before we descend further into a feudal economy that benefits only the wealthy. Before we lose the economic and social base that many before us have built. Do we have the will to support those who advocate for all in our society, or is it already too late, and, in the words of Fran Lebowitz, “Capitalism triumphed over Democracy”?