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Arne Duncan

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**THROUGH THE SCHOOLHOUSE GATE: THE
CHANGING ROLE OF EDUCATION IN
THE 21ST CENTURY**

ARNE DUNCAN*

I. INTRODUCTION

We recently endured the worst economic crisis this country has seen since the Great Depression. Although we have pulled ourselves back from the brink in recent months, the collapse of the U.S. economy left a struggling middle class in its wake. Unemployment rates remain at highs not seen in more than twenty-five years, ordinary Americans fight to keep their homes, and wealth has evaporated from retirement accounts.¹ This crisis has struck at the heart of the American dream—the fundamental tenet that we are not forever bound by the circumstances of our birth, but that anyone willing to work hard can achieve a prosperous and secure life for his or her family. For the first time in a generation, many fear this promise has slipped away.

In the face of these challenges, I share the President’s unshakeable belief that “[w]e will rebuild, we will recover, and the United States of America will emerge stronger than before.”² The ideal of the American dream—a concept that we can improve our station in life through hard work and perseverance—will be renewed.

Still, we must accept that the upward path to the middle class has changed irrevocably. For much of the twentieth century, the availability of relatively high-paying manufacturing jobs made a secure, middle-class lifestyle possible with little more, and sometimes less, than a high school

* Secretary, U.S. Department of Education. I am grateful to Nia Phillips, Donald Yu, William Cordes, Matthew LaRocque, and David Hoff for their assistance on this article.

1. See BUREAU OF LABOR STATISTICS, U.S. DEP’T OF LABOR, LABOR FORCE STATISTICS FROM THE CURRENT POPULATION SURVEY, http://data.bls.gov/PDQ/servlet/SurveyOutputServlet?data_tool=LAtest_numbers&series_id=LNS14000000 (last visited May 23, 2010) (providing U.S. unemployment rates since 1948) [hereinafter CURRENT LABOR FORCE STATISTICS].

2. President Barack H. Obama, Address Before a Joint Session of the Congress, DAILY COMP. PRES. DOC. NO. DCPD200900105 (Feb. 24, 2009).

education. When I was growing up on the south side of Chicago, the city's manufacturing base provided good, middle-class jobs to nearly one million people.³ To be sure, these were physically demanding jobs, but they provided a decent salary, a pension, and, most importantly, a sense of financial security to middle-class Americans. Immigrants from all around the world, many with little formal education, also came to Chicago in droves in pursuit of those jobs. At that time, a good job was available to anyone who was willing to roll up his sleeves and get to work. Education was optional and sometimes, for those with families to feed, an unaffordable luxury.

We all know, however, that such jobs are vanishing, and many that remain no longer offer the wages, health or retirement benefits, or job security that built the American middle class in the second half of the twentieth century. The upward path to the middle class no longer starts at the factory door, but in the classroom. The new middle class will be based not on the ability to tighten nuts and bolts on an assembly line, but on the capacity to think critically, adapt to changing technologies, and perform complex tasks that cannot be reduced to simple routines.

This is why education is more important than ever. Not only is education the civil rights issue of our generation—a moral justification—but it will be the means for ensuring that all Americans have a fair chance to achieve the American dream.

We must meet the challenge recognized by one of my predecessors and my friend, Richard Riley, who several years ago said that “[w]e are currently preparing our students for jobs that don't exist yet . . . using technologies that haven't yet been invented . . . in order to solve problems we don't even know are problems yet.”⁴ Now, in the wake of the recent global economic crisis, those jobs are emerging, those technologies are being invented, and those problems—global ones occurring on an unforeseen scale—must be solved.

Finding the solutions to those problems begins in the classroom.

II. THROUGH THE FACTORY DOOR

The declining economic status of the American worker has been reported in newspapers and studied by economists. Faced by a sea change in how the world operates—a dwindling manufacturing industry, a tran-

3. See BUREAU OF LABOR STATISTICS, U.S. DEP'T OF LABOR, DATABASES, TABLES & CALCULATORS BY SUBJECT (follow “Employment, Hours, and Earnings from the Current Employment Statistics Survey (State and Metro Area, SIC basis): Top Picks” hyperlink; then follow “Illinois” hyperlink”; then select “Illinois Manufacturing Employment Not Seasonally Adjusted” and “Retrieve Data”), (last visited May 23, 2010) (providing data on manufacturing job trends in the Chicago area since 1952).

4. BERNIE TRILLING & CHARLES FADEL, 21ST CENTURY SKILLS: LEARNING FOR LIFE IN OUR TIMES 3 (2009) (quoting Richard Riley, former U.S. Secretary of Education).

sition to a global economy, and the recent economic crisis—many have claimed that the American worker, and by extension, the middle class, has become an endangered species.

But we have met this challenge before. More than a century ago, following the Civil War, many expressed doubts about the ability of what was described as a stagnant and inflexible farm-bound American workforce to meet the demands of the industrial age in a world economy more closely connected than ever before by steamship and railroad.⁵ But we know differently; not only did American workers make the adjustment from the fields to the assembly lines, they thrived. By the turn of the twentieth century, the United States led the world in manufacturing.⁶ By 1920, our manufacturing industry employed nearly 11.2 million workers.⁷ At its peak, around 1950, it accounted for one in every three American jobs.⁸ With support from organized labor, these manufacturing jobs paid high wages and contributed to the growth of a strong and vibrant middle class.

Today, U.S. workers find themselves in the middle of yet another transition, from an economy once dominated by manufacturing to one driven by technology. In 1991, for the first time, the United States spent more on technology-related products than it did on industrial goods.⁹ Since then, manufacturing jobs have shrunk by an estimated 30%, and professional and business services jobs have grown by about 55%.¹⁰ In the next decade, the Bureau of Labor Statistics projects that the service

5. The adjustment to the assembly line proved to be a challenge, particularly for immigrants arriving in the United States in the early twentieth century. E.P. Thompson describes the transition to modern production as requiring “a severe restructuring of working habits—new disciplines, new incentives, and a new human nature upon which these incentives could bite effectively.” E.P. Thompson, *Time, Work-Discipline, and Industrial Capitalism*, 38 PAST & PRESENT 56, 57 (1967) Stephen Meyer concurs with this analysis, arguing: “The new industrial worker needed a new culture, i.e., a new set of attitudes, values, and habits, for his survival and for his very existence in the factory and in industrial society.” Stephen Meyer, *Adapting the Immigrant to the Line: Americanization in the Ford Factory, 1914–1921*, 14 J. SOC. HIST. 67, 68 (Autumn 1980).

6. PAUL KENNEDY, *THE RISE AND FALL OF THE GREAT POWERS* 149 (1989).

7. U.S. BUREAU OF THE CENSUS, *HISTORICAL STATISTICS OF THE UNITED STATES, COLONIAL TIMES TO 1970*, at 139 (1975), available at <http://www2.census.gov/prod2/statcomp/documents/CT1970p1-01.pdf>; Barbara Hagenbaugh, *U.S. Manufacturing Jobs Fading away Fast*, USA TODAY, Dec. 12, 2002, available at http://www.usatoday.com/money/economy/2002-12-12-manufacture_x.htm.

8. *Id.*

9. TRILLING & FADEL, *supra* note 4, at 3.

10. See BUREAU OF LABOR STATISTICS, *EMPLOYMENT, HOURS, AND EARNINGS FROM THE CURRENT EMPLOYMENT STATISTICS SURVEY*, <http://www.bls.gov/webapps/legacy/cesbrab1.htm> (last visited June 12, 2010) (select “Manufacturing” and “Professional and business services” for “Not seasonally adjusted” data sets; then select “Retrieve Data”; select “Change Output Options” to include the years 1991 through 2010).

sector is expected to add 14.6 million new jobs, while manufacturing will lose an additional 1.2 million jobs.¹¹

More importantly, the loss of manufacturing jobs is just one aspect of a much larger, more important, phenomenon—the globalization of economic production and competition. Driven by advances in technology—such as broadband Internet access, cheap hardware, and high-quality software—globalization has provided foreign countries with access to a “platform where intellectual work, intellectual capital, could be . . . disaggregated, delivered, distributed, produced, and put back together again” from virtually anywhere in the world.¹² As a result, according to Thomas Friedman, globalization has “flattened,” or leveled, the “competitive playing field.”¹³ This has provided less wealthy countries, especially rising superpowers such as China and India, with a fair shot at competing with the United States for any job that is “deliverable through a wire.”¹⁴

This platform could be the launching point for developing countries, and may place the “great new global market within reach of the poor, so that they too can become producers and consumers.”¹⁵ Increased access to the global market may, as Professor Alan Blinder has argued, improve living standards by helping “alleviate poverty on a mass scale.”¹⁶ In short, globalization could be “good for the world.”¹⁷

But U.S. workers must raise their game in the face of increased competition, not just on the factory floor, but also in professional and service occupations. As Friedman warns, less wealthy countries are “now able to compete for global knowledge work as never before—and that America had better get ready for this.”¹⁸

Unlike the transition to work on the assembly line or in steel mills—a kind of job that required little or no formal education—our citizens will need highly specialized skills to compete in the Internet-enabled global economy of the twenty-first century. In other words, securing a spot in the new middle class requires more than a strong work ethic—it now requires a high-quality education. To maintain our competitive advantage in knowledge-based industries and fields, the United States must implement an education policy that produces a “more flexible labor force that can cope more readily with non-routine tasks and

11. *Id.*

12. THOMAS FRIEDMAN, *THE WORLD IS FLAT: A BRIEF HISTORY OF THE TWENTY-FIRST CENTURY* 7 (2007).

13. *Id.* at 8.

14. Alan S. Blinder, *Offshoring: The Next Industrial Revolution?*, 85 FOREIGN AFF. 113, 118 (2006) [hereinafter Blinder, *Offshoring*].

15. Kofi Annan, *Social Progress and Our Common Humanity*, 16 NOTRE DAME J.L. ETHICS & PUB. POL'Y 395, 396 (2002).

16. Alan S. Blinder, *Free Trade's Great, but Offshoring Rattles Me*, WASH. POST, May 6, 2007, at B4.

17. *Id.*

18. FRIEDMAN, *supra* note 12, at 7.

occupational change.”¹⁹ This labor force—the backbone of the new middle class—will find jobs in burgeoning fields such as medical information technology or “green” industries that develop renewable energy sources or construct energy-efficient buildings. These are the kinds of careers that not only will sustain but expand the American middle-class in the twenty-first century.

Importantly, the transition to the digital age does not signal the end of U.S. manufacturing or the manual trades. Indeed, we will always need top-of-the-line, skilled manual labor to develop high-speed rail corridors, build bridges, and construct skyscrapers—jobs that increasingly require the use of applied knowledge from fields such as engineering, computer science, and technology. Yet we must recognize that the advent of the information age is a “big deal” that “require[s] vast and unsettling adjustments in the way Americans and residents of other developed countries work, live, and educate their children.”²⁰ We can no longer afford to cling to the status quo.

III. THE FALL OF DETROIT’S MIDDLE CLASS

For those who refuse to acknowledge that a paradigm shift has occurred—perhaps unmoved by labor projections or academic theories—the city of Detroit serves as a gut-wrenching reality check. Long dependent upon the fortunes of its automotive industry, no other city better symbolizes the hardships of deindustrialization and globalization—and the newfound importance of education—than Detroit.

During the first half of the twentieth century, hundreds of thousands of new residents poured into Detroit looking for jobs, drawn by its booming manufacturing base. In 1900, Detroit was the thirteenth-largest city in the country with nearly 300,000 residents.²¹ By 1950, Detroit’s population surged to nearly 1.9 million, making it the country’s fifth-largest city and one of its most prosperous.²²

Generally, a high school diploma was not necessary to get a job working on an assembly line. The iconic symbol of the industrial age, the assembly line epitomized the kind of work employees performed in a manufacturing economy. This typically involved performing a simple rote task over and over again, such as “attaching cables to batteries, tightening nuts and bolts and installing a transmission dipstick” on a vehicle

19. *Id.* at 309 (quoting Blinder, *Offshoring*, *supra* note 14, at 125).

20. Blinder, *Offshoring*, *supra* note 14, at 117.

21. U.S. BUREAU OF THE CENSUS, POPULATION OF THE 100 LARGEST URBAN PLACES: 1900, *available at* <http://www.census.gov/population/www/-documentation/twps0027/tab13.txt>.

22. U.S. BUREAU OF THE CENSUS, POPULATION OF THE 100 LARGEST URBAN PLACES: 1950, *available at* <http://www.census.gov/population/www/-documentation/twps0027/tab18.txt>.

chassis several hundred times per day.²³ In an economy that prized hard work and an ability to understand and implement simple directions, workers had little incentive to invest in a high level of education because a job on the assembly line provided a middle-class wage.

To be sure, working on an assembly line could be long, tedious, and grueling, but because of the efforts of organized labor, it was also secure, stable work that paid well. And, according to Professor Carl Taylor, “[a] lot of those guys who went into those plants years ago . . . were proud of what they had gained and nobody thought it was going to end.”²⁴

But it did end. Today, according to its Mayor, Detroit “hangs by a thread.”²⁵ According to a recent Washington Post-Kaiser Family Foundation-Harvard University poll of the city’s residents, most respondents believe their economy is in “ruins.”²⁶ Approximately half said Detroit is a “bad place to raise a family” because of a “declining standard of living, swelling debt, deteriorating neighborhoods and a brutal job market.”²⁷

In September 2009, the unemployment rate for Detroit’s metropolitan statistical area was 17.3%, more than 70% higher than the national unemployment rate at that time.²⁸ Its residents have left the city in droves and its population has been cut in half from more than 1.8 million in 1950 to an estimated 919,000 in 2006.²⁹ Though Detroit remains the eleventh largest in the country, unless this trajectory is reversed, many of those who remain will also lose their jobs and leave in search of work elsewhere, completing an exodus from the city.³⁰

23. Jonathan Mahler, *G.M., Detroit and the Fall of the Black Middle Class*, N.Y. TIMES, June 28, 2009, § 6 (Magazine), at 30, available at <http://www.nytimes.com/2009/06/28/magazine/28detroit-t.html>.

24. Dana Hedgpeth & Jennifer Agiesta, *A Hard Downshift in Detroit*, WASH. POST, Jan. 3, 2010, at A1, available at <http://www.washington-post.com/wp-dyn/content/article/2010/01/02/AR2010010201935.html>.

25. Dave Bing, *The Delusions that Detroiters Can No Longer Afford to Indulge*, DETROIT FREE PRESS, Oct. 11, 2009, at A29.

26. Hedgpeth & Agiesta, *supra* note 24, at A1.

27. *Id.*

28. Compare MICH. DEPT. ENERGY, LABOR & ECON. GROWTH, *Civilian Labor Force and Wage & Salary Estimates*, MICH. LABOR DEPT. NEWS, Nov. 2009, at 3–5, available at http://www.milmi.org/admin/uploadedPublications/1570_nov2009.pdf with CURRENT LABOR FORCE STATISTICS, *supra* note 1.

29. Compare U.S. BUREAU OF THE CENSUS, STATE AND COUNTY QUICKFACTS: DETROIT (CITY), MICHIGAN (2006), <http://quickfacts.census.gov/qfd/states/26/2622000.html> (last visited June 12, 2010) with U.S. BUREAU OF THE CENSUS, POPULATION ESTIMATES, INCORPORATED PLACES AND MINOR CIVIL DIVISIONS—PLACES OVER 100,000: 2000 TO 2008, <http://www.census.gov/popest/cities/SUB-EST2008.html> (follow “Annual Estimates of the Resident Population for Incorporated Places over 100,000, Ranked by July 1, 2008 Population : April 1, 2000 to July 1, 2008 (SUB-EST2008-01)” hyperlink), (last visited June 12, 2010) [hereinafter POPULATION RANKINGS].

30. POPULATION RANKINGS, *supra* note 29.

One important question is whether Detroit is a harbinger for the rest of the country. Indeed, some of the same phenomena that have forced Detroit's manufacturing industries to downsize are also destabilizing white-collar jobs in customer relations and Silicon Valley's high-tech sector. We cannot assume that the economic impacts of offshoring and the growth of global competition are limited to industrial cities like Detroit.

IV. DETROIT PUBLIC SCHOOLS

Can Detroit be saved? It can, and the rebuilding of Detroit and its middle class must begin with a high-quality education system designed to meet the demands of the information age.³¹ Unfortunately, Detroit Public Schools (DPS), a school system that I visited in May of 2009, has not been carrying that heavy burden. Indeed, due to its numerous "dropout factories," a Johns Hopkins University study reported that 69% of DPS high schools have a "promoting power" of less than 50%, meaning that fewer than half of students in those schools graduate the curriculum.³²

But, even if more students had managed to graduate, would those DPS diplomas actually mean anything? Would they symbolize graduates who are prepared for the rigors of a college curriculum or entry into a career? Most likely, they would not. For decades, DPS students have performed poorly on both Michigan's state assessments and the National Assessment of Educational Progress (NAEP).³³ According to the most recent NAEP results, DPS fourth- and eighth-graders scored the worst in the nation in math, and had the lowest scores in DPS' forty-year history.³⁴ Among fourth-graders, 69% scored below basic levels, as did 77% of eighth-graders.³⁵

31. In addition to K-12 and postsecondary education, job retraining for adults will be critical to the city's recovery. Michigan has spent hundreds of millions of dollars to retrain more than 100,000 adults for high-demand jobs, including tens of thousands of "green jobs" making wind turbine and solar panel parts, and electric batteries for cars. See STATE OF MICHIGAN, FACT SHEET: NO WORKER LEFT BEHIND (May, 2010), available at http://www.michigan.gov/documents/nwlb/NWLB_Fact_Sheet_Final_203216_7.pdf (last visited June 12, 2010). Still, because of the time and money it takes to retrain adults for new lines of work, it will take years before the State will replace lost automotive jobs.

32. ROBERT BALFANZ & NETTIE LEGTERS, CTR. FOR RES. ON THE EDUC. OF STUDENTS PLACED AT RISK, LOCATING THE DROPOUT CRISIS: WHICH HIGH SCHOOLS PRODUCE THE NATION'S DROPOUTS? WHERE ARE THEY LOCATED? WHO ATTENDS THEM? 11 (2004), available at <http://web.jhu.edu/bin/c/sl-report70.pdf>.

33. See, e.g., COUNCIL OF THE GREAT CITY SCHOOLS, REFORMING AND IMPROVING THE DETROIT PUBLIC SCHOOLS (2008), available at <http://www.cgcs.org/Pubs/Detroit08.pdf>.

34. Jim Lynch, *DPS Kids Score Record Lows on National Test*, DETROIT NEWS, Dec. 9, 2009, at A1.

35. *Id.*

For many DPS students, poor learning conditions at school exist on top of difficult conditions at home. Their parents, some of whom have lost their jobs and had their homes foreclosed on, must seriously doubt that they can provide their children with the same privileges and opportunities they had when they were growing up. That is what stings most about the situation in Detroit—for the first time in a generation, these parents have seen the American Dream slip from their grasp.

This is why Detroit and its school system are “ground zero” for education reform. The fates of the city and its schools are intertwined—there is no way Detroit will be restored unless it is supported by a strong public school system.

Still, there is reason for hope. In the past year, the state and city have taken some drastic measures to save Detroit’s schools, including decisions to provide DPS with new leadership. For example, on January 26, 2009, Governor Jennifer Granholm appointed Robert Bobb as DPS’ emergency financial manager.³⁶ In an effort to reduce the school system’s \$303 million budget deficit and address the district’s shrinking student population, Bobb has worked with the teachers’ union to negotiate a new teachers’ contract, and has made some progress in improving the district’s financial accountability and performance. In addition, the state legislature recently passed a law that authorizes the State superintendent to appoint an emergency academic manager—a new legal framework that facilitates further education reform.³⁷ Finally, I have promised to do everything I can to make available the federal education funding that the state, city, and school district need to complete their work.³⁸

The federal, state, and local governments are each playing a role to turn this school system—and this city—around. The very depths of the crisis in Detroit have presented a compelling case for change, and an opportunity for DPS to break free from dysfunctional educational practices, and to lay the groundwork for long-term, positive change.

36. Press Release, Office of Governor Jennifer M. Granholm, Governor Appoints Robert C. Bobb Emergency Financial Manager for Detroit Public Schools (Jan. 26, 2009), available at http://www.michigan.gov/gov/0,1607,7-168-23442_21974-207551—,00.html.

37. Editorial, *Untie Robert Bobb’s Hands in Effort to Fix Detroit’s Public School System*, DETROIT FREE PRESS, Dec. 30, 2009, at A10.

38. In addition to a portion of the regular state-administered formula grants that DPS receives from the Department of Education, including, but not limited to, Title I and Title II-A funds, DPS also received an estimated \$530 million from the American Recovery and Reinvestment Act.

V. THROUGH THE SCHOOLHOUSE GATE

A. *Twenty-First Century Skills*

Importantly, if unfortunately, DPS is not unique. A few statistics tell the story about our educational performance on the national level:

- 1.2 million teenagers are leaving our schools each year.³⁹
- Recent international tests in math and science—like those over the past decade or more—show our students continue to trail their peers in other countries.⁴⁰
- Seventeen-year-olds in 2008 are performing at the exact same levels in math and reading as they were in the early 1970s on the NAEP test.⁴¹
- In 2006, only 17.1% of the U.S. population held a bachelor's degree.⁴²
- The U.S. ranks tenth among industrialized nations in the rate of college completion for 25- to 44-year-olds.⁴³

A generation ago, we were first in the world in many of these categories. Much of this decline can be attributed to one fact: our public education system is becoming increasingly obsolete. Instead of teaching skills that our students need to be successful in today's world, many school systems use outdated curricula, instructional practices rooted in the industrial age and a calendar instituted in the agrarian age. It is time for our schools to move into the twenty-first century, teach skills that actually matter, and give our students a fair chance at success.⁴⁴ This will be the key to reclaiming the American dream—making sure our schools give our children the knowledge and skills they will need to compete successfully not just with workers across town or across the country, but across the world.

39. NAT'L WOMEN'S LAW CTR., *WHEN GIRLS DON'T GRADUATE, WE ALL FAIL: A CALL TO IMPROVE HIGH SCHOOL GRADUATION RATES FOR GIRLS 5* (2007), *available at* <http://www.nwlc.org/pdf/DropoutReport.pdf>.

40. PATRICK GONZALES ET AL., NAT'L CTR. FOR EDUC. STAT., *HIGHLIGHTS FROM TIMSS 2007: MATHEMATICS AND SCIENCE ACHIEVEMENT OF U.S. FOURTH- AND EIGHTH-GRADE STUDENTS IN AN INTERNATIONAL CONTEXT* (2007), *available at* <http://nces.ed.gov/pubs2009/2009001.pdf>.

41. NAT'L CTR. FOR EDUC. STAT., INST. OF EDUC. SCI., U.S. DEPT. OF EDUC., *NAEP 2008 TRENDS IN ACADEMIC PROGRESS* 9, 31 (2009), *available at* <http://nces.ed.gov/nationsreportcard/pdf/main2008/2009479.pdf>.

42. U.S. BUREAU OF THE CENSUS, *AMERICAN COMMUNITY SURVEY* (2006).

43. TONY WAGNER, *THE GLOBAL ACHIEVEMENT GAP*, at xx (2008).

44. In a survey conducted last year by the American Society for Quality, more than half of the respondents—700 K-12 teachers and administrators—ranked twenty-first century skills “as the most important priority for the new administration.” Press Release, American Society for Quality, ASQ Delivers K-12 Educator “Must Dos” to Washington (Dec. 17, 2008), *available at* <http://www.asq.org/media-room/press-releases/2008/20081217-k12-must-dos.html> (last visited April 11, 2010).

If we want our children to rise higher and reach further than we did, they must first learn skills that employers will demand in the new economy.⁴⁵ New industries require new skill sets. This is why we must teach our children to be innovative and creative—they will need these skills to invent the new products, services, and business models that will spring from globalization's platform. We must also prepare our students for a diverse workforce, so that they bring fewer stereotypes to the workplace, and can work more productively with individuals from different backgrounds and nationalities. There are other skills that will be vital in the new economy, and we are asking state governors and education leaders to think hard about these skills, particularly those who are involved in the Common Core State Standards Initiative (CCSSI). This initiative will develop a set of common internationally benchmarked, college- and career-ready standards that will create a new foundation for American education and help close the global achievement gap.⁴⁶

President Obama and I are committed to closing this gap with the rest of the world. In addition to giving our K-12 students the twenty-first century skills they need to succeed, it is our goal that, by 2020, the United States will once again graduate the highest proportion of its young adults from college in the world. We intend to start by ensuring that all students graduate from high school college- and career-ready. With that foundation, we will increase access to higher education through expanded financial aid, improve support for college completion, and strengthen America's community college networks to ensure that Americans young and old have the tools they need to succeed in the industries of tomorrow. The President has made it clear that if we are to thrive in the twenty-first century, all Americans should be prepared to enroll in at least one year of higher education.

45. In a 2005 survey of more than 400 employers, less than a quarter of the respondents reported that new employees with postsecondary degrees "have 'excellent' basic knowledge and applied skills." The Conference Board et al., *Are They Really Ready to Work?: Employers' Perspectives on the Basic Knowledge and Applied Skills of the New Entrants to the 21st Century U.S. Workforce* (2006), available at http://www.p21.org/documents/key_findings_joint.pdf.

46. In his first major speech on education, the President challenged CCSSI to develop high-quality assessments that measure relevant skills. President Barack H. Obama, Remarks to the United States Hispanic Chamber of Commerce, Daily Comp. Pres. Doc. No. DCPD200900139 (Mar. 10, 2009) ("And I'm calling on our Nation's Governors and State education chiefs to develop standards and assessments that don't simply measure whether students can fill in a bubble on a test, but whether they possess 21st-century skills like problem-solving and critical thinking and entrepreneurship and creativity.").

B. *Economic Consequences of an Inadequate Education*

Investing in this new kind of education will sustain the country's economy over the long haul, and help wean us from the short-sighted and unsustainable "bubble and bust" economic model that caused the current crisis. Instead of looking for short-term gains measured by quarterly returns in the stock market, we must focus on laying the foundation for long-term economic health with a high-quality public education system as the cornerstone.

The correlation between education and economic success is strong. Research shows that the educational attainment of our citizens has a direct impact on the economic health of cities, states, and the nation, especially with respect to: (1) lost wages and taxable revenue; (2) health care and associated costs; (3) the burdens imposed on the criminal justice system; and (4) the need for public assistance programs.

The nation's high school dropout problem best illustrates how the quality of our education system impacts each of these four areas. Each year, approximately 1.3 million students—or 7000 each school day—drop out of school.⁴⁷ On an individual level, dropping out of high school carries huge personal costs—high school dropouts face significantly higher rates of unemployment,⁴⁸ earn less over a lifetime,⁴⁹ suffer from more health ailments and have shorter life expectancies,⁵⁰ and commit more crimes⁵¹ than individuals with a high school diploma. Personal costs are only part of the story, however, as the dropout problem takes a heavy toll on our nation as a whole, and on the quality of life for all citizens.

1. Increased Wages and Tax Revenue

Dropouts hinder economic growth—they earn less income, generate less tax revenue, and purchase fewer homes and cars.⁵² Jay Smink,

47. ALLIANCE FOR EXCELLENT EDUC., *THE HIGH COST OF HIGH SCHOOL DROPOUTS: WHAT THE NATION PAYS FOR INADEQUATE HIGH SCHOOLS 1* (2009), available at <http://www.all4ed.org/files/HighCost.pdf>.

48. Press Release, U.S. Dep't of Labor, Bureau of Labor Statistics, *The Economic Situation* (Mar. 5, 2010), available at <http://www.bls.gov/news.release/empst04.htm>.

49. Cecilia Elena Rouse, *Consequences for the Labor Market*, in *THE PRICE WE PAY: ECONOMIC AND SOCIAL CONSEQUENCES OF INADEQUATE EDUCATION* 99, 101 (Clive R. Belfield & Henry M. Levin eds., 2007) [hereinafter *THE PRICE WE PAY*].

50. Peter Muennig, *Consequences in Health Status and Costs*, in *THE PRICE WE PAY*, *supra* note 49, at 125, 125 (Clive R. Belfield & Henry M. Levin eds., 2007).

51. Enrico Moretti, *Crime and the Costs of Criminal Justice*, in *THE PRICE WE PAY*, *supra* note 49, at 142, 146–47.

52. See generally ALLIANCE FOR EXCELLENT EDUC., *THE ECONOMIC BENEFITS FROM HALVING THE DROPOUT RATE: A BOOM TO BUSINESSES IN THE NATION'S LARGEST METROPOLITAN AREAS* (2010), available at <http://www.all4ed.org/files/EconBeneCityCardBooklet011210.pdf>.

director of the National Dropout Prevention Center at Clemson University, has measured the difference in lifetime salary for a dropout and a high school graduate at about \$300,000.⁵³ And while nearly every segment of the economy has endured job losses over the past year, the least educated among us have been hardest hit, with unemployment hitting rates more than three times higher for dropouts than for college graduates.⁵⁴ Reversing this trend will take time, but according to America's Promise Alliance, a nonprofit network specializing in dropout prevention, cutting the dropout rate in half would generate \$45 billion annually in new tax revenue—assuming that graduates ultimately find work.⁵⁵

2. Reduced Healthcare Costs

The dropout problem also tends to increase government spending in another critical area: health care. High school dropouts are more likely to die prematurely from a variety of ailments such as cardiovascular disease, cancer, and infections.⁵⁶ Combined with the fact that high school dropouts are less likely to be covered by an employer's healthcare plan and tend to receive more emergency, taxpayer-supported care, each dropout costs the government approximately \$39,000 in healthcare-related costs over the course of a lifetime.⁵⁷ On the other hand, well-educated people live about six to nine years longer than high school dropouts, are less likely to suffer from illness or disability, and therefore tend to reduce unnecessary spending on health care.⁵⁸

3. Reduced Burden on Criminal Justice Systems

Research also indicates that policies aimed at preventing dropouts reduce crime, an activity that carries enormous social and economic costs for governments and economies. Dropouts are disproportionately represented in the criminal justice system, comprising roughly 75% of state prison inmates.⁵⁹ One study found that states that set a higher age for

53. Gary Fields, *The High School Dropout's Economic Ripple Effect*, WALL ST. J., Oct. 21, 2008, at A13, available at <http://online.wsj.com/article/SB122455013168452477.html>.

54. Press Release, U.S. Dep't of Labor, *supra* note 48.

55. ROBERT BALFANZ ET AL., AMERICA'S PROMISE ALLIANCE, GRAD NATION: A GUIDEBOOK TO HELP COMMUNITIES TACKLE THE DROPOUT CRISIS 12 (2009), available at <http://www.americaspromise.org/-/media/Files/-Our%20Work/Dropout%20Prevention/Grad%20Nation%20Guidebook%20052809.ashx>.

56. Muennig, *supra* note 50, at 125.

57. *Id.*

58. Mitchell D. Wong et al., *Contribution of Major Diseases to Disparities in Mortality*, 347 NEW ENG. J. MED. 1585, 1585 (2002), cited in THE ALLIANCE FOR EXCELLENT EDUCATION, HEALTHIER AND WEALTHIER: DECREASING HEALTH CARE COSTS BY INCREASING EDUCATIONAL ATTAINMENT 2 (2006), available at <http://www.all4ed.org/files/HandW.pdf>.

59. Fields, *supra* note 53.

compulsory school attendance raised their graduation rates and witnessed a decline in incarceration rates.⁶⁰ The study calculated that a 1% increase in male school graduation rates would save as much as \$1.4 billion each year, or about \$2100 per additional male high school graduate, by reducing the need for law enforcement and incarceration.⁶¹

4. Reduced Reliance on Social Welfare Programs

Finally, increased levels of education also reduce reliance on public benefits such as food stamps, public housing, and cash assistance through programs such as Temporary Assistance for Needy Families (TANF). For example, several estimates indicate that high school dropouts are much more likely to participate in the TANF program than single mothers with high school diplomas.⁶² One study found that high school graduates were 55% less likely to receive welfare benefits than their counterparts who had dropped out of school.⁶³

Because of the strong correlation between dropping out of high school and TANF participation, researchers have estimated that reducing the number of high school dropouts would result in a substantial reduction in welfare costs—a projected savings of \$1.5 billion to \$3.5 billion per year, or roughly 10–25% of what the United States currently spends on TANF funds for families headed by single mothers.⁶⁴ Similar savings are projected for food stamp and public housing programs when graduation rates are increased.⁶⁵

By keeping our students in school, we won't merely reduce the need for public assistance and save taxpayer dollars—we'll also educate our citizenry into the productive and self-sufficient workforce we will need to ensure our long-term economic prosperity. President Lyndon B. Johnson may have said it best: "Once we considered education a public expense; we know now that it is a public investment."⁶⁶

VI. CONCLUSION

In contrast to much of the twentieth century, when the U.S. economy and household wealth steadily grew, the first decade of the twenty-

60. Moretti, *supra* note 51, at 144.

61. *Id.*

62. Jane Waldfogel et al., *Welfare and the Costs of Public Assistance*, in *THE PRICE WE PAY*, *supra* note 49, at 160, 165.

63. *Id.*

64. *Id.* at 166.

65. NANCY MARTIN & SAMUEL HALPERIN, AMERICAN YOUTH POLICY FORUM, *WHATEVER IT TAKES: HOW TWELVE COMMUNITIES ARE RECONNECTING OUT-OF-SCHOOL YOUTH 10* (2006), available at <http://www.aypf.org/publications/WhateverItTakes/WITfull.pdf>.

66. President Lyndon B. Johnson, Remarks at the Dedication of the Crossland Vocational Center, Camp Springs, Maryland, 1 PUB. PAPERS 465, 466 (Apr. 27, 1967).

first century has already been called a “lost decade” for the American workforce.⁶⁷ We just witnessed the first time in generations where no job creation occurred, middle-class incomes fell, and the net worth of American households declined.⁶⁸ These declines are historically significant—the falling incomes, for example, “represent[] the first real decline in wages for middle-income Americans since the U.S. government began keeping records.”⁶⁹

We cannot allow this trend—a steady decline of our middle class—to continue for another decade. President Obama and Vice President Biden are already working to ensure that today’s middle class has the support and flexibility it needs to succeed in the short term, including initiatives such as doubling the child and dependent care tax credit for families making less than \$85,000, and creating a system of automatic workplace IRAs.

Ultimately, however, our policies must reflect our understanding that the new path to the middle class starts at the schoolhouse gate. As President Obama recently said, in a “world where jobs can be shipped wherever there’s an Internet connection, where a child born in Dallas is now competing with a child in New Delhi, where your best job qualification is not what you do, but what you know—education is no longer just a pathway to opportunity and success, it’s a prerequisite.”⁷⁰ The key to our sustained economic prosperity—both for the nation and individual families—is how well we educate our children.

More importantly, what our children learn in school today will help them tackle the world’s greatest challenges tomorrow. They will inherit a world defined by the escalation of global challenges, including a warming planet, unchecked population growth, and fragile global economies prone to sudden and unforeseen financial disaster. This is a heart-stopping list of concerns. Addressing them will require a sophisticated set of skills: an ability to think critically; problem-solving skills that can be applied to a wide variety of contexts; and an ability to form diverse and transnational coalitions.

Developing these skills is a continuous, life-long process, but the place to start is in the classroom. Students learn how to think critically in their history and social science classes; they learn how to solve problems from their math and science teachers; and they learn how to work with

67. Neil Irwin, *Aughts Were a Lost Decade for U.S. Economy, Workers; Period brought zero job creation, decline in household net worth*, WASH. POST, Jan. 2, 2010, at A1, available at <http://www.washingtonpost.com/wp-dyn/content/article/2010/01/01/AR201001011196.html>.

68. *Id.*

69. Editorial, Senator Bernie Sanders, *Decline and Fall of the Middle Class*, (June 13, 2008), available at <http://sandersonline.senate.gov/newsroom/news/?id=54c5546f-e879-4855-b1cf-ff354edd0e75>.

70. Obama, *supra* note 46.

people from different backgrounds in schools with diverse student bodies. In this way, we can dedicate ourselves to the great task remaining before us—delivering on this nation’s promise of an equal opportunity to pursue the American dream—by preparing our children for challenges of their times.

