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INVESTING IN EDUCATION IS KEY FOR GROWTH AND JOB CREATION

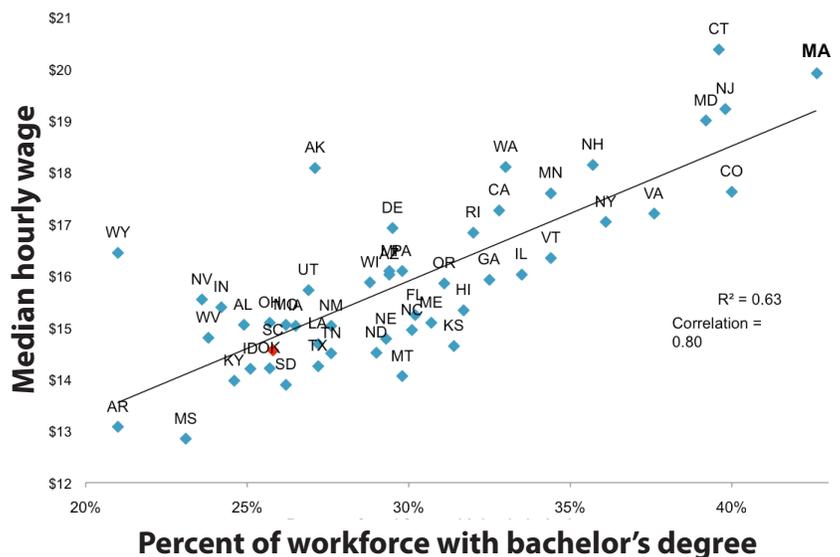
“Years ago, I often heard companies say the cost of doing business was their No. 1 concern. During my time in the Tulsa Regional Chamber and now as secretary of state, I am increasingly hearing from employers who say that an educated workforce, supported by strong public education, is the most important factor in deciding where to locate or expand.”

-Secretary of State Chris Benge

Highly educated states have more productive residents with higher incomes.

- With few exceptions, the states where workers earn the highest wages are the states with the most college graduates, while states with the lowest median wages are those with the fewest college graduates.
- Despite our state’s recent economic successes, Oklahomans’ wages lag well behind the national average. Oklahoma’s median wage in 2010 was \$14.73 per hour, which was \$1.27 below the national median wage and lower than all but 10 other states. At 22.7 percent, we rank 42nd in percentage of the population with a bachelor’s degree or more.
- In multiple surveys, businesses in Oklahoma and nationally rank the presence of a skilled workforce as more important than state and local tax rates when considering where to create new jobs.

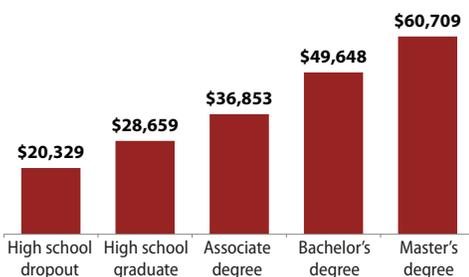
Strong Correlation Between Education and Wages



Source: Economic Policy Institute analysis of Current Population Survey

Investing in education creates good jobs.

Median annual earnings of U.S. workers, age 25+, by education, 2011



Source: Current Population Survey, 2012 Annual Social and Economic Supplement

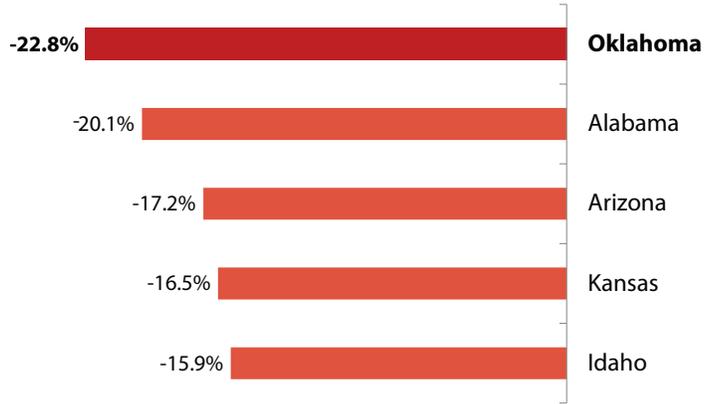
- Those with more education earn higher pay and have fewer periods of unemployment.
- The wage premium for a college degree has increased significantly since the 1980s and 1990s. Good jobs for those without a college degree have largely disappeared.
- A study by Robert Pollin and Heidi Garrett-Peltier (2009) found that dollar for dollar, government spending on education created the most jobs. Education spending created almost twice as many jobs as would be expected from tax cuts of equal value and also resulted in better paying jobs.

Oklahoma has made the largest cuts to school funding in the nation.

- Oklahoma has 1,500 fewer classroom teachers and 40,000 more students since 2008-2009.
- Lawmakers have imposed stringent new testing and accountability mandates without new funding.
- Oklahoma is consistently ranked near the bottom for education funding and teacher pay.
- Per student funding is down even more for Oklahoma higher education (-26.2% after inflation). The cost is being shifted onto rising tuition and fees.

Five Worst K-12 School Funding Cuts Since 2008

Percent change in spending per student, inflation adjusted, FY08 to FY14



Source: Center on Budget and Policy Priorities

Education cuts put Oklahoma's economic future at risk.

- The education funding reductions Oklahoma has made in recent years hamper economic recovery, as fewer teaching jobs mean less business for local stores and services. And businesses that contract with school districts see their bottom line jeopardized, potentially meaning private sector job cuts too.
- Over the longer term, the cuts make it less likely that Oklahoma can develop the highly skilled workforce needed to compete in today's global economy.

Funding Has Not Kept Up With Enrollment

The per student funding formula is down \$213 million, even as schools have nearly 40,000 more students.

Public School Enrollment (October) State Formula Funding (in Millions)



Instead of digging a deeper hole by cutting taxes, Oklahoma should step up investment in its education system, the state's most important economic asset.

For more information, go to www.okpolicy.org.