EDUCATION IS KEY TO GEORGIA’S ECONOMIC GROWTH AND PROSPERITY
In 2004, the Georgia Partnership for Excellence in Education and Georgia Chamber of Commerce combined efforts for the inaugural report, the *Economics of Education*, which identified key education issues related to building a robust economy for the state.

Today, the core message of that first report is more critical than ever:

“Investing in public education is essential to future economic success for individuals, communities, businesses, and the state.”

It’s clear from the data that economic prosperity in an increasingly competitive national and global environment depends in large part on Georgia’s education system.

Ultimately, whether that system is successful is not up to state leaders alone. Businesses need to join the effort to make Georgia a model for excellent education, along with a variety of nonprofit institutions and organizations.

Perhaps most importantly, individuals need to work together to help strengthen local schools in order to assure the vitality of their communities.

When everyone plays a part in whatever way they can, the future economy of Georgia and the citizens of the state will reach their full potential.
THE CONTEXT –

GEORGIA’S ECONOMIC FUTURE
In terms of economic well-being and growth:

- A healthy birth supports preparation for strong early learning and K-12 experiences, which in turn supports... 
- Successful transitions to post-secondary education and a career.  
- With the ability to earn proper wages, successful adults build strong families and make investments in their communities, thereby... 
- Providing more opportunities and increasing the probability that the next generation will be even more successful.
2016-26: 87 counties are projected to lose jobs

75% of the 352,000 jobs projected to be added will be located in the Metro-Atlanta area

Only 8% of new jobs will be located in rural Georgia counties, lower than their expected population growth of 15%

Compiled by Georgia Chamber of Commerce 2030, JobsEQ Analysis

*Hub is a county with more than 65,000 jobs.
CURRENT ADULT POPULATION – Critical Factors Impacting Economic Investment and Growth

Adults Without a High School Diploma

- Less than 20%
- 20% to 25%
- Greater than 25%

U.S. .................13.3%
GA ...................14.6%
Atlanta ............10.8%
Hub .................14.1%
Rural ...............19.0%
STATE RANK.....41

Adults Not Working, Ages 25-64

- Less than 35%
- 35% to 45%
- Greater than 45%

U.S. .................28.2%
GA ...................30.8%
Atlanta ............26.1%
Hub .................32.9%
Rural ...............35.7%
STATE RANK.....40

Compiled by Georgia Chamber of Commerce 2030, ACS 2015 5-Year estimates
The High Demand Career Initiative (HDCI), established by Governor Nathan Deal to address Georgia’s future workforce challenges and solutions, surveyed employers across Georgia regarding the workforce issues they are facing and the ones they foresee in the future. The employers focused on critical need areas. Some examples:

1. **Introducing STEM at a Younger Age**
   Employers reported that science, technology, engineering, and mathematics (STEM) career fields need to be introduced to students at a younger age as a key part of the curriculum. Educators can play a large role in the appeal of STEM fields to young students.

2. **Shortage of Local Skilled Trades Workers**
   Employers conveyed interest in talent from Georgia for their openings but stated they are forced to recruit from out-of-state. This was expressed across many of the industries, but it was especially prevalent in the industries that require skilled workers, such as manufacturing and entertainment.

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From 2010 to 2015, Georgia employer job postings grew 154%, compared to 142% growth nationally.\(^2\)

Between January 2011 and December 2014, Georgia added nearly 400,000 new private sector jobs.\(^3\)

However, even with the growth in jobs statewide, in March 2017 Georgia had the 7th highest unemployment rate of any state in the United States.

While Georgia is experiencing an increasing number of jobs, a significant number of potential workers are reporting they are unemployed or underemployed.

Georgia is experiencing a talent gap. This talent gap is a mismatch between degrees and skills needed by employers versus the degrees and skills of the population.

- 60% of job postings require at least an associate’s degree.
- Approximately 38% of Georgia’s adult population has at least that level of education.\(^4\)

Georgia’s current pipeline of future employees does not meet the need set by the state’s economic development plans.

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THE PROBLEM –
BARRIERS TO ECONOMIC SUCCESS
When students and individuals do not successfully complete the K-12 system and move on to post-secondary education, their own economic trajectory is compromised. When enough people within a concentrated area fall out of the healthy economic lifecycle, the prosperity of their neighborhood, community, and state are also at risk. Thus, it is less likely the next generation of children will realize success, creating intergenerational poverty.
POVERTY BY EDUCATIONAL ATTAINMENT

POVERTY RATES IN GEORGIA FOR POPULATION 25 YEARS AND OLDER
BY LEVEL OF EDUCATIONAL ATTAINMENT

- Less than High School Graduate: 28.9%
- High School Graduate (Includes Equivalency): 16.3%
- Some College or Associate’s Degree: 11.2%
- Bachelor’s or Higher: 4.9%

Nearly 1 in 3 Georgians age 25 and older who never finished high school lived in poverty in the past 12 months compared to only 1 in 20 living in poverty who have a bachelor’s degree or higher.

Compiled by Cross Channel Initiatives from 2015 American Community Survey data.
59 of Georgia’s 159 counties have greater than 25% poverty

- Lowest Poverty Rate – Forsyth and Oconee (7%)
- Highest Poverty Rate – Calhoun and Clay – 42% of the residents are below the official poverty threshold

Story worse when we look at children living in poverty

- 112 of Georgia counties have 25% or HIGHER of children living in poverty
- Highest rate is Stewart, where 525 out of 850 children are in poverty
- Terrell has 1,344 of its 2,257 children in poverty – 60%
Growing Percentage of Georgia’s Population is Living in Poverty

Impact of Children Living in Poverty

- Children born into the bottom fifth of the income distribution have a 40% chance of remaining there into adulthood.⁵

- A child raised by a poor, single mother has a 50% risk of remaining poor, and that percent rises to nearly 60% if that child does not finish high school.

- The odds of working out of poverty are also complicated by factors of race, with the contrast particularly stark between African American and white children.

- Over half (51%) of all African American children born into the lowest income strata remain there, as opposed to just 23% of their white counterparts.⁶

Source: ACS 2015 5-year estimates


⁶ Ibid.
The impacts of not completing high school versus going on to some type of post-secondary education compound, and ultimately affect their ability to earn a living, and the prospects of prosperity and vitality of their community.

### Educational Attainment and Employment

<table>
<thead>
<tr>
<th>Educational Attainment</th>
<th>Unemployment Rate</th>
<th>Approx. Annual Earnings**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelor’s Degree &amp; Higher</td>
<td>2.4%</td>
<td>$66,560</td>
</tr>
<tr>
<td>Some College/Associate’s Degree</td>
<td>3.8%</td>
<td>$41,123</td>
</tr>
<tr>
<td>HS Graduate, No College</td>
<td>4.6%</td>
<td>$36,504</td>
</tr>
<tr>
<td>Less than a HS Diploma</td>
<td>6.4%</td>
<td>$26,624</td>
</tr>
</tbody>
</table>

Unemployment Rate* | June 2017 | Approx. Annual Earnings** |


### Compounded Impacts of High School Non-Completions

<table>
<thead>
<tr>
<th>INDIVIDUALS</th>
<th>THE COMMUNITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower lifetime earnings</td>
<td>Reduced buying power and tax revenues; Less economic growth</td>
</tr>
<tr>
<td>Decreased health status; Higher mortality rates; More criminal activity</td>
<td>Higher health care and criminal justice costs</td>
</tr>
<tr>
<td>Higher teen pregnancy rates; Single motherhood</td>
<td>Higher public services costs</td>
</tr>
<tr>
<td>Less voting; Less volunteering</td>
<td>Low rate of community involvement</td>
</tr>
</tbody>
</table>


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### The Economic Benefits of Increasing the High School Graduation Rate for Public School Students in Georgia

- **Annual Earnings Increase**: $400 Million
- **Auto Sales Increase**: $400 Million
- **Home Sales Increase**: $700 Million
- **New Jobs**: 3,850
- **State/Local Tax Revenue Increase**: $39 Million
- **Federal Tax Revenue Increase**: $65 Million
- **Annual Spending Increase**: $300 Million
- **Annual Gross State Product Increase**: $600 Million
- **If the graduation rate of the Class of 2013 had been 90% (37,650 more graduates)…**

Successfully completing high school and some form of post-secondary education, and engaging in the healthy economic lifecycle, all benefit individuals and their families. These individual benefits then add to the health of the communities in which they live and ultimately accrue benefits across the state.

Source: Alliance for Excellent Education’s “The Graduation Effect,” with support from State Farm; http://impact.all4ed.org/
FACTORS IN BREAKING THE POVERTY CYCLE –

THE DEVELOPING WORKFORCE
A strong educational system is a necessary component to support the state’s economic vision. The success of our public education system is a leading indicator of Georgia’s economic and social success. To accurately monitor how well Georgia’s future workforce is being prepared, multiple milestones must be met along the entire birth-to-work pipeline.
Nothing is more foundational to a child’s success than entering the world healthy and on time. Being born prematurely increases a child’s risk of morbidity, developmental delays, intellectual deficits, and academic difficulties. 

Prematurity rate is a leading indicator of maternal and child health in a given population.

Per 1,000 Births: Infants Born Preterm (<37 weeks)

Average medical costs for healthy baby $4,389
Average medical costs for premature baby $54,194

10% of births in Georgia are preterm

Source: Get Georgia Reading – Georgia Campaign for Grade Level
One key element for kindergarten readiness is participation in a high quality early learning program. Quality Rated was launched in January 2012 and uses 1, 2, and 3 stars to indicate programs that meet defined quality standards beyond state licensing requirements.

### Quality Rating
- 1 Star (476)
- 2 Star (598)
- 3 Star (197)

### Georgia Quality Rated
- 5,008 Total Eligible Facilities
- 2,884 Total Participating Facilities (58%)*
- 1,271 Total Star Rated Facilities (25%)

Quality Rated status and facility locations are current as of May 1, 2017

Source: Georgia Department of Early Care and Learning

* Participating facilities are eligible programs that are in process of receiving a star rating.
The National Assessment of Educational Progress (NAEP)* is the only nationally representative and continuing assessment of what America’s students know and can do in various subject areas.

**NAEP 4th Grade Reading - % At or Above Proficient**

- 2007: 28%
- 2009: 29%
- 2011: 32%
- 2013: 34%
- 2015: 34%
- 2017: 35%

**NAEP 8th Grade Math - % At or Above Proficient**

- 2007: 31%
- 2009: 27%
- 2011: 28%
- 2013: 29%
- 2015: 28%
- 2017: 31%

Source: National Assessment of Educational Progress

*NAEP is considered the ‘Nation’s Report Card, because it provides a common measure that allows for comparisons of achievement to the nation and among states. It is administered in the 4th and 8th grades every two years.*
In Georgia, as in the rest of the nation, poor and minority students are less likely to read on grade level by 3rd grade and be proficient in math by 8th grade.

**Georgia Achievement Gaps by Race and Income**

| Source: National Assessment of Educational Progress |

<table>
<thead>
<tr>
<th>State Average</th>
<th>2017 4th Grade Georgia NAEP Reading - % At or Above Proficient</th>
<th>2017 8th Grade Georgia NAEP Math - % At or Above Proficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
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</tr>
<tr>
<td>Economically Disadvantaged</td>
<td>22%</td>
<td>17%</td>
</tr>
<tr>
<td>Not Economically Disadvantaged</td>
<td>58%</td>
<td>50%</td>
</tr>
<tr>
<td>Race/Ethnicity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>46%</td>
<td>44%</td>
</tr>
<tr>
<td>African American</td>
<td>22%</td>
<td>14%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>26%</td>
<td>23%</td>
</tr>
</tbody>
</table>
Georgia’s overall graduation rate has shown improvement over time, and minority and low-income students are closing the gap in high school graduation rates. However, if Georgia’s fastest growing sub-groups (Hispanic and low-income) are graduating at lower rates than the state average, it will be difficult to continue to increase the percentage of graduates prepared to enter post-secondary education or the workforce.

Georgia High School Graduation Rates, 2012-2016

Source: Governor’s Office of Student Achievement K-12 Public Schools Report Cards
Levels of Education for Georgia Residents, Ages 25-64

Less than 9th grade 233,001 4.37%
9th to 12th grade, no diploma 451,780 8.48%
High school graduate (including equivalency) 1,456,675 27.34%
Some college, no degree 1,159,688 21.77%
Associate’s degree 405,927 7.62%
Bachelor’s degree 1,034,598 19.42%
Graduate or professional degree 585,869 11.00%

TOTAL 5,327,538

Source: U.S. Census Bureau, 2014 American Community Survey

To meet its economic development needs, Georgia has set a goal to increase the number of post-secondary graduates by 250,000 by the year 2025.

Examining Post-Secondary Trends

- The college enrollment rate among those who graduated high school in 2010 was nearly 70%.  According to the Lumina Foundation, Georgia has set a goal to increase the number of post-secondary graduates by 250,000 by the year 2025.

- Five years after graduation, 72% did not have any post-secondary credential or degree.

Note: The accompanying pie chart does not account for residents who have earned high-value post-secondary certificates. The percentage above—admittedly, an estimate—aims to fill that gap. To calculate this percentage, labor market experts at the Georgetown University Center on Education and the Workforce used Survey of Income Program Participation 2008 Wave 12 data (2012) and data from the Integrated Postsecondary Education Data System (IPEDS) 2014.
Supporting the Factors –

Strengthening the Birth-to-Work Pipeline

Best practice research shows that high performing states and nations all have some essential elements in place that support and strengthen the birth-to-work pipeline. While there is considerable variability in many approaches to the details of education policy and workforce development strategies (depending on a state’s demographic make-up, population needs, economic priorities, natural resources, etc.), the states that produce the highest performing students all have these basic elements, or building blocks, in common.

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<th>Quality Teaching</th>
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<th>Quality Leadership</th>
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<td>District level</td>
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<td>High standards</td>
<td>Innovation and technology</td>
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<tr>
<td>Aligned assessments</td>
<td>Personalized instruction</td>
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<th>Pathways to Post-Secondary Success</th>
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<td>Move on When Ready/Dual Enrollment</td>
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<td>Engaged communities</td>
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<td>Child physical and mental health</td>
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<td>Out-of-school time</td>
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<th>Adequate and Equitable Funding</th>
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<tr>
<td>Sufficient funding and resources</td>
<td></td>
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<tr>
<td>Targeted to close achievement gaps</td>
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WHAT CAN YOU DO?

COMMUNITY SUPPORT FOR SCHOOL IMPROVEMENT AND ECONOMIC INVESTMENTS

Communities can study their local data, do a root cause analysis around areas where they are weak, and formulate a strategic plan to insulate the pipeline.

HOW WILL YOU INSULATE THE BIRTH-TO-WORK PIPELINE?
Interested in developing a community action plan to support improvement initiatives?

It is difficult for a school to outperform its community. What can you do to help your school, your community, and the future workforce?

► The Georgia Partnership for Excellence in Education seeks to encourage and assist communities as they develop and implement plans to support their schools’ improvement efforts.

► Share this report and help share the message that economic prosperity depends directly on education quality and the vitality of local schools.

► Get involved with your local chambers of commerce, local government officials, and local schools to see how you can help. Reach out and play an active role in helping improve and strengthen education where you live.

► The data in this report are a snapshot in time. Visit www.gpee.org to download the most current information as well as examples of other communities’ educational improvement initiatives across Georgia.

► Invite Georgia Partnership staff to visit with you and your community’s business and civic leaders to explore what the situation looks like where you live and what can be done to help your local schools.

It’s time for communities across Georgia to convene... connect...commit to helping improve our schools and ensure a successful future for our young people.