



# Is Education the Economy Fix? Four Opportunities for Career Development Professionals

BY JANET E. WALL

*What a rough ride the US economy has had over the last several years. Few programs have helped much to boost the economy, but investing in the education of our youth and our workforce can have a major impact. Career development professionals have an important role to play in our country's economic recovery.*

It's an often quoted but sometimes disputed "fact" that having a college degree provides a bonus of one million dollars in lifetime earnings for an individual. Although on average the figure is close to true, this varies by occupation, gender, race/ethnicity, type of training and postsecondary major. Despite those differences, there are some well researched economic benefits for obtaining a high school diploma and postsecondary school education for individuals in our society.

Four opportunities await the purposeful and energetic attention of career development professionals. Attending to these opportunities can have a positive impact on the health of the U.S. economy and better position individuals to make meaningful career transitions.

## Opportunity 1: Reduce High School Dropout Rate

Dropouts cost the U.S. economy in reduced tax revenues, increased need for social services, higher crime rates, increased incarcerations, and unacceptable death rates compared to their diploma and postsecondary credential-earning counterparts. These conditions cost the American taxpayer and reduce the quality of life in our communities. Until recently, the impact of reducing the high school dropout rate was not quantified in direct economic terms. The Alliance for Excellent Education (Alliance) has done some fairly extensive and creative research in this area (<http://www.all4ed.org>). The Alliance asked, "What if half (650,000) of the 1.3 million dropouts from the class of 2010 (the latest information available), stayed in school and earned a high school diploma? What would be the benefits to society?"

The findings were startling. Just considering the class of 2010 there would be:

- > \$5.3 billion in increased earnings, stimulating
- > \$4.2 billion in increased spending, resulting in
- > \$12 billion in increased home sales, and
- > \$619 million in auto sales, with
- > 37,700 new jobs created, adding

- > \$6.7 billion in increased gross national product and
  - > \$499 million in state tax revenue
- These figures show how important it is for our educational system to focus hard on interventions that assist in increasing the high school graduation rate and transitioning students into the workforce.

## Opportunity 2: Increase Attainment of Postsecondary Education

Many studies (most notably the work of Georgetown University Center for Education and the Workforce) point out the dire need for more workers with postsecondary education, indicating that by 2018 "we will need 22 million new college degrees - but will fall short of that number by at least 3 million postsecondary degrees, Associate's or better. In addition, we will need at least 4.7 million new workers with postsecondary certificates. At a time when every job is precious, this shortfall will mean lost economic opportunity for millions of American workers" (<http://cew.georgetown.edu/jobs2018/>).

Economic health and growth are dependent upon having an educated and trained workforce with postsecondary education and training. Part of the problem though, is that only about 27% of high school graduates actually finish college or earn a credential.

So, the Alliance also asked, "What if 60% of 650,000 students who would have dropped out actually went on to earn a 4-year or 2-year college degree or some type of vocational certification? What would the economic benefits be to society?"

Just for the class of 2010, there would be:

- > \$8.8 billion in increased earnings, stimulating
- > \$6.4 billion in increased spending, resulting in
- > \$22 billion in increased home sales and

- > \$840 million in auto sales, with
- > 63,000 new jobs adding
- > \$11 billion in increased gross national product with
- > \$825 million in state tax revenue

The figures presented are national, but information for each state is available at [http://www.all4ed.org/publication\\_material/EconStatesPostsecondary](http://www.all4ed.org/publication_material/EconStatesPostsecondary).

### Opportunity 3: Reduce Economic Disparity

Recently, the Occupy Wall Street movement pointed out the income disparities in the United States. The Georgetown University Center for Education and the Workforce claims that, in 2010, the income gap between those with a college education and those with a high school diploma was 74%. If the trend continues, that gap will increase to 96% by 2025. As such, economic disparity will be increasing, not decreasing (<http://cew.georgetown.edu/undereducated/>).

### Opportunity 4: Provide Realistic Career Development Information.

It has been said that if you follow your passions, the money will follow. But is that true?

Turning again to the work of Georgetown, what college graduates earn depends in large part on their major. Perhaps not surprisingly, the education areas of engineering, computer science and math, business, health, and the physical sciences have the highest median earnings for people with a Bachelor's degree. The people with the lowest median earnings, starting from the bottom, are in psychology and social work, education, arts, humanities and liberal arts, biology and life sciences, law and public policy, industrial arts and consumer services, and agriculture and natural resources. Important to note is that persons in biology and life science, social science, physical science, and engineering who go further and obtain a Master's degree reap higher

benefits than those in other areas.

The unemployment rate depends also on one's major. The highest unemployment rate is for architecture graduates and those in the arts and social sciences. Are we making our students and clients aware of this information (<http://cew.georgetown.edu/whatsitworth/>)?

### Suggestions for Career Development Practitioners

There are many ways in which career development practitioners might be informed better and provide their clients with the latest information concerning their careers in the new economy. A few suggestions are:

1. Create and promote interventions to improve high school graduate rates of students. Some recent research indicates that tracking the transition from elementary to middle school for signs of educational problems is more important than the transition from middle school to high school, although both are important in boosting graduation rates.
2. Be conversant with the economic benefits to further education and how that affects the local community. This information is critical when voting on bonds or tax increases to support education at all levels. Know the information for your state.
3. Be aware of and communicate the added value of education and training and the impact of career selections (majors) on monetary rewards and potential lifestyle. Help students and clients explore new opportunities and understand the realities of their decisions.
4. Provide accurate and current labor market information to students so that they are aware of the implications of the choice of major and career on their wages, opportunity, and life style. School counselors and career

guidance professionals are in the strongest position to do this (<http://schoolcounselor.org/content.asp?pl=325&sl=136&contentid=136>). Students and those caught in downsizing trends may not understand that education and earnings are inextricably connected.

5. Make your skills, expertise, credentials, and services known. The recent NCDA Harris Survey found that "only 37% of respondents reported making a conscious choice when choosing a career while over half (56%) took the only job available, that looked interesting at the time, or chose based on the influence of parents/relatives or friends" ([http://associationdatabase.com/aws/NCDA/pt/sd/news\\_article/48270/\\_PARENT/layout\\_details/false](http://associationdatabase.com/aws/NCDA/pt/sd/news_article/48270/_PARENT/layout_details/false)). Don't hesitate to promote the benefits of career services from qualified and knowledgeable persons.

Career development professionals and educators have an opportunity and obligation to do their part in serving our country. By providing strong career awareness and meaningful career transition programs in our schools and postsecondary settings, we can have an important impact on the economic health of our nation and the quality of life of those who we serve.

#### About the Author



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