

## Defining the Economics of Education

By Bill Maddox

The Economics of Education... what does that mean? Here's how one Georgia big-city mayor defines it:

"Education is economic development. When people attain higher levels of education, they get better, higher, paying jobs," explains Robert A. B. Reichert, Macon-Bibb County mayor. "With higher paying jobs, families have expendable income to shop and eat at local businesses, increasing the ability of governments (both municipal and schools) to provide essential service and improvement projects."

Mayor Reichert added the exclamation mark with this statement, "On a larger scale, we know that a highly-qualified workforce is something industries look for when identifying possible communities for relocation or expansion. Without a qualified workforce... that company will look elsewhere." In other words, the economics of education is a matter of dollars and cents/sense!

The Georgia Partnership for Excellence in Education first teamed with the Georgia Chamber of Commerce in late 2003 to craft a much-needed message for Georgia business and community leaders: There is an integral link between education and prosperity whether it be personal or community prosperity.

You've no doubt seen a variety of numbers.... Georgia's graduation rate of 71.5 percent is improving but still ranks near the bottom of the heap across the U.S. And our students are trailing most states when it comes to 8<sup>th</sup> grade math and 4<sup>th</sup> grade reading proficiency. We have a long way to go.

But let's talk specifics and ask some hard questions. How good is your education system? What is your local system's graduation rate? How many of your young people are moving on to post-secondary work? How many of them face remedial work either at the community college or university level?

Most people feel their local school system is good but do they really know how good it is? Do you? This is the foundation of the Economics of Education program. Eleven years and almost 300 briefings later, audiences are still being amazed when they learn just how much their local systems impact their quality of life.

Maybe you have seen the Georgia Partnership's *Economics of Education – 4<sup>th</sup> Edition* publication. If not, you need a copy. It's an eye-opener. Here are a couple of the key lessons found in the report's introduction section, "Making the Connection: Why High School Graduation and Work Readiness Matter." First, check graph 1. Does education pay? You bet!

- Occupations that require some training beyond a high school diploma are expected to grow by nearly 30 percent by 2020. Translation: The workforce you offer must be educated beyond high school and trainable.
- Let's talk tax base which impacts a community's quality of life for its citizens. Check graph 2. Based upon median earnings and tax payments by education level, if your adult population was comprised of a majority of bachelor degree holders, they would be adding approximately \$13,000 per person annually to the tax coffers while high school grads contribute a little more than half that at \$7,100. Translation: More (education) is better for everyone.

Armed with this information, the next question is what can we do to ensure our citizens are productive not only for themselves and their families but the community where they reside? The Georgia Partnership's Education Summits presented to audiences around the state always pose that question. Participants are encouraged to analyze their particular situation and look for the red flags that warn "Danger ahead!" Once identified, then what? It will take a team effort to chart a course leading to prosperity.

Georgia's education system is in transition. There are a variety of reforms in place designed to increase rigor, standards and assessment and accountability aimed at improving the college and career readiness of our students. It is imperative to understand those reforms and how they play out in your backyard.

We started with a definition of the Economics of Education provided by one of your colleagues. Now that you have learned a little more, do you agree Mayor Reichert is literally "on the money" with his definition? Hopefully, you now more clearly understand the impact your education system has and what work is needed to improve it.

So, what can you do? Mayor Reichert has some insight there too. "Elected leaders who are not Board of Education members can still have a direct, positive affect on the education of our children, even though we are not in a place to set policy," he advises. "We can identify resources that teachers need to do their jobs better, call together groups to identify supports for schools, volunteer in classrooms, raise awareness for the importance of successful children and teachers, and so much more. "

Again, another exclamation mark statement from the Macon-Bibb County mayor, “As elected leaders, we have a platform by which to advocate for the future of our community, and there is not a more important platform than education.”

(Bill Maddox is the communications director for the Georgia Partnership for Excellence in Education. The “Economics of Education” is available on the Georgia Partnership’s web page. If you would like a hard copy drop a request to [bmaddox@gpee.org](mailto:bmaddox@gpee.org).)