



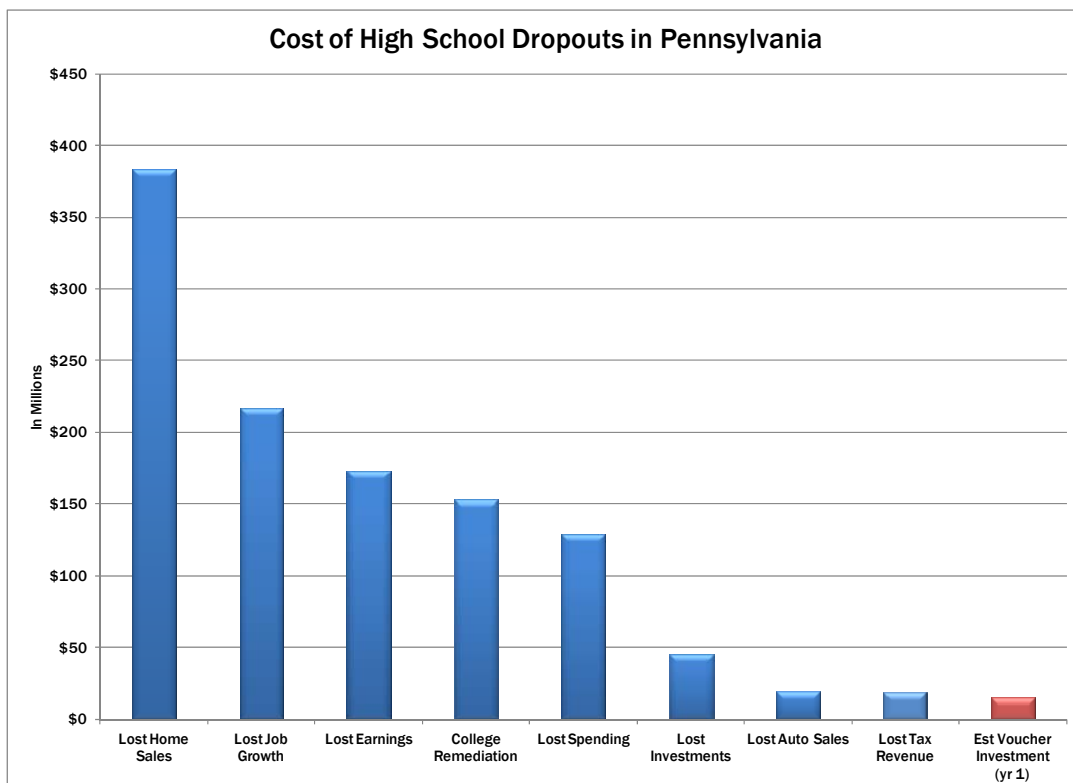
The Cost of PA's Education Failures

Lawmakers are considering providing school choice to low-income children trapped in violent and failing schools. While some lawmakers are concerned about the costs of school vouchers, the cost of educational failure for all taxpayers through welfare, corrections, and lost jobs is many times greater.

High School Dropouts Hurt Our Economy

According to research from the Alliance for Excellent Education, more than **34,300** Pennsylvania students from the class of 2010 dropped out of school at great cost to themselves and their families. The lost lifetime earnings from just one year of dropouts totals **\$8.9 billion**.

- Improving educational outcomes creates a wave of economic benefits. Cutting that number of dropouts in half for this single high school class could result in tremendous economic benefits. More than 17,000 “new graduates” would add:
 - \$173 million in yearly earnings,
 - \$128 million in consumer spending,
 - \$383 million in home sales,
 - 14,000 new jobs,
 - \$217 million in economic growth, and
 - \$18 million in state tax revenues.
- If the high school dropouts who currently head households had earned their diplomas, families would have accumulated an additional \$2.9 billion in wealth.



More Graduates Reduce Corrections and Welfare Spending

When we fail to provide students an adequate education, we are preparing many for incarceration, costing the taxpayer **\$38,090 per inmate** in fiscal year 2010-11.

- According to the Pennsylvania Department of Corrections, 43% of male inmates and 36% of female inmates do not have a high school diploma or a GRE.
 - A report by the Philadelphia Workforce Investment Board found an estimated 5.1% of the state's dropouts are incarcerated, compared to 1.6% of high school graduates.
- Nearly **49% of dropouts** in Philadelphia received at least one government-assistance cash-transfer payment, compared to just 29% among high school graduates.
 - Pennsylvania could save as much as **\$505 million** in health care costs over the lifetimes of each class of dropouts had they earned their diplomas.
- Analysis from the Alliance for Excellent Education shows Pennsylvania's economy could see a combination of crime-related savings and additional revenue of about **\$288 million each year** if the male high school graduation rate *increased by just 5%*.

Taxpayers Fund the Remediation of High School Graduates

Remediation for unprepared students entering Pennsylvania's postsecondary institutions is a significant drain on taxpayer resources.

- According to the Alliance for Excellent Education, the cost to colleges for remediation in the Keystone State is estimated to be about **\$153 million annually**.
- The Community College of Philadelphia enrolls **70%** of its students in at least one remedial course.
- Students in Pennsylvania who began college but did not return for a second year wasted a cumulative **\$56 million** in federal grants and a cumulative **\$232.9 million** in state expenditures.

School Choice Improves Graduation Rates

School voucher programs across the country have improved graduation rates among low-income students.

- Low-income students in the Milwaukee school choice program were **18% more likely** to graduate than students from across the economic spectrum in the Milwaukee Public Schools.
- D.C. students who attended private schools through the D.C. Opportunity Scholarship Program were **21% more likely to graduate** than their peers who did not participate.

School Choice Saves Taxpayer Money

Charter, cyber, private, religious and home schools are delivering quality education for a fraction of the cost.

- A proposal would offer vouchers averaging \$7,000 to students in failing schools, approximately *half* the \$14,000 spent per student by school districts.
- If students currently enrolled in charter schools, private schools and homeschooling returned to district schools at \$14,000 per student, it would cost taxpayers an additional **\$4 billion per year**.

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The Commonwealth Foundation (CommonwealthFoundation.org) is Pennsylvania's free market think tank.

