



INVESTING IS EDUCATION IS GOOD FOR THE ECONOMY AND JOBS

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WHAT IS REMI?

- REMI (Regional Economic Modeling, Inc.) is an advanced model generator that simulates the effects of economic policy changes on the economy.
- Since 1980, REMI's econometric models have provided impartial, objective data that can help leaders make informed decisions, push for policy change, and plan for the future.

OEA REQUEST COMPARED TO GOV'S BUDGET SHORT TERM ECONOMIC IMPACTS

- **IN THE FIRST YEAR ALONE**
 - 4,900 more jobs across all sectors
 - 1,925 more education and healthcare jobs
 - \$323 million increase in personal income
 - \$390 million increase in Oregon's GDP

OEA REQUEST COMPARED TO GOV'S BUDGET LONG TERM ECONOMIC IMPACTS

- **IN THE FIRST 10 YEARS**
 - 13,700 more jobs across all sectors
 - 4,800 more education and healthcare jobs
 - \$1.4 Billion increase in personal income
 - \$1.1 Billion increase in Oregon's GDP

WHY INVEST IN PUBLIC EDUCATION?

- Investing in public education grows the economy and helps students succeed
- Public education is labor intensive and employs many people in every community
- Money invested in public education stays local and further drives the economy in every community

IT'S ALSO GREAT FOR TAXPAYERS!

TAXPAYER RETURN ON INVESTMENT IN PUBLIC EDUCATION
EXCEEDS RETURNS GENERATED BY THE STOCK MARKET

Long-term return on common stocks:* 7.03%

Public return on investment in education:** 9.0%

**Dow Jones Industrial Average returns over the last 20 years.*

***Elementary and Secondary, includes additional taxes and reductions in social service outlays.*

EDUCATION INVESTMENT CREATES JOBS, TAX CUTS SHED JOBS

- \$100 million tax cut will cause a job loss of **466** in the first year and **689 jobs lost** in the first three years, and **424** gained over 10yrs.
- \$100 million investment in education even in the form of a tax increase would create **604** jobs in the first year and would create **1428 jobs** in the first three years and **4,579** created over 10yrs.

THE ECONOMICS OF PUBLIC EDUCATION AND GRADUATION RATES ARE UNDENIABLE

- A 10% increase in the graduation rate grows the economy by **\$5.7 billion** and creates **14,000** jobs.
- These new graduates would contribute roughly **\$664 million** in taxes by the midpoint of their career.
- Because high school graduates tend to live healthier lives, these new graduates will save the nation **\$16 billion** in health care costs

EVERYONE REAPS THE BENEFIT

- Every income group benefits from investment in public education, but the bottom fifth benefits the most
- Every \$1,000 of added investment per K-12 student raises the income of the poorest 20% in the state by 3.6% and reduces the poverty rate by 15%.

EDUCATION IS A PUBLIC GOOD

- When education funding is increased, home values and personal income go up, while crime and poverty rates decline.
- Research shows higher parent education means that their children enjoy better health, cognitive abilities, and academic achievement.
- Children of parents with higher-paying jobs, which are likely to require a degree, are less likely to rely on food stamps or welfare.

EVERYWHERE YOU LOOK, INVESTMENT IN EDUCATION PROVIDES BENEFITS

A high school graduate's contribution in income tax revenues would result in savings of \$37,388 in healthcare costs and \$167,990 in crime costs over his/her lifetime.



Every \$1 invested in pre-school education provides an economic return of \$7.

America's economy will grow by \$309 BILLION if all high school students graduate.



TAKEAWAYS & CONCLUSIONS

- Investing in education is good for students and the economy
- Education jobs are local and create economic growth in an equitable way
- Investment in education drives local economies because the investment stays local and inures to the benefit of local communities.