

5 Reasons Why We Must Invest in Public Education to Grow Our Economy

1. We live in a new, knowledge-based, global economy. We can't compete in this new economy on the basis of cost alone. Whether it is in China or India, someone can always make things cheaper than we can. All we have left is the ingenuity of the American people. To keep our economic edge, we must invest in those people – especially through public education – and in the infrastructure that connects us all.

2. What does “good economy” mean? In a nutshell, good economy means three things: job growth, income growth, and income equality. We can create millions of jobs at \$1 a day right now. In a good economy, however, we want jobs with good wages. Similarly, we don't want economic growth that redistributes income earned by most of the people to only the top 1% of the people. *We want an economy in which everyone benefits.* Empirical evidence shows that investment in public education wins on all three indicators of good economy: job growth, income growth, and income equality. In fact, public schools are the only way for many people to get out of poverty.

3. Investment in public education is a great short-term stimulus to the economy. Public education is highly labor intensive and constitutes a local industry. A dollar spent on public education is spent locally, unlike a dollar spent, say, on tax give-aways to big corporations, as they tend to move money out of local communities and into tax havens.

4. If we look back in history, our economy grew in terms of jobs, income, and income equality at times when we made appropriate investments in people and infrastructure. Remember Land Grant Colleges, the G.I. Bill of Rights, the National Defense Education Act, and the Highway Act. And the list goes on. Unfortunately, in the last 30 years, as a percentage of GDP we have cut back our investment in public education and put in its place policies that redistribute income upward, from the bottom to the top. No wonder we are in such an economic mess.

5. Finally, investment in public education has long-term economic returns with respect to productivity and innovation. Taxpayers get their money back with a 12% rate of return. No other investment – including the stock market and bond funds – provides such a high return on the investment of taxpayer dollars. And, this return doesn't even count the reduction in crime and other social costs associated with underinvestment in public education.

For more information contact TEF@nea.org.



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