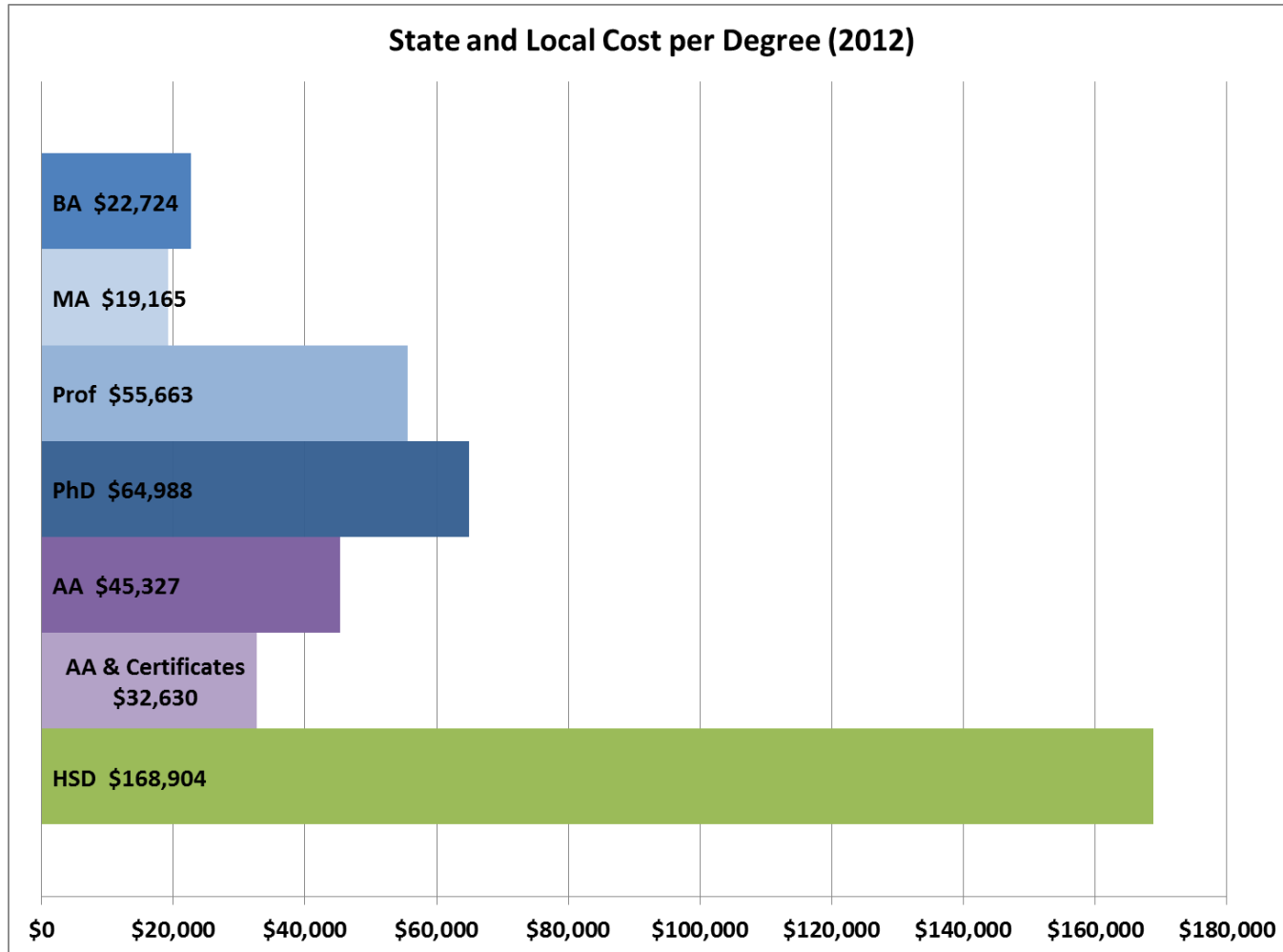


# Rob Saxton

Deputy Superintendent of Public Instruction  
Oregon Department of Education

# **Education and Financial Success**

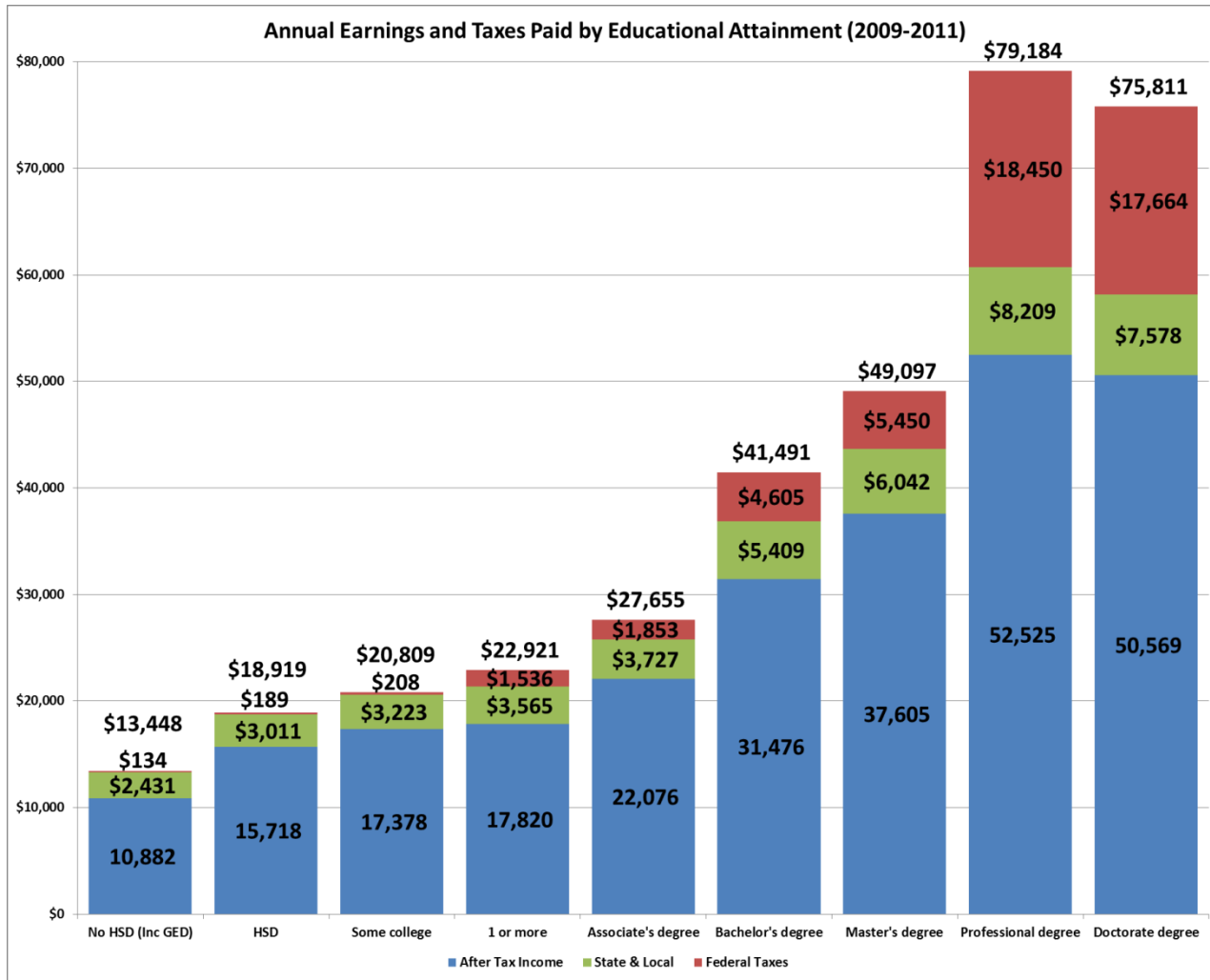
Title: Governmental Cost per Degree



**Source(s):** Enrollment: OUS Internal Research, CCWD Communications and Research Dept. and ODE *NCES\_MediaFile\_GradandDrop*  
 Governmental Costs: OSAC *Opportunity Grant Awards & Net Distributions 2011-12*, LFO *Budget Highlights 2011-13 Legislatively Adopted Budget*

**Description:** This graph shows the cost per degree to educate a student at ODE, CCWD and OUS institutions excluding tuition. The cost of a degree is determined by taking one year’s worth of state appropriations and local property tax revenue for ODE and CCWD divided by the total number of degrees produced. OUS includes a culling of revenue based on RAM funding and the proportionality of degrees granted. Imbedded in these cost figures are all the years of investment for each student outcome. For a high school diploma it has taken from kindergarten to 12<sup>th</sup> grade worth of investment to produce one degree. Also imbedded is the cost of those that drop or stop out because they do not show up in this outcome measure.

Title: Average Annual Earnings and Taxes Paid by Educational Attainment

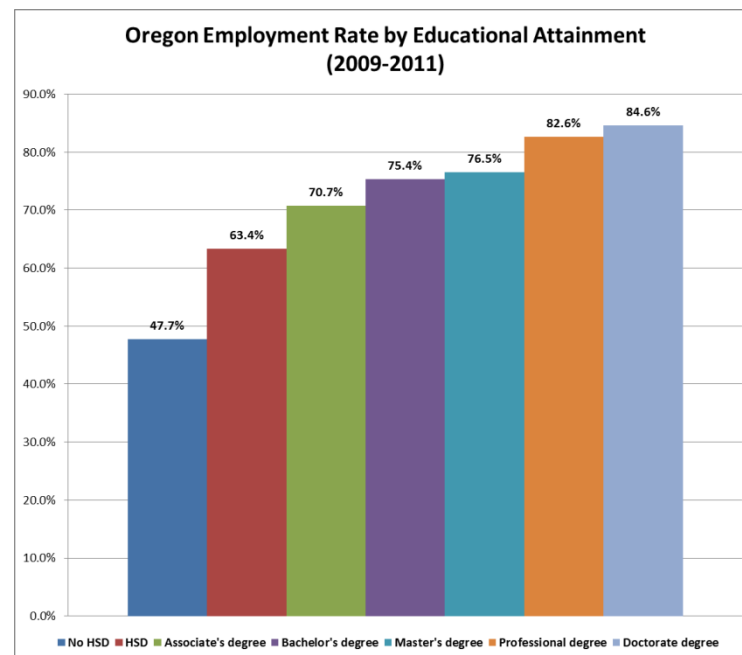
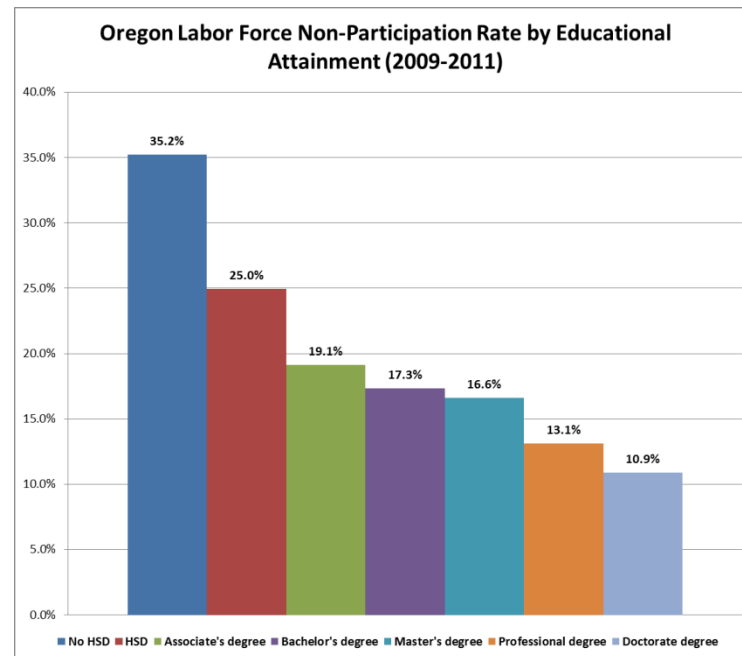
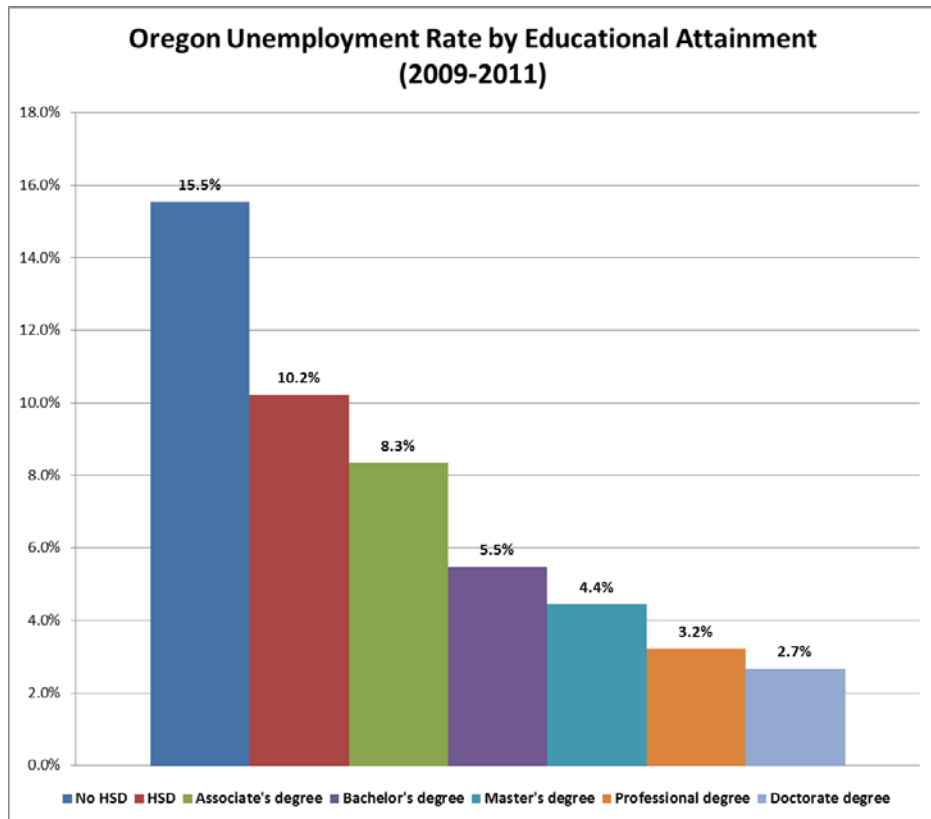


**Source(s):** Income: American Community Survey 2009-2011, Property Taxes: American Community Survey 2009-2011, State Taxes: "Who Pays? A Distributional Analysis of the Tax System in All 50 States." Institute on Taxation & Economic Policy, Federal Taxes: "The Distribution of Household Income and Average Federal Tax Rates, 2008 and 2009." Congressional Budget Office.

**Description:** This graph demonstrates the starkly different realities in earnings and taxes paid by Oregonians on the local, state and federal levels. Oregonian's with a Bachelor's Degree earn on average \$22,572 more than high school graduates and pay \$6,814 more in Federal, State and Local taxes. Individuals with one year or more of college education, but no degree earn 21% more annually than high school graduates.

**Caveats:** It is important to remember that not all earnings differences are attributable to educational attainment and may include parents educational attainment and socioeconomic status, personal characteristics and intrinsic ability.

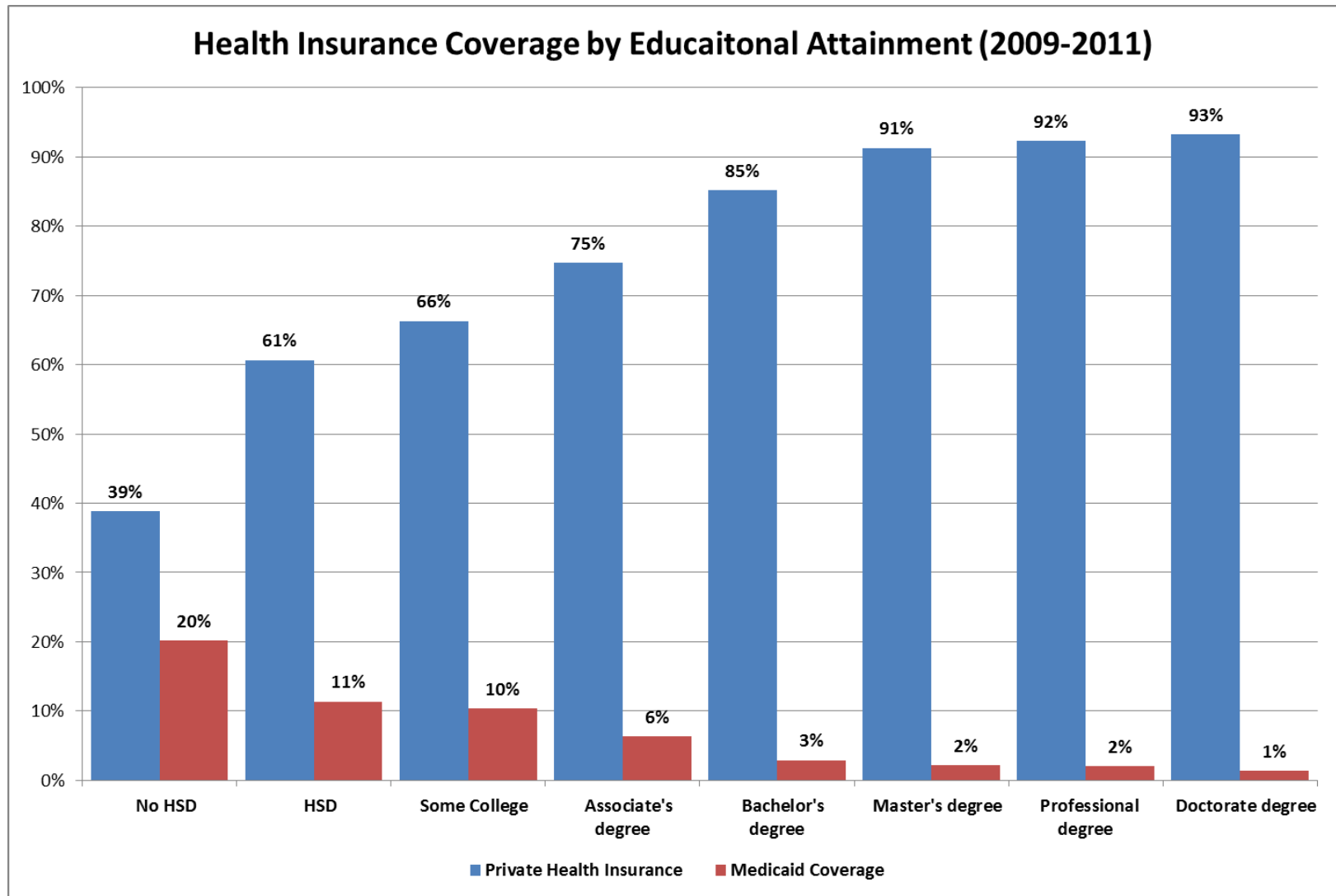
Title: Oregon Labor Force Participation Rate, Non-Participation Rate and Unemployment Rate by Educational Attainment



Source(s): American Community Survey 2009-2011

**Description:** This set of graphs shows the concentration of unemployment and labor force non-participation by educational attainment in Oregon. Simply put, the more education one receives the more likely they are to be in the labor pool and the more likely they are to be employed. An individual with a Bachelor's Degree is roughly 1/3 as likely to be unemployed as an individual that failed to graduate from high school, and roughly 1/2 as likely to be unemployed as someone who graduated from high school but did not continue their education. Further, a high school graduate is 45% more likely to not be unattached to the labor force, i.e. not employed and not actively seeking employment, than a college graduate. As educational attainment increases, on average, employment increases, unemployment decreases and labor force participation increases.

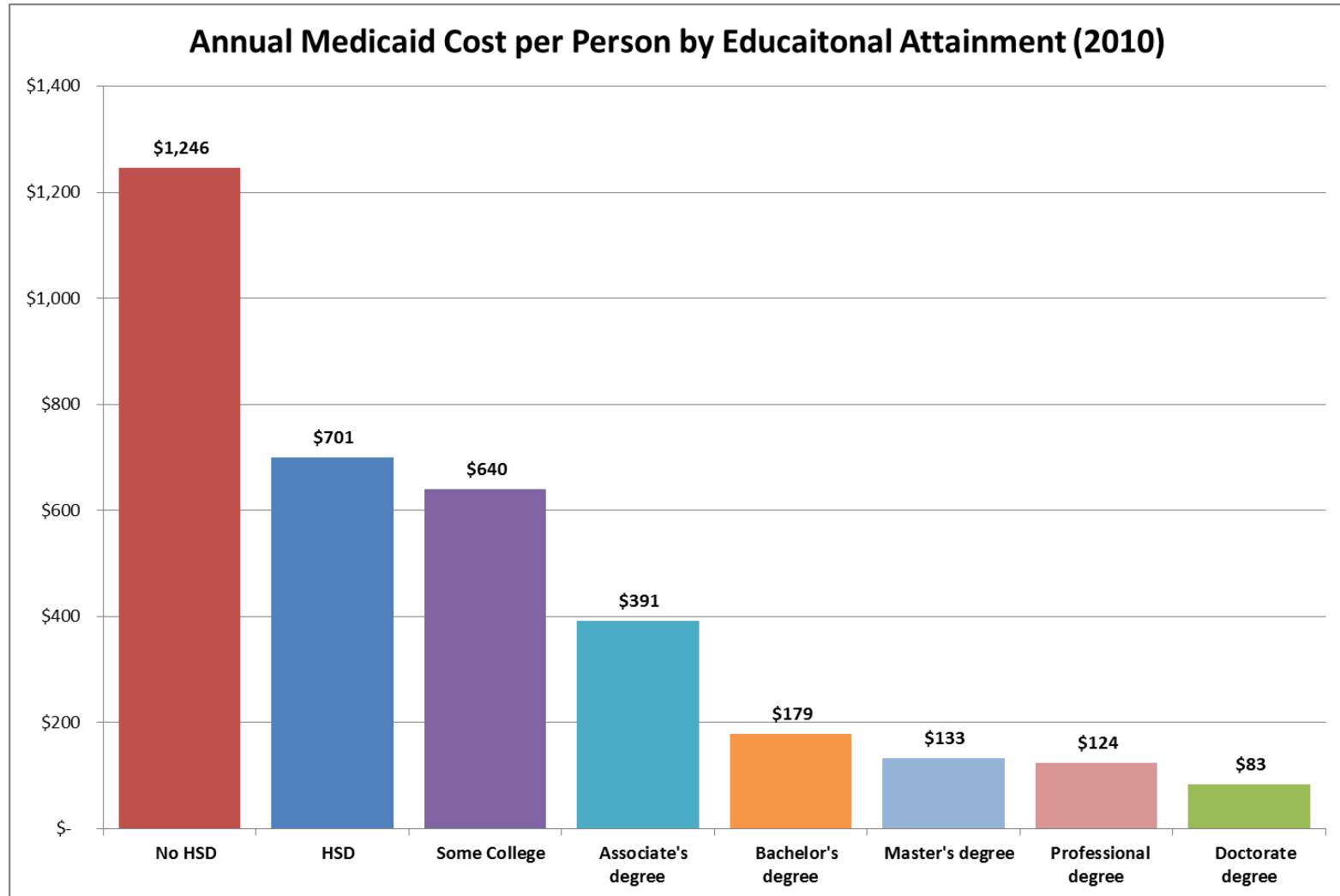
Title: Health Insurance Coverage by Educational Attainment



Source(s): American Community Survey 2009-2011

**Description:** This graph shows the increasing rate by which individuals with higher education access private health insurance, and conversely the relatively high rate of Medicaid coverage for individuals with lower educational attainment rates. The cost of private health insurance is borne by the individual and their employer, while the cost of Medicaid coverage is split between state and federal government. A bachelor's degree holder is 24% more likely to have employer provided health insurance than a high school graduate, an advanced degree holder is 30%+ more likely to have employer provided health insurance. Only 39% of individuals who fail to graduate from high school or receive a GED have employer provided health insurance. Because the majority of children in Oregon live in households headed by individuals who are high school graduates or less (63%), who are less likely to have employer provided health insurance, social medical insurance programs have an increased burden to take care of these children. Only 29% of children come from households headed by individuals with bachelor's degrees or higher.

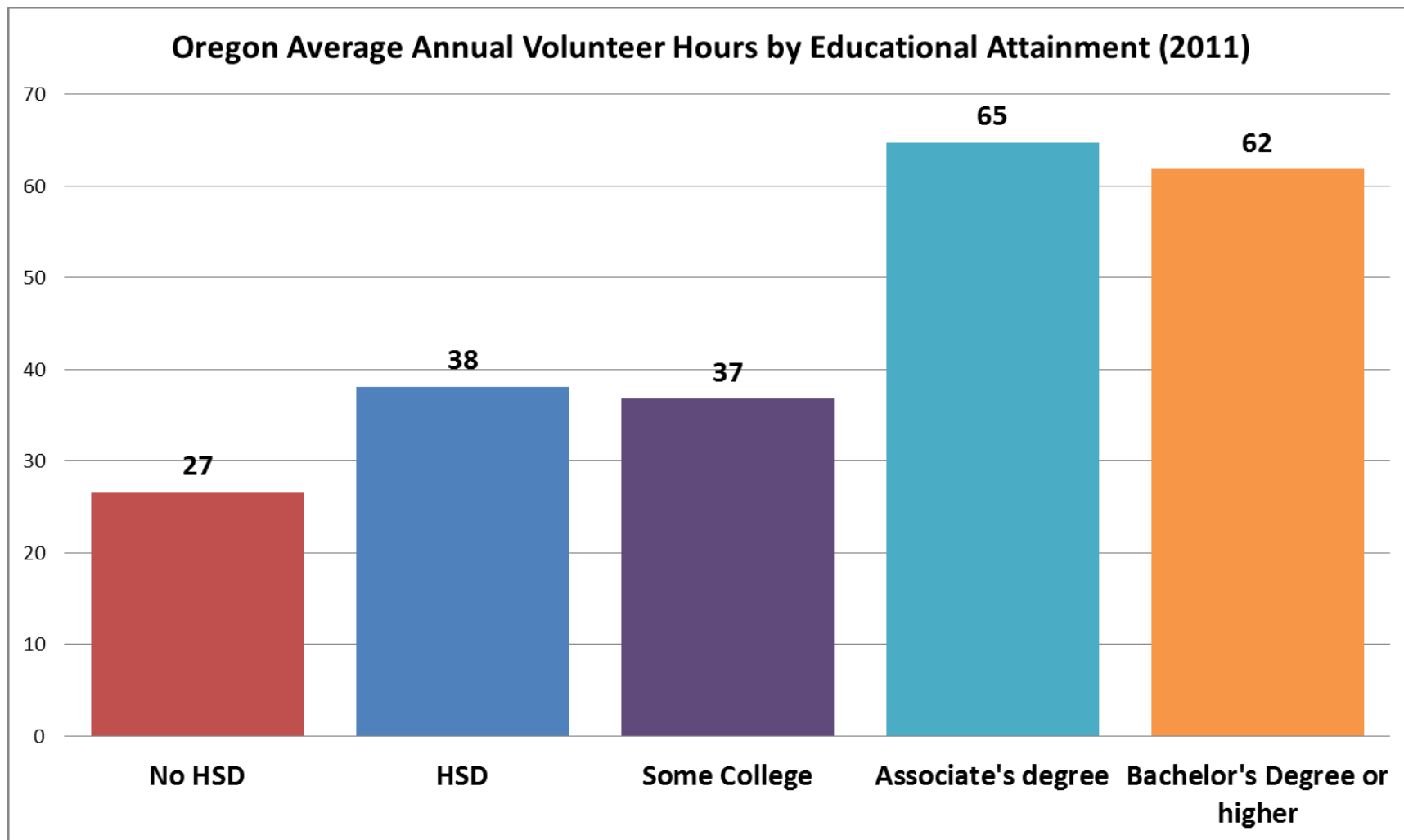
**Title:** Yearly Medicaid Cost per Person by Educational Attainment



**Source(s):** Medicaid utilization rate: American Community Survey 2009-2011, Average Medicaid cost: "Oregon Medicaid Statistics" (2010 Data) U.S. Department of Health and Human Services

**Description:** This data shows the dramatic decrease in Medicaid cost to taxpayers as individuals gain higher levels of education. An individual who earns a Bachelor's degree will, on average, cost the state and federal government roughly 1/7 in Medicaid costs than an individual who dropped out of high school, or roughly 1/4 of the cost, on average, than someone who ended their education after earning a High School Diploma. The State of Oregon is responsible for approximately 1/4 of the total Medicaid benefits, the Federal Government picks up the remainder. In 2010 the State of Oregon's portion of Medicaid costs was \$1.072 billion. Over the adult years (18-64) a bachelor's degree holder is expected to cost taxpayers over \$24,000 less than a high school graduate in Medicaid costs alone. An associate's degree holder saves taxpayers an estimated \$14,000 dollars over their working life.

**Title:** Annual Average Hours Volunteered by Educational Attainment

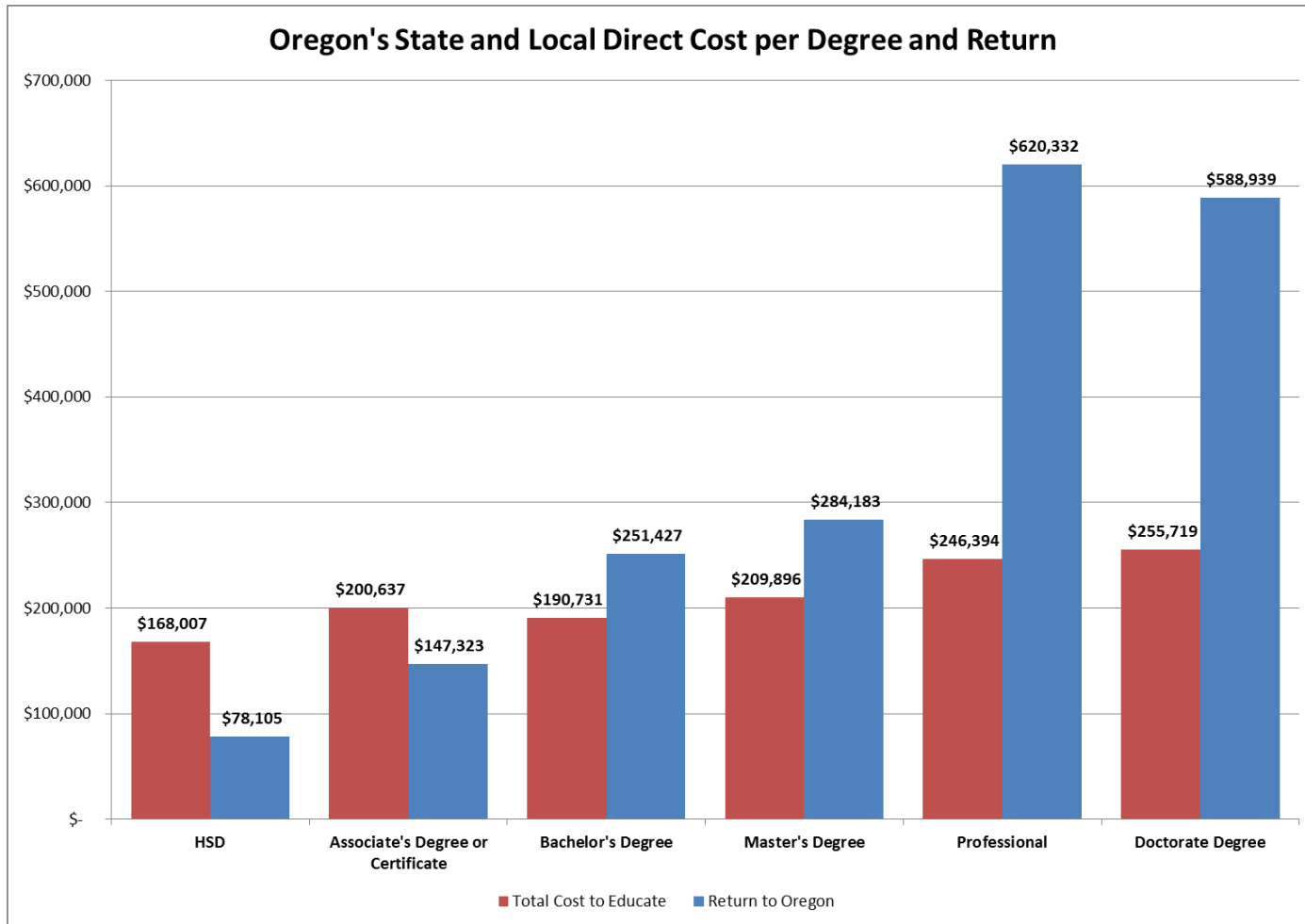


**Source(s):** Current Population Survey (September) 2011

**Description:** This graph shows the link between average hours per year volunteered by educational attainment level. Again we see that individuals with higher education tend to volunteer more hours in their communities. It should also be noted that individuals with higher educational attainment levels also have higher employment rates



Title: Cost and Return to Oregon by Educational Attainment



Source(s): Various

**Description:** This graph shows the cost and benefit to Oregon by educational attainment level. The cost of education is determined by adding together each level of education, for example the cost of a Master's degree to Oregon is the cost of a high school diploma, the cost of a Bachelor's degree as well as the incremental cost of the Master's degree to produce the aggregate cost of a degree. The return to Oregon is in the form of additional tax revenue, including federal and local taxes (Oregon receives over 100% of its citizen's tax payments back in the form of appropriations) as well as savings in social and incarceration expenses and the additional value of volunteerism citizens provide to their communities. Much of the additional return is from increases in tax payments with a Bachelor's degree holder expected to pay \$102 thousand in federal income taxes over their working life as opposed to a person with a high school diploma who on average is expected to pay only \$4,193 dollars over their working life. The incremental investment in education at every level provides a positive return.