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Investments in education are smart decisions

By Liz Chun

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In the current economic downturn, we are all concerned about the future. Baby boomers are concerned about retirement funds sufficient to accommodate their needs; young families wonder what the future will hold when their children become adults. The daily media are filled with advice for worried citizens.

Recently we have seen the governor, Legislature and Board of Education struggling with decisions on funding education. The American Recovery and Reinvestment Act recognizes the importance of education by providing millions to invest in education. President Obama described the stimulus plan as a "down payment on success of the next generation." Investing in education is one of the smartest decisions we can make.

Many families believe that the long-term path to success begins with rising to the challenge of education. This wisdom is usually illustrated through stories of successful adults who credit their educational experience as making a difference in their lives. These beliefs are supported by long-term studies and intricate mathematical calculations showing the economic benefits of educational investments — not only to the individual, but also to society.

In March 2009, the Good Beginnings Alliance released a study funded by the Harold K.L. Castle Foundation and the W.K. Kellogg Foundation that shows investing in early childhood education has proven economic returns in Hawai'i.

Investing in early education provides the foundation for our state's economy — not only increasing the skill level of our future workforce, but also better enabling parents to be more productive workers.

The report, authored by Dr. Clive Belfield, Associate Professor of Economics at Queens College City University of New York, conservatively projects that for every \$1 invested today, Hawai'i will reap at least \$4.20 in future savings and increased earnings (www.goodbeginnings.org).

Belfield calculated the economic benefits to our public school system, the higher tax revenues from parents and these children as they grow into adulthood, and savings in health services and the criminal justice system. Bottom line, the projected savings derived from a fully implemented quality early-learning system provide the following tangible economic benefits for taxpayers:

We know that investing in early learning is not, by itself, a silver bullet. Investing in K-12 and higher education also provides significant returns to individuals privately, as well as to the public. Bottom line, more education is better for everyone.

The data are compelling as to the private economic benefits from investing in K-12 and higher education. An individual with a higher level of education will have personal/professional mobility through choices of jobs and living options, and can expect to receive a higher salary and benefits.

The Institute for Higher Education Policy's 2005 report, The Investment Payoff, shows that in Hawai'i

there is a direct personal financial benefit to having more education. Data show:

Investing in K-12 and higher education also results in public economic benefits including:

- Increased tax revenues from higher earnings. For example, a 2006 University of Hawai'i economic impact study shows that a Hawai'i resident with a bachelor's degree contributes \$168,450 more in state taxes over a lifetime than a resident with only a high school diploma;
- Decreased reliance on government financial support and less need for unemployment benefits and public assistance;
- Multiplier effect of educational spending. For example, the 2006 UH economic impact study reported that for every \$1 million of state general funds invested at UH, 65 jobs were generated.

As in the early-education study, the private social benefits resulting from investing in K-12 and higher education include improved health, as well as improved quality of life for children and families. Associated public social benefits include increased civic engagement, such as charitable giving, community service and more voter participation.

How does educational attainment in Hawai'i compare with national data?

Historically, we have done well, attaining education at higher levels. The 2000 U.S. Census showed the following for Hawai'i residents, age 25 and over, versus national percentages:

However, UH strategic-planning efforts revealed that Hawai'i's tradition of high levels of education is in jeopardy.

In spite of what Obama described last month as "an unwavering belief that our children should climb higher than we did," we find fewer of our 25- to 34-year-olds having college degrees than their parents' generation.

With today's economic shortfalls, government officials and businesses are carefully examining how to invest and manage funds. Stabilizing the economy and sustaining growth are everyone's concerns.

The Economic Benefits of Investments in Early Education for Hawai'i and the K-12 and the higher education data present compelling evidence that we must invest in and sustain funding for Pre-K-20 education.

Investments in education will reap the most significant long-term benefits for Hawai'i, ensuring the ability and vitality of our current and future workforce, as well as our social fabric. Investment in education is a smart decision.

Voices of Educators comprises some of Hawai'i's top education experts, including: Liz Chun, executive director of Good Beginnings Alliance; Patricia Hamamoto, superintendent of the Department of Education; Christine Sorensen, dean of the University of Hawai'i's College of Education; Donald B. Young, Hawai'i Educational Policy Center; Roger Taka-bayashi from the Hawaii State Teachers Association; Sharon Mahoe of the Hawai'i Teacher Standards Board; Alvin Nagasako of the Hawaii Government Employees Association; and Robert Witt of the Hawaii Association of Independent Schools. Visit their Web site at www.hawaii.edu/voice.

Liz Chun is executive director of Good Beginnings Alliance.
