

Make the United States first in education

Any credible economic strategy must start with the foundation of education. People need skills and knowledge to grow an economy. They need to enter the workforce with abilities ranging from proficiency at reading, writing, and mathematics to more job-specific capabilities such as the ability to run a milling machine or to calculate the skin friction for an aircraft wing.

Not everyone needs the same type of education or the same number of years in a classroom. Some skills are better taught at school and others on the job. Education should not stop with entry into the workforce. The skills people need to maximize their potential change over time—and everyone needs to keep up.

Right now many people in this country are not contributing what they could and living with

a lower quality of life than necessary because they have not had the education they need to unlock their potential. There are waiters who could be chefs, teacher's aides who could be teachers, computer techs who could be tech-firm CEOs, and prisoners who could be doctors. There is nothing wrong, of course, with being a waiter, a teacher's aide, or a computer tech because each of these positions is essential, but it holds back the nation's growth when

anyone had the potential to contribute more if he or she wanted but was held back by a lack of educational opportunities.

The United States used to have the best-educated population in the world. In the early 1900s it was “virtually alone in providing universally free and accessible secondary schools.”¹ By the 1950s, nearly 85 percent of 14 to 17-year-olds in the United States were enrolled in full-time secondary school—compared to less than 20 percent in most European nations.² Following World War II, the G.I. Bill dramatically increased attainment of college degrees at a rate that was decades ahead of other countries.

While elements of our education system are still excellent, we have lost our overall edge. According to the Organisation for Economic Co-operation and Development, or OECD,

the United States “is the only country where attainment levels among those just entering the labor market (25-34 year olds) do not exceed those about to leave the labor market (55-64 year olds).”³ And it’s not just the economically advanced countries that are gaining on us. In 2007 China surpassed the United States in the number of STEM graduates, and by 2030 China’s college graduates will outnumber the entire U.S. workforce.⁴

America is losing ground in educational attainment at a time when the world economy increasingly rewards national economies with higher skills. To maintain our position as the world’s economic leader, we need to regain our former status as the world’s premier developer of its natural abilities. The policy solutions that follow for improving public education and postsecondary/workforce systems are designed to do precisely that. ■

The importance of inclusiveness in education

Though the United States provided free secondary education throughout the 20th century, the quality of those schools was often grossly unequal. Righting the wrong of segregation was both a moral imperative and an economic one. After all, denying educational opportunities to any Americans both denied them the American Dream and denied everyone else in the economy the benefits of their skills.

Economic research has borne this out. Economists Peter Klenow, Chang-Tai Hsieh, Erik Hurst, and Charles Jones showed that “up to 20 percent of the aggregate wage growth in the last 50 years in the U.S. could be explained by expanded opportunities in the labor market for women and African Americans.”⁵

In much of the 20th century, the United States forfeited the economic growth that could have been unleashed by millions of Americans being educated up to their full potential. While laws have changed, the quality of education is still uneven and still disadvantages children of color. The education gap between students from rich and poor families remains greater in the United States than in many other nations.⁶ States and districts across the country spend \$334 more on every white student than on every nonwhite student.⁷ These disparities can add up for high-minority schools. California schools, for example, that serve 90 percent or more nonwhite students receive \$191 less per pupil than all other schools and \$4,380 less per pupil than schools serving 90 percent or more white students.⁸

By 2020 a majority of American school-age children will be children of color, and these are our engines of future economic growth.⁹ If we fail them, we will fall far short of our national economic potential in the future.