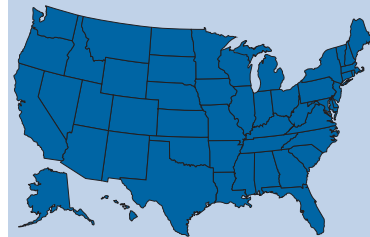


Education and the Economy:

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:

	\$7.6 Billion in Increased Earnings	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.
	\$5.6 Billion in Increased Spending; \$2 Billion in Increased Investments	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.
	\$19 Billion in Increased Home Sales; \$741 Million in Increased Auto Sales	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.
	54,000 New Jobs; \$9.6 Billion in Economic Growth	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.
	\$713 Million in Increased Tax Revenue	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.
	Increased Human Capital	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 nation ⁴ —would increase the number of postsecondary graduates to 390,300 .

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