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## Everyone Pays the Price for Inadequate Schools: An Essay Review

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**Belfield Clive R. & Levin, Henry M. (2007). *The Price We Pay: Economic and Social Consequences of Inadequate Education*. Washington D.C.: Brookings Institution**

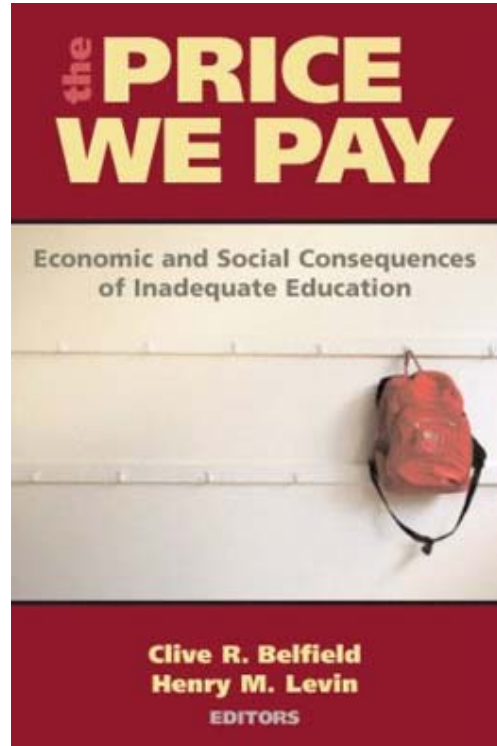
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Theorists have long viewed education as a means of equalizing social and economic conditions, with the belief that for democracy to fulfill its true promise, individuals must have access to a quality education. From Dewey (1916) to Freire (1970), the educational system has been both hailed as a panacea for all social ills, and criticized as a purveyor of social inequality. But if real change, in the form of policy, is going to come to the way we educate our children, hard evidence will need to take the place of idealistic fervor. Accordingly, Belfield and Levin's edited volume, *The Price We Pay: Economic and Social Consequences of Inadequate Education*, sets out to do just that. As the title indicates, the contributors to this book aim to show that inequities in educational attainment are not simply a private cost, but a matter of public interest as well. Targeting policy makers and education reformers, the various authors present the evidence directly and often unambiguously in an effort to say: "Here is the achievement gap as it exists now, here is what is causing the gap, here is the impact of such disparities, and here is what can be done about it." Thus, the message throughout the book is that a lack of

quality education for all children in the United States costs not just those unfortunate enough to find themselves in deficient conditions, but threatens the vitality of our nation as a whole.

In Chapter 1, Belfield and Levin suggest that despite the study of educational inequities having long been a part of this nation's history, not much has changed to close the achievement gaps between White students and students of color, even when the public benefits of reform can be documented. For example, they cite the 1970 study, "The Costs to the Nation of Inadequate Education," commissioned by the U.S. Senate, which showed that \$237 billion (1970 dollars) in lifetime income was lost by not ensuring that all males 25-34 years old complete high school, including about \$71 billion in government revenues. Similarly, they cite James Catterall's study of the high school graduating class in Los Angeles in 1985, which concluded that dropouts would cost the class \$3 billion in lifetime economic activity, as compared to what the class would have generated had all students continued to graduation.



In consideration of our current climate, Belfield and Levin argue that high school graduation must be the minimally accepted standard. As they looked across data sets, they were able to conclude confidently that roughly 30% of all students in the U.S. are not graduating from high school. Disaggregated further, data taken from the March 2005 Current Population Survey show that 23% of all males age 20 in 2005 were dropouts. However, those percentages are larger for Blacks and Hispanics; 25% of Black males and a staggering 58% of Hispanic males fall into the dropout category. The numbers are not as drastic for females, but follow a similar pattern, with 24% of Black females and 31% of Hispanic females listed as dropouts, compared to 15% for all females age 20. Granting that, the dropout crisis cannot be addressed solely through micro-level school reform—it must be seen as a macro-level social issue, because it has macro-level implications. The societal benefits of improving educational attainment are widespread, creating a populace that is more productive, has higher employment, better health, and less crime. Thus, the authors contend that the attainment of such a populace is simply good economics.

In Chapter 2, Rothstein and Wilder describe the inequalities that exist between African-Americans and Whites within ten broadly defined categories: academic achievement; pregnancy, childbirth, neonatal, and infancy; access to health care; young children's actual health; early childhood preparation and school readiness; use of non-classroom hours in the school years; health of school-age children; educational attainment; economic security; and adult non-economic lifetime characteristics. The focus on Black-White discrepancies is due not only to the fact that more complete data are available highlighting these differences, but also due to the historical significance of slavery and segregation and the moral importance of these inequalities. NCES data show that

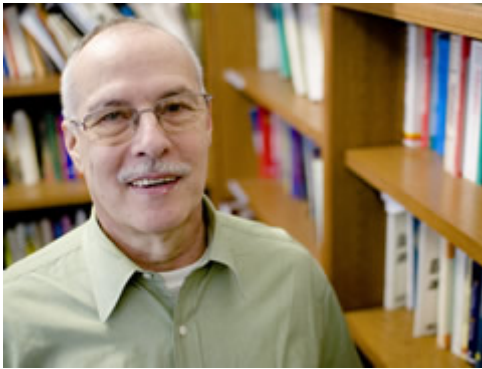


**Clive R. Belfield**

significant gaps in academic achievement between White and Black students persist from the fourth to the eighth grade. Scores on reading, writing, and mathematics reveal a consistent gap of at least twenty percentiles, and often more than thirty percentiles, with White students always scoring higher.

In part, these educational disparities can be linked to factors affecting children's preparation for school. As the authors contend, educational inequalities are preceded by differences in conditions which impact their ability to succeed academically. For example, 25% of African-American mothers receive no prenatal care in the first trimester, versus 11% for White mothers. In total, 6% of Black mothers receive no prenatal care at all, whereas only 2% of White mothers receive no care. Compounding the discrepancy in healthy behaviors between White and Black families is the inaccessibility of primary care physicians in many low-income minority communities. Rothstein and Wilder cite a California study that found that neighborhoods with high concentrations of Black and Hispanic residents had one primary care doctor for every 4,000 residents, compared to one per 1,200 residents in neighborhoods with neither high poverty nor a high concentration of minorities. In 2004, the National Center for Health Statistics reported that by the age of 35 months, 25% of Black children had not received standard vaccinations for diphtheria, tetanus, pertussis, polio, measles, and influenza, compared to just 16% for Whites. In addition, optometrists report that as many as half of the children in low-income Black communities come to elementary school with vision difficulties that impair reading ability. This is compared to 25 percent of children in non-poor communities.

Consequently, the failure of schools to provide adequate education for students of color is not the sole reason for the gaps in educational attainment. “For all the reasons that social and economic disadvantages contribute to children’s failure, living amid concentrated social and economic disadvantage accelerates that contribution” (p. 33). As Rothstein and Wilder state, Black children are more likely to live in such disadvantaged conditions, whether that is caused by racial or economic segregation. Yet, education disparities persist, even for those who graduate from high school. Of Black graduates who enroll in two-year colleges the year following high school, only 9 percent achieve an Associate’s degree within five years, and only 3 percent go on to earn a Bachelor’s degree, for a total of 12 percent. Compare this to White graduates who enroll in two-year colleges. Among these students, 18 percent have an Associate’s degree five years later, and 11 percent have a Bachelor’s degree, for a total of 30 percent. As the authors demonstrate, educational attainment thus greatly affects the disparities in economic security. Among 20-24 year-olds without a high school diploma, 65% of Blacks are



**Henry M. Levin**

employed, in comparison to 84% of Whites. When high school degrees are factored in, the gap decreases but is still significant. Among Blacks ages 20-24 with only a high school education, 80% are employed, versus 91% of Whites. However, among workers ages 25 to 34 with a college degree, the disparity is only slight, with 97% of Blacks and 98% of Whites employed.

The point of all of this is to document how disparities in one realm compound disparities in others. If inequalities exist in economic security, health, and parental educational achievement, then discrepancies in early childhood education will be compounded, which in turn will affect later educational attainment. The authors contend, therefore, that efforts to end Black-White inequities must be undertaken across all domains, and not just in schools alone. As they say, “no single policy is likely, by itself, to make the nation equitable” (p. 45).

In Chapter 3, Tienda and Alon argue that the recent school-age population boom, due in large part to high immigrant fertility, should be viewed as a potential dividend to the social and economic well-being of the country. But in order to realize the benefits from this boom, national educational investment in this population must be increased. In particular, with roughly 40 percent of the population projected to be Black, Hispanic, or Asian by 2030, investment in communities of color is crucial for future labor force productivity and global competitiveness. Add to that the fact that by 2030 the entire baby boom generation will be of Social Security age, and the need for an educated workforce becomes that much more important.

Tienda and Alon point out that educational disparities are particularly evident for Hispanic children, who have seen little gain over the course of the last thirty to forty years. In 2000, 57% of Hispanics age 25 and older had received a high school diploma, roughly the same percentage Whites had received thirty years earlier (55%). Similarly, Hispanics age 25 and older were graduating from college in 2000 at the rate White students had in 1970. Thus, specific measures must be taken to increase the educational attainment of Hispanic students. For those with immigrant parents, educational engagement can present a special challenge, not because their parents are not interested, but because language and cultural barriers often make it difficult for them to interact with the school system and help with school activities. As Tienda and Alon assert, parental education is the single most important influence affecting English mastery and academic success among immigrant children, and therefore more must be done in this area, not just for the benefit of these students, but for the benefit of the nation as a whole. With the shift in demographics moving toward a larger minority population, underinvestment in education becomes more problematic. As the authors write, “in a globalized world, population diversification represents a form of asset diversification, with dividends depending on investment portfolios” (p. 70). In the current economic climate, the U.S. cannot afford not to make the most of such valuable assets.

Chapter 5 finds Rouse reporting on the income disparities that result from gaps in educational attainment, and the costs such disparities have not only on the individuals, but on our social system. She cites a number of studies which demonstrate that each additional year of schooling provides significant income dividends, including a study of a Job Corps program in which those randomly assigned to another year of schooling were generating 12% higher income than those with less schooling, four years later. In addition to these direct income benefits, increased education results in greater job benefits. As an example, Rouse points out that “high school dropouts are about one-half as likely to have pension plans or health insurance through their jobs as are people whose highest level of education is a high school diploma” (p. 112).

Reflecting the theme of the book, Rouse shows how this lack of educational achievement by individuals has a social impact. Assuming approximately 600,000 18 year-olds (at the time the chapter was written) who will drop out of high school and never receive a high school diploma, he calculates their aggregate lifetime earnings loss at more than \$156 billion, causing an aggregate lifetime loss of roughly \$58 billion in total income tax revenues (or 4-6% of total 2003 IRS income tax revenues). In other words, dropouts not only cost themselves significantly over the course of their lifetimes, they cost all of us.

In Chapter 6, Muenning attempts to measure the health associations of increased educational attainment, as well as the accompanying reductions in government spending on health care. In effect, he concludes that each additional high school graduate saves the federal government at least \$39,000 in discounted medical expenditures by, among other things, lowering Medicaid enrollment rates. Using a health economics measure variable called the “quality-adjusted life year,” which measures a year of life lived in perfect health, he found that the health of the average 20-year-old high school dropout is comparable to that of the average 40-year-old college graduate. Putting a monetary value

on this, he estimates that each high school graduate receives benefits worth roughly \$183,000 beyond what they would expect by dropping out. Extending these figures to a national level, Muenning concludes that the annual cohort of high school dropouts costs the federal government \$23 billion in public expenditures (not to mention the \$110 billion in forfeited health and life expectancy it costs the cohort combined).

The third part of the book focuses on policy recommendations to reform the current education deficiencies nationwide. Levin and Belfield, in Chapter 9, present examples of five interventions that have proven successful, and then calculate the public savings of each new high school graduate and compare that to the public costs of implementing interventions to repair the system. After reviewing the five interventions, they find that a common set of programmatic features lead to increased high school graduation and educational attainment: “small school size, high levels of personalization, high academic expectations, strong counseling, parental engagement, extended-time school sessions, and competent and appropriate personnel” (p. 181). Thus, echoing Rothstein and Wilder, Levin and Belfield contend that the strongest measures for increasing high school graduation and college attendance will combine interventions within the school with those to improve conditions within neighborhoods and family life.

They go on to examine the cost for each of these interventions and then weigh that against the estimated savings and tax revenues generated by making high school graduation universal. The cost of each intervention per student and in total varies widely (including the cost of delivering the intervention to more than just those in danger of dropping out and the cost of providing additional years of education to those who currently are dropouts). First Things First, a high school reform initiative, would cost \$5,493 per student and \$59,066 per additional graduate, the lowest total of the five strategies. The most expensive intervention, both per student and in total, is a measure to reduce class size in elementary schools. In this case, the cost per student is \$13,075 and the total cost comes in at \$143,597. Although these expenditures are steep—quite steep in some cases—Levin and Belfield demonstrate that the estimated tax revenues, combined with savings on expenditures, more than make up for the costs of implementing the interventions. To wit, they conclude that the average lifetime public saving for each new high school graduate is \$209,200 (substantially more for males).

Beyond the public benefit of such interventions, Levin and Belfield calculate that male high school graduates earn up to \$322,000 more over the course of a lifetime than dropouts, and college graduates earn up to \$1.387 million more than their counterparts without a high school diploma. For female graduates, the lifetime benefit of graduating from high school is as much as \$244,000, and college graduation brings in as much as \$800,000 beyond what dropouts can expect to earn. Considering an entire year’s cohort of high school dropouts, the authors conclude that \$148 billion in lifetime dollars are lost from tax revenues and to public expenditures. Taking into consideration the cost of the median intervention strategy, they estimate that if the number of high school graduates were cut in half, the net economic benefit would be as high as \$45 billion.

In Chapter 10, Belfield focuses on the consequences of students not being prepared to enter school, a critical and sustained component of the education attainment gap. As he points out, “once in school, children from families with lower socioeconomic status do not fall much farther behind each year, because a large component of the gap is evident upon entry to school” (p. 201). He states that there are four pathways through which preschool can affect a student’s later educational success: 1) by generating a cognitive advantage for the child; 2) by enhancing family support for the child through home visits or parental participation; 3) by allowing children to enter school more prepared for the educational setting; and 4) by providing early socialization into behaviors that will benefit children later in life. According to Belfield, model preschool programs have been found to have sustainable effects on children throughout their education careers, including reductions in special education placement and high school dropout rates, and increased persistence in higher education. However, he cautions that the weakest effects of preschool attendance appear for those children who attend Head Start programs, which typically cater to the most economically disadvantaged. If the public benefits of preschool are to be maximized, therefore, enrollments among underserved populations will need to increase and reform of public programs will need to be undertaken.

Finally, Ferguson focuses in Chapter 11 on the role of parents in creating a more equitable education system, asserting that if the achievement gap is to close, parents must become more skilled at helping their children succeed in school. He provides eight features which the National Research Council found essential to the success of children in school: 1) physical and psychological safety; 2) appropriate structure; 3) supportive relationships; 4) opportunities to belong; 5) positive social norms; 6) support for efficacy and mattering; 7) opportunities for skill building; and 8) integration of family, school, and community efforts. Accordingly, he calls for school reforms to be implemented at the community and family levels, noting that interventions aimed at increasing parental involvement have proven successful in most instances. Ferguson concludes that if real reform is going to take place, if “excellence with equity” is going to be achieved, then lifestyle changes in how Americans approach schooling will need to take place.

The strength of this volume, therefore, is the means by which the contributors make their case. Time and again, the authors demonstrate that improving educational conditions and outcomes for all students in this country is not just a matter of idealistic rhetoric. Rather, it also represents good economic policy. Particularly in a time of financial upheaval, productive fiscal measures are likely the only lines of thought that will gain traction among our federal, state, and local policymakers. Thus, this book speaks to those who must decide between providing corporate bail-outs, or funding universal preschool. It addresses questions about whether to finance transportation projects fully, or to make all schools technologically current. It targets the debate over increased expenditures for school construction, or providing tax cuts for individuals. In essence, the book provides a social and economic rationale for improving the quality of education throughout the country, but particularly within inner cities. It argues that while education is in fact a private good, providing equitable quality education is also a vital public necessity. At a time when short-term fixes are being proposed to get us through the current economic

crisis, this book reminds us that we cannot take short-sighted approaches. And for that, it is well worth reading.

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### **About the Reviewer**

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