



Straight A's

Public Education Policy And Progress



GETTING DOWN TO BUSINESS: Obama Hosts Education Roundtable with Nation's Business Leaders

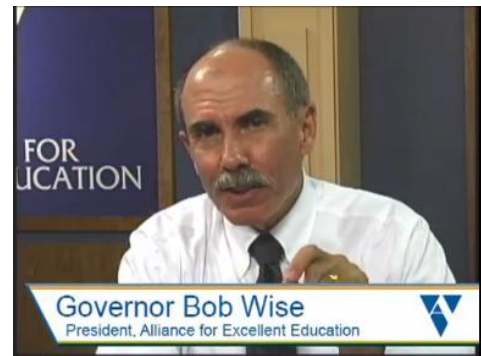
On July 18, President Obama, **U.S. Secretary of Education Arne Duncan**, and **Domestic Policy Council Director Melody Barnes** met with top executives from the nation's leading businesses to discuss what the business community can do to ensure that the United States has a skilled, educated, and competitive workforce.



Attendees at the education roundtable included **General Colin and Mrs. Alma Powell of the America's Promise Alliance**; **Edward B. Rust Jr., chairman and CEO of State Farm**; **Craig Barrett, former president and CEO of Intel**; **William Green, president and CEO of Accenture**; and **Bob Wise, president of the Alliance for Excellent Education and former governor of West Virginia**. (A complete list of attendees is available at <http://1.usa.gov/pBTxnE>).

"A world-class education is the single most important factor in determining not just whether our kids can compete for the best jobs, but whether America can outcompete countries around the world," Obama said, regarding the meeting. "America's business leaders understand that when it comes to education, we need to up our game. That's why we're working together to put an outstanding education within reach for every child."

In the video to the right, recorded after he returned from the education roundtable, Wise says he hopes the meeting "will turn up the heat" on education reform based on the general agreement coming from the meeting that the business community needs to be even more of an advocate for education reform at the federal, state, and local levels.



A number of philanthropic announcements were made to coincide with the meeting. For example, the America's Promise Alliance announced that it will raise \$50 million as part of its Grad Nation Community Impact Fund to support the goal of ending the dropout crisis and preparing young people for college and a career. Additionally, Bank of America made a \$50 million pledge to education over the next three years to support programs that bridge the achievement gap to postsecondary

education completion and connect the underserved and unemployed to workforce success in high-growth sectors, in particular through community colleges.

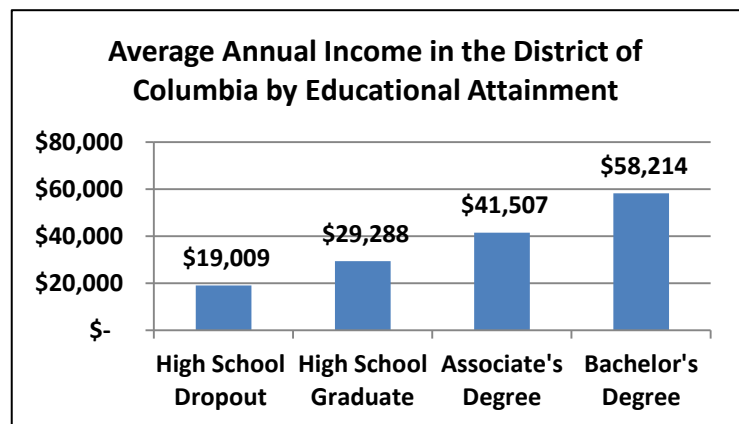
More information on the meeting, including the complete list of philanthropic announcements, is available at <http://1.usa.gov/pcOy7Q>.



“DIPLOMAS MEAN DOLLARS”: High School Graduates Earn \$8,000 More Annually Compared to High School Dropouts, According to New Data

Released in conjunction with the July 18 White House Roundtable on Education with Business Leaders, new data from the Alliance for Excellent Education reveals that high school graduates earn a national average of \$8,000 more annually compared to high school dropouts.

The state-by-state data shows the average annual incomes in every state for high school dropouts, high school graduates, individuals with associate’s degrees, and bachelor degree recipients. The increased benefits for earning a high school diploma vary from \$13,046 in Alaska to \$5,339 in Arkansas. The average annual earnings by educational attainment for individuals in the District of Columbia is in the graph to the right.



“Diplomas mean dollars,” said roundtable attendee **Bob Wise, president of the Alliance for Excellent Education and former governor of West Virginia**. “Graduating more students from high school who are prepared for college is good for the individuals in terms of higher earnings, but it also benefits the nation in terms of increased tax revenue, additional spending on homes and automobiles, job creation, and a more robust economic growth.”

Not only do high school graduates earn more than high school dropouts, they are also more likely to be employed. According to [June 2011 data from the U.S. Bureau of Labor Statistics](#), the unemployment rate for high school graduates was 10 percent, compared to 14.3 percent for dropouts. College graduates, with an unemployment rate of 4.4 percent, fare even better.

The income data was derived from a sophisticated economic model that the Alliance, with generous support from State Farm[®], developed with Economic Modeling Specialists Inc., an economics firm specializing in socioeconomic impact tools. Previously, the Alliance released data for the nation, all fifty states, and more than 220 metro areas showing the economic gains of cutting the high school dropout rate in half. (Find data for your area at http://www.all4ed.org/publication_material/Econ).

“As a business leader and a parent, I’m committed to a quality education for all children and to strengthening the vitality of our communities,” said **Edward B. Rust Jr., chairman and chief**

executive officer of State Farm[®], who also attended the White House roundtable. “Assuring that all of our students graduate from high school with the skills necessary to compete in a global economy is something all businesses—small and large—should see as a priority.”

A table with the annual income difference by educational attainment for every state is available at <http://www.all4ed.org/files/July18Econ.pdf>.



THE UNDEREDUCATED AMERICAN: United States Failing to Meet Demand for College-Educated Workers, New Report Finds

Even though the national unemployment rate continues to hover above 9 percent, individuals with postsecondary education are in high demand among employers and will continue to be as the economic recovery takes hold and hiring picks back up, according to *The Undereducated American*, a new report from the Georgetown University Center on Education and the Workforce. Unfortunately, the United States has failed to meet this demand and has been “underproducing” college-educated workers for decades, the report finds.

According to the report, the shortage of workers with postsecondary education has led to decreased productivity and a growing earnings disparity between those with a college education and those without. To resolve these twin dilemmas, the report calls for adding an additional twenty million postsecondary educated workers by 2025. Meeting this goal would help raise the wages of all workers, reverse the growth of income inequality, boost gross domestic product (GDP) by \$500 billion, and add over \$100 billion in additional tax revenue, the report finds.

“The data are clear,” said **Anthony P. Carnevale, the Center’s director and coauthor of the report**, “the demand for college-educated workers is growing much faster than the supply. In recession and recovery, we remain fixated on the high school jobs that are lost and not coming back. We are hurtling into a future dominated by college-level jobs, unprepared.”

The report acknowledges that the temptation to skip college has grown during the current economic climate in which families struggle to pay rising college costs and college graduates have difficulty finding work. It also points out that some commentators have used this opportunity to suggest that the United States has more college graduates than it needs. However, the report also notes that similar arguments were made in the 1970s and 1980s, yet the earnings for college-educated workers grew rapidly throughout the 1980s and 1990s, outpacing the growth in earnings of their less-educated peers.

“The laws of supply and demand are the best single indicator of whether the United States is producing enough, too few, or too many college graduates,” the report notes. “If the relative earnings of college-educated workers rise faster than the earnings of their counterparts, it means the demand is growing faster than supply.”

As proof of the importance of a college education, the report points to the increasing “wage premium” that college-educated workers enjoy over their less-educated peers. In 1979, college-educated workers made 40 percent more than individuals with a high school diploma and no postsecondary education. By 2005, this wage premium had increased to 74 percent, with college-educated workers earning an average of \$54,502, compared to \$31,242 for those with a high

school diploma and no postsecondary education. If left unchecked, the report argues that the wage premium for college graduates will jump to 96 percent by 2025.

Taking the argument one step further, the report analyzes earnings in specific occupations that employ both workers with a bachelor's degree and workers with only a high school diploma. Time and time again, the report finds that individuals with a bachelor's degree earned more than individuals with only a high school diploma—even though they held very similar positions. For example, firefighters with a bachelor's degree earn 25 percent more than firefighters with only a high school diploma. Dental hygienists with a bachelor's degree earn 76 percent more than those with only a high school diploma. Cashiers with a bachelor's degree earn 56 percent more than those who only finished high school.

“Many workers with a bachelor's degree in ‘non-college jobs’ transform these jobs into positions that utilize their skills such that their jobs come to resemble jobs that require a bachelor's degree,” the report notes. “Even when the titles are the same, the actual job tasks are different and even when the job tasks are very similar, workers with a bachelor's degree often prove themselves to be more valuable to their employers.”

In order for the United States to remain competitive in the global economy while also following through on the “promise of a decent living wage to those willing to work for it,” the report calls for adding twenty million additional college-educated workers by 2025. At its current pace, the nation is set to add about eight million college graduates to its workforce, meaning that it would need to add twelve million more college graduates to the workforce over the next fifteen years.

“There is clearly room to grow as many students who are capable of college-level coursework never enroll in college,” the report reads. “Moreover, most European countries have higher educational attainment levels that we do in the United States. There is no reason to think that these countries have an inherently more capable population.”

According to *The Undereducated American*, meeting this goal would have a profound effect on the wage premium, making the difference in earnings between a bachelor's degree recipient and a high school graduate a more reasonable 46 percent. At the same time, it would raise the wages of high school graduates by 24 percent, individuals with associate's degrees by 15 percent, and bachelor's degree recipients by 6 percent.

“Postsecondary education has historically been one of the safest long-term investments we can make in our economic future,” the report notes. “Educated workers are more productive, earn more, and pay more taxes. Not only is higher education a sure return on investment, but access to postsecondary education has been the arbiter of economic success and upward mobility in our society. More postsecondary education will achieve not only a more dynamic and vibrant economy, but a more equitable society.”

The complete report is available at

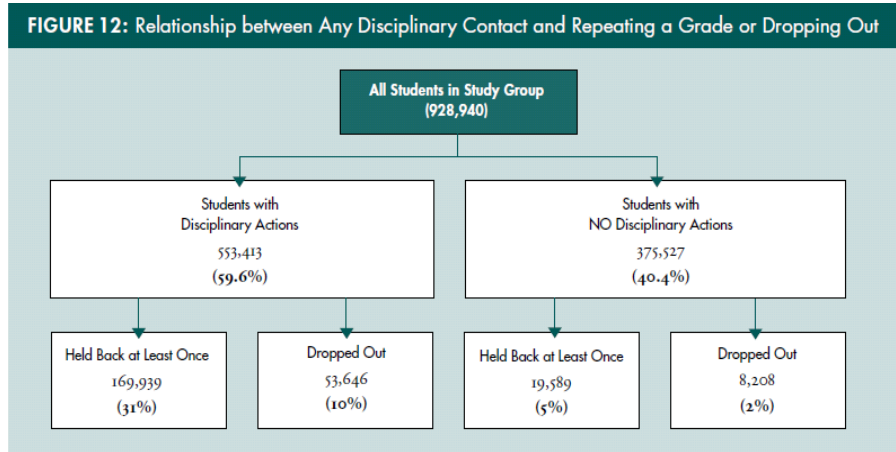
<http://www9.georgetown.edu/grad/gppi/hpi/cew/pdfs/undereducatedamerican.pdf>.



BREAKING SCHOOLS' RULES: Study of Texas Seventh Graders Finds Students with Disciplinary Actions Five Times More Likely to Drop Out

Nearly six in ten public school students were suspended or expelled at least once between their seventh- and twelfth-grade school years, according to a new study of nearly one million Texas public secondary school students released by the Council of State Governments (CSG) Justice Center in partnership with the Public Policy Research Institute of Texas A&M University. The report, *Breaking Schools' Rules: A Statewide Study of How School Discipline Relates to Students' Success and Juvenile Justice Involvement*, also finds that disciplinary actions had a significant impact on whether a student graduated from high school.

As shown in the graphic to the right, students with disciplinary actions were five times more likely to drop out (10 percent) than students with no disciplinary action (2 percent). Additionally, students with disciplinary actions were more than six times more likely (31 percent) to be held back at least once, compared to



students without (5 percent). The report also finds that nearly 60 percent of students who were disciplined eleven times or more did not graduate from high school during the study period.¹

Of the students studied, approximately 70 percent who were followed for up to three years after their expected completion of high school either graduated or received a General Education Diploma (GED). Of the 30 percent of students who left school, 6.7 percent were formally identified as dropouts. Other reasons for leaving school prior to graduation were enrollment in an out-of-state school (41 percent), home schooling (23 percent), private school (14 percent), or return to a home country (17 percent).

The report notes that although the 6.7 percent dropout number is “consistent” with the official seventh- to twelfth-grade longitudinal dropout rate reported by the Texas Education Agency (TEA), there are “reasons to believe that it underreports the percentage of students who actually dropped out.” It attributes the difference to TEA’s use of a “less inclusive measure of annual dropouts than that recommended by the National Center for Education Statistics (NCES).” As a result, the report likely “understate[s] the impact that school discipline had on student dropout rates.”

Breaking Schools' Rules also finds that students who were suspended or expelled had a greater likelihood of contact with the juvenile justice system in their middle or high school years, particularly when they were disciplined multiple times. Specifically, students involved in the school disciplinary system (including those students subject to mandatory removal from the

¹ The report notes that a student who did not graduate may have dropped out or may have repeated a grade at least once and still been involved in the Texas public school system in some capacity when the study period concluded.

school) were ten times (23 percent) more likely to come into contact with the juvenile justice system than were those without (2 percent).

According to the report, student removals were nearly always discretionary actions for violations of the school's locally determined code of conduct. In fact, a student was suspended or expelled nine times out of ten for violating the school's code of conduct (for which school officials have broad discretion on responsive actions). About 5 percent of violations were for non-code-of-conduct rule violations that are defined in state law but still allow school officials broad discretion, while less than 3 percent of violations were related to behavior for which state law mandates expulsion or removal.²

“An important take-away from this study is that individual schools within a state, working with the same resources and within the same statutory framework, have the power to affect their school disciplinary rates,” the report notes.

The report also determines that African American students were more likely to be disciplined during their seventh- to twelfth-grade school years than were their white or Hispanic classmates. In fact, more than 80 percent of African American male students had at least one discretionary violation, compared to 74 percent of Hispanic males and 59 percent of white males. Even after controlling for eighty-three different variables including income, attendance rate, and number of disciplinary actions, researchers determined that African American students were 31 percent more likely to have a school discretionary action, compared to otherwise identical white students. Additionally, a much larger percentage of African American (26.2 percent) and Hispanic (18 percent) students were placed in out-of-school suspensions for their first violation, compared to white students (9.9 percent).

The report is careful to note that the study is not based on a sample of students. Instead, the research team examined individual school records and school campus data for every student who was in seventh grade in a Texas public school in 2000, 2001, or 2002. Those students' records were analyzed for at least six years and researchers were also given access to all matching records during this time period for youths who came into contact with Texas's juvenile justice system. Slightly more than half of the 928,940 students in the study were male (51 percent); 14 percent were African American, 40 percent Hispanic, and 43 percent white. Sixty percent of the students studied were classified as “economically disadvantaged” based on their eligibility for free or reduced-cost meals.


“We hope these findings strengthen efforts underway in Texas to improve outcomes for students, and help other states' policymakers in examining school discipline practices so they can enhance

² Texas has two categories for disciplinary actions: mandatory and discretionary. Within the mandatory category, there are specific serious criminal behaviors that qualify as felony offenses (use of firearms on school grounds, aggravated assault, and sexual assault) and trigger mandatory removal of the individual from the school. Within the discretionary category, there are less severe offenses, which include conduct occurring off campus or at a school-sponsored or school-related activity (felony criminal mischief; misdemeanor drug, alcohol, or inhalants offenses; and fighting/mutual combat). For these offenses, school district officials have the discretion to remove a student from the classroom or school. Each school district also must adopt a student “code of conduct” that includes additional offenses requiring disciplinary action. These codes of conduct provide written guidance to students, teachers, and parents on acceptable student behavior; describe which violations dictate mandatory or discretionary action; and outline district processes for disciplining students who break these rules.

students' academic performance and reduce juvenile justice system involvement,” said **CSG Justice Center Director Michael Thompson**. “This report reflects an impressive commitment among Texas leaders to developing state-of-the-art electronic record-keeping systems and then using the data to answer important questions. Such data-driven policymaking should be the goal of state officials everywhere.”

“For anyone determined to lower dropout rates, improve academic performance, and decrease the number of children involved in the juvenile justice system ... those efforts should include strategies to change student behaviors that can reduce the use of suspensions and expulsions,” the report concludes.

The complete report is available at <http://www.justicecenter.csg.org/resources/juveniles>.

	<p>A Summer Postcard from the Alliance for Excellent Education</p> <p>Dear <i>Straight A's</i> Reader,</p> <p>With schools around the country out for summer and Congress scheduled to begin its August recess, the Alliance newsletter—although not the Alliance staff—will be taking a brief summer vacation during August.</p> <p>The next issue of <i>Straight A's</i> will be on September 6. In the meantime, please follow the Alliance on Twitter at www.twitter.com/all4ed, like the Alliance on Facebook at www.facebook.com/all4ed, and visit the Alliance's "High School Soup" blog for the latest education news and events.</p>
--	---

Straight A's: Public Education Policy and Progress is a biweekly newsletter that focuses on education news and events 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. Contributors include Jason Amos, editor, and Kate Bradley, copyeditor.

The Alliance for Excellent Education is a national policy and advocacy organization that works to improve national and federal policy so that all students can achieve at high academic levels and graduate from high school ready for success in college, work, and citizenship in the twenty-first century. For more information about the Alliance, visit <http://www.all4ed.org>.