

The U.S. Economy Could Have Gained Almost \$330 Billion if All Students Who Entered High School in 2003 had Graduated on Time

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Washington, D.C. – If all of the U.S. high school dropouts from the class of 2007 had instead earned diplomas along with their classmates, the U.S. economy could have benefited from an additional almost \$330 billion in wages over these students’ lifetimes, according to conservative calculations by the Alliance for Excellent Education, in its brief [The High Cost of High School Dropouts: What the Nation Pays for Inadequate High Schools](#). The brief updates calculations made by the Alliance that looked at lost wages for the class of 2006.

The average annual income for a high school dropout in 2005, according to the U.S. Census Bureau, was almost \$10,000 less than for a high school graduate. Graduating all students, therefore, increases overall earnings potential, which, in turn, benefits each state and the nation with increased purchasing power and higher tax receipts.

The Alliance’s brief argues that dropouts drain the state and nation’s economy by lowering tax revenues and increasing the cost of social programs. High school graduates, on the other hand, make higher wages, are healthier, and live longer. They are less likely to be teen parents, commit crimes, or rely on government healthcare.

“Each class of high school dropouts damages the economy,” says Bob Wise, president of the Alliance for Excellent Education and former governor of West Virginia. “In its current form, the No Child Left Behind Act does little to address the crisis in America’s high schools, and Congress must take action to support states and districts put reforms into place that will allow all students, at all levels, to receive the assistance they need to be successful in school and graduate. The economic future and security of the nation depends on it.”

The High Cost of High School Dropouts: What the Nation Pays for Inadequate High Schools is available at <http://www.all4ed.org/files/HighCost.pdf>

The number of dropouts was determined using enrollment data for the ninth grade 2003–2004 school year (National Center for Educational Statistics, Common Core of Data: 2004) and the high school graduation rate in 2007 (Editorial Projects in Education, 2007), which was then multiplied by the \$260,000 estimated lifetime earnings difference between a high school dropout and a high school graduate (Rouse, 2005).

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The Alliance for Excellent Education is a Washington-based policy, research, and advocacy organization that works to make every child a graduate, prepared for postsecondary education and success in life.

For more information about the Alliance for Excellent Education, please visit: www.all4ed.org.