ALLIANCE FOR EXCELLENT EDUCATION

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Saving Futures, Saving Dollars

The Impact of Education on Crime Reduction and Earnings

America's standard of living and international competitiveness will be strengthened if its high schools are improved. Research indicates that about 75 percent of America's state prison inmates, almost 59 percent of federal inmates, and 69 percent of jail inmates did not complete high school. Additionally, the number of prison inmates without a high school diploma has increased over time (Harlow, 2003). Reforming the nation's high schools could potentially increase the number of graduates and, as a result, significantly reduce the nation's crime-related costs and add billions of dollars to the economy through the additional wages they would earn. Increasing the graduation rate and college matriculation of male students by only 5 percent could lead to combined savings and revenue of almost $8 billion each year.

To achieve those savings and that additional revenue, the nation's schools—especially its high schools—must change for the better. Only about 70 percent of students—approximately 65 percent of males and 73 percent of females—currently graduate from America's high schools on time (Editorial Projects in Education [EPE], 2006).

Crime Reduction through Better Education

Lower educational attainment levels increase the likelihood that individuals, particularly males, will be arrested and/or incarcerated. For instance, a study that looked at state prisoners' education levels in 1997 showed that "male inmates were about twice as likely as their counterparts in the general population to not have completed high school or its equivalent," and four times as many males in the general population had attended some college or other postsecondary classes than those in prison (Harlow, 2003).

Theories abound as to why people with more education commit less crime. To list a few:

- People who have high school diplomas or better earn higher wages through legitimate work, thus reducing the individual's perceived need to commit a crime and/or raising the potential cost of crime to that person (i.e., getting caught and being incarcerated) to unacceptable levels.
- The stigma of a criminal conviction may be greater for professional workers, who tend to have higher levels of education, than for those in lower-paying, lower-skilled jobs.

Education and Crime

The nation spends an average of $9,644 a year to educate a student.
(National Center for Education Statistics, 2006)

The average annual cost per inmate is $22,600.
(Stephen, 2004)

The United States spent almost $50 billion in incarceration costs in 2004.
(Bureau of Justice Statistics, 2005; Stephen, 2004)

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- More time spent in the classroom may play a role in instilling values that are opposed to criminal actions.
- Criminal behavior that begins during youth can continue into adulthood. By keeping adolescents in the classroom and off the streets, later criminal activity may be avoided (Lochner & Moretti, 2004).

Whatever the underlying causes, education clearly has a strong impact on crime prevention and the personal safety of Americans.

Obviously, dropping out of school does not automatically result in a life of crime; the vast majority of individuals who leave high school without diplomas are, and remain, law-abiding citizens. High school dropouts, however, are far more *likely* than other people to be arrested or incarcerated. Estimates vary somewhat; the Coalition for Juvenile Justice finding that "dropouts are three and a half times more likely than high school graduates to be arrested" (2001), while a more recent survey of dropouts concludes that they are "more than eight times as likely to be in jail or prison" (Bridgeland, DiIulio & Morison, 2006). However the numbers are calculated, the larger message remains the same: individuals with lower levels of education are more likely to commit crimes and be jailed than their better educated peers.

Crime Doesn't Pay—Diplomas Do

The financial cost of crime to communities, states, and the nation cannot be overstated. It includes expenses related to medical care for victims, loss of victims' income, reduced tax revenue as a result of lost wages, and rising police payrolls and court operating budgets. Most expensive of all is the cost of incarcerating convicted criminals.

Using methods outlined by economists Lance Lochner of the University of Western Ontario and Enrico Moretti of the University of California, Berkeley (2004), the Alliance for Excellent Education conservatively estimates that if the male graduation rate were increased by just five percent, *annual crime-related savings* to the nation would be approximately $5 billion dollars. The benefits would vary from state to state: South Dakota (at the low end) would save $1.6 million, Oklahoma (near the middle) would save $63 million, and California (at the high end) would save almost $753 million.

Beyond the savings related directly to crime reduction, almost $2.8 billion in *additional annual earnings* would enter the economy if more students graduated from high school. Using 2004 U.S. Census Current Population Survey data, the Alliance calculates that if an additional 5 percent of male students not only graduated, but also

Education and Crime

A ten percent increase in the male graduation rate would reduce murder and assault arrest rates by about 20 percent, motor vehicle theft by 13 percent, and arson by 8 percent. (Moretti, 2005)

Of black males who graduated from high school and went on to attend some college, only 5 percent were incarcerated in 2000. (Raphael, 2004)

Of white males who graduated from high school and went on to attend some college only 1 percent were incarcerated in 2000. (Raphael, 2004)

State prison inmates without a high school diploma and those with a GED were more likely to be repeat offenders than those with a diploma. (Harlow, 2003)

went on to college in the same percentages as current male high school graduates, their average earnings would increase significantly. The benefits, again, would vary from state to state: Wyoming (at the low end) would see an increase of $5 million, Massachusetts (near the middle) would add $55 million to its economy, and California's economy (at the high end) would accrue an additional $352 million. These numbers reflect only additional wages earned, without considering the added economic growth produced by each new dollar in the economy or the additional tax revenues that would be produced.

State-by-state estimates of the annual economic benefits generated from crime-related savings and additional annual earnings can be seen on the chart on page 4.

High School Improvement is Key to Graduating More Students

To increase the number of students who graduate, the nation's schools—particularly its high schools—must dramatically improve. Low graduation rates are particularly severe in urban areas and in schools serving large numbers of poor and minority students. The Editorial Projects in Education Research Center estimates that of the approximately four million students who entered ninth grade four years ago, 1.2 million did not graduate with a regular diploma this year. Only about 52 percent of African-American and 56 percent of Hispanic students graduate on time, compared to 76 percent of their white peers (EPE, 2006).

Over a third of jail inmates said the main reason they quit school was because of academic problems, behavior problems, or lost interest.
(Harlow, 2003)

Transforming high schools with the goal of having every student graduate ready for college or a good job is not easy. There is no silver bullet, but researchers and educators are developing and implementing innovative programs and interventions to help students—even those who enter ninth grade performing far below grade level—graduate successfully. Much is known about what students need to achieve at high levels academically, and some schools and districts are applying this knowledge with excellent results.

Policies must be put into place at the national, state, and local levels that will support effective reforms and innovative practices. Interventions that bring struggling students up to grade level and experiences that bring real-world relevance into classrooms are critical, as are school environments that support excellence in teaching and learning.

Improving high schools will lead to increased graduation rates, which will result in lowered crime and incarceration rates and increased economic activity. Individuals, communities, states, and the nation will be the beneficiaries.

For more information about the state of America's high schools and to find out what individuals and organizations can do to support effective reform at the local, state, and federal levels, visit the Alliance for Excellent Education's website at www.all4ed.org.

The Impact of a Five Percent Increase in Male High School Graduation Rates on Crime Reduction and Earnings[1]			
State	Annual Crime-Related Savings	Additional Annual Earnings	Total Benefit to State Economy
Alabama	$82,114,178	$42,695,448	$124,809,626
Alaska	$10,385,910	$8,229,446	$18,615,356
Arizona	$130,548,518	$53,146,250	$183,694,768
Arkansas	$52,527,329	$24,825,605	$77,352,934
California	$752,933,848	$352,182,007	$1,105,115,855
Colorado	$49,051,830	$42,954,144	$92,005,974
Connecticut	$31,624,059	$31,692,936	$63,316,995
Delaware	$9,923,632	$7,271,214	$17,194,846
District of Columbia	$66,503,310	$3,237,663	$69,740,973
Florida	$332,386,028	$174,243,833	$506,629,861
Georgia	$185,633,644	$90,744,324	$276,377,968
Hawaii	$6,835,886	$11,203,133	$18,039,020
Idaho	$7,374,662	$13,817,814	$21,192,476
Illinois	$263,078,679	$115,756,032	$378,834,711
Indiana	$95,731,795	$56,133,136	$151,864,932
Iowa	$17,544,077	$26,798,824	$44,342,901
Kansas	$36,327,968	$26,397,581	$62,725,549
Kentucky	$50,190,235	$37,221,909	$87,412,144
Louisiana	$164,467,403	$39,778,515	$204,245,917
Maine	$3,046,026	$11,679,610	$14,725,636
Maryland	$160,557,762	$50,869,458	$211,427,220
Massachusetts	$59,187,389	$55,535,231	$114,722,620
Michigan	$175,304,759	$105,034,655	$280,339,414
Minnesota	$30,608,540	$47,171,157	$77,779,698
Mississippi	$66,976,174	$26,274,832	$93,251,006
Missouri	$95,613,931	$51,781,495	$147,395,426
Montana	$10,637,756	$8,967,258	$19,605,015
Nebraska	$16,519,921	$16,469,451	$32,989,371
Nevada	$55,973,838	$22,464,341	$78,438,180
New Hampshire	$3,397,405	$12,032,017	$15,429,423
New Jersey	$120,008,948	$69,283,091	$189,292,039
New Mexico	$37,905,377	$19,840,422	$57,745,799
New York	$286,896,473	$170,426,743	$457,323,216
North Carolina	$151,947,826	$80,880,868	$232,828,694
North Dakota	$2,480,026	$6,408,013	$8,888,039
Ohio	$126,369,800	$106,527,438	$232,897,238
Oklahoma	$63,248,994	$33,164,601	$96,413,595
Oregon	$21,053,644	$30,029,888	$51,083,532
Pennsylvania	$182,071,834	$106,127,515	$288,199,349
Rhode Island	$5,946,578	$9,485,971	$15,432,549
South Carolina	$105,184,170	$45,366,883	$150,551,053
South Dakota	$1,636,287	$7,048,154	$8,684,441
Tennessee	$132,841,628	$50,196,980	$183,038,608
Texas	$428,340,492	$263,016,258	$691,356,750
Utah	$15,180,026	$24,155,106	$39,335,132
Vermont	$3,518,159	$5,783,710	$9,301,869
Virginia	$109,091,336	$70,200,407	$179,291,743
Washington	$50,235,943	$60,499,296	$110,735,239
West Virginia	$19,811,155	$15,995,614	$35,806,769
Wisconsin	$47,775,714	$53,395,707	$101,171,421
Wyoming	$4,467,005	$5,081,534	$9,548,539
United States	$4,939,017,909	$2,799,523,519	$7,738,541,428

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[1]Crime-related savings were calculated using methods outlined by economists Lance Lochner and Enrico Moretti (2004), which estimate the costs (e.g., incarceration, property loss, and costs to victims) of crimes such as murder, rape, robbery, assault, burglary, larceny, and motor vehicle theft and the percent change in those crimes based on a 1 percent increase in the male graduation rate. For this Alliance analysis, 2003 Uniform Crime Report data on the number of crimes in each state were multiplied by the percent change for each crime due to a 5 percent increase in the male graduation rate. Increased earnings were calculated using 2004 U.S. Census Current Population Survey data, which finds that, on average, male, year-round, full-time workers of all races who are high school dropouts earn $11,173 less than high school graduates, $19,174 less than those that attend some college, and $53,850 less than those with a bachelor's degree or higher. According to the National Center for Education Statistics' 2003 Condition of Education report, of male students finishing high school, 26.3 percent earn only a high school diploma, 46.8 percent attend some college, and 26.9 percent earn a bachelor's degree or higher. These educational attainment percentages were then multiplied by the number of additional male high school graduates, assuming a 5 percent increase in the male graduation rate. Finally, the number of additional students attaining these levels of education was multiplied by the earnings difference between a high school dropout and each respective level of educational attainment.