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New Study Shows High School Dropout Crisis Hurting U.S. Economy

HARTFORD, CT....A new study by the Center for Labor Market Studies at Northeastern University shows the difference in mean lifetime net fiscal contributions to the U.S. economy between a high school dropout in Connecticut and their counterparts with a diploma and no post-secondary schooling is more than \$500-thousand.

“Dropping out of high school is the equivalent of economic suicide,” said Andrew Sum, PhD, Director of the Center for Labor Market Studies at Northeastern University who conducted the study.

Sum presented his findings during a news conference today in Hartford

The study was commissioned by Our Piece of the Pie® (OPP®) and Capital Workforce Partners (CWP) with additional funding support from the Nellie Mae Education Foundation and the Connecticut Office of Workforce Competitiveness.

The statewide study shows that, taking into account social services, incarceration costs, medical care and lost tax revenue, the economy loses more than \$500-thousand dollars over the lifetime of each high school dropout.

“Ensuring that our young people earn their diploma, not only helps them break the vicious cycle of poverty, it will be a tremendous benefit to the health of our local, state and federal economies,” said Bob Rath President/CEO of OPP. “This report is alarming” Rath said.

The study shows that 31% of high school dropouts in Connecticut between the ages of 16-24 are unemployed.

Among the study's other findings:

- Dropouts, age 16-24, are four times more likely to be unemployed than their counterparts with a college degree
- Dropouts, age 16-24, work nearly 1,500 hours less per year than their counterparts with a BA or higher
- Dropouts, age 16-24, earn \$19-thousand less annually than college graduates with a BA or higher
- Male dropouts make \$1-million less in mean lifetime earnings than their male counterparts with 1-3 years of college; female dropouts earn \$700-thousand less than their female counterparts

The Center for Labor Market Studies is an applied research, evaluation, and policy-oriented technical assistance unit located within the Department of Economics of Northeastern University

Our Piece of the Pie, a leading youth development agency, provides education and employment services to Hartford youth with the long-term goal of a college degree or vocational certification, and or full-time employment for each youth.

The entire study and supporting materials can be found on the homepage of www.opp.org.