

SYSTEMS ACCOUNTABILITY & POLICY DEVELOPMENT

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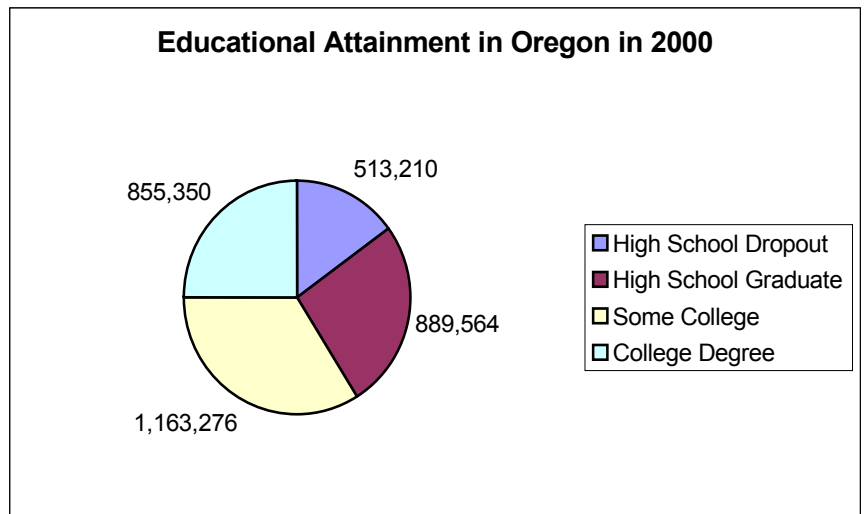
“We provide the right information to the right people at the right time.”

ISSUE BRIEF

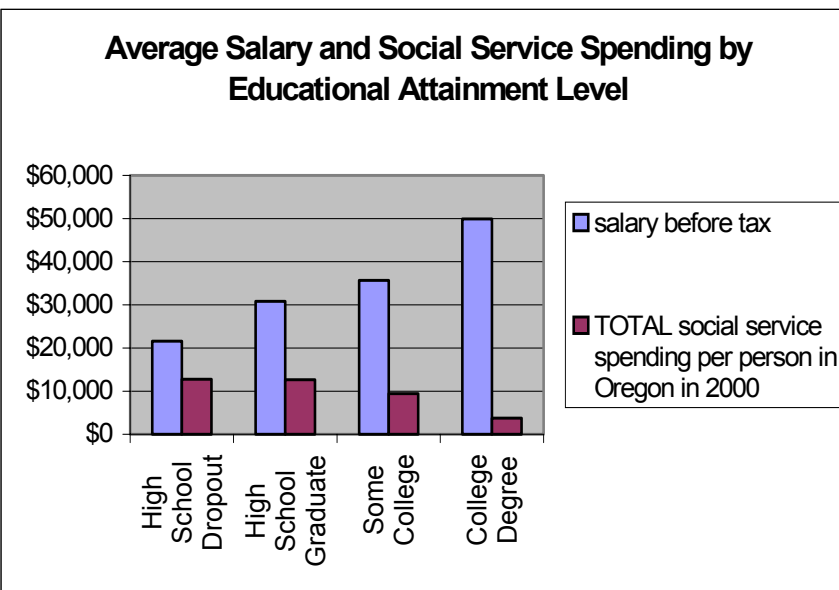
Average Social Spending and Salary by Educational Attainment Level

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Common sense and media reports tell us that the more education a person has, the higher their salary and the less the government has to spend on them in areas like welfare and prison costs. This brief outlines an estimate of how much an average person in each of four educational attainment levels earns annually, and how much the government spends on them annually in four categories.



This first chart shows how many Oregonians had what kind of education level in 2000. The Oregon averages are comparable to the national averages in 2000, although more



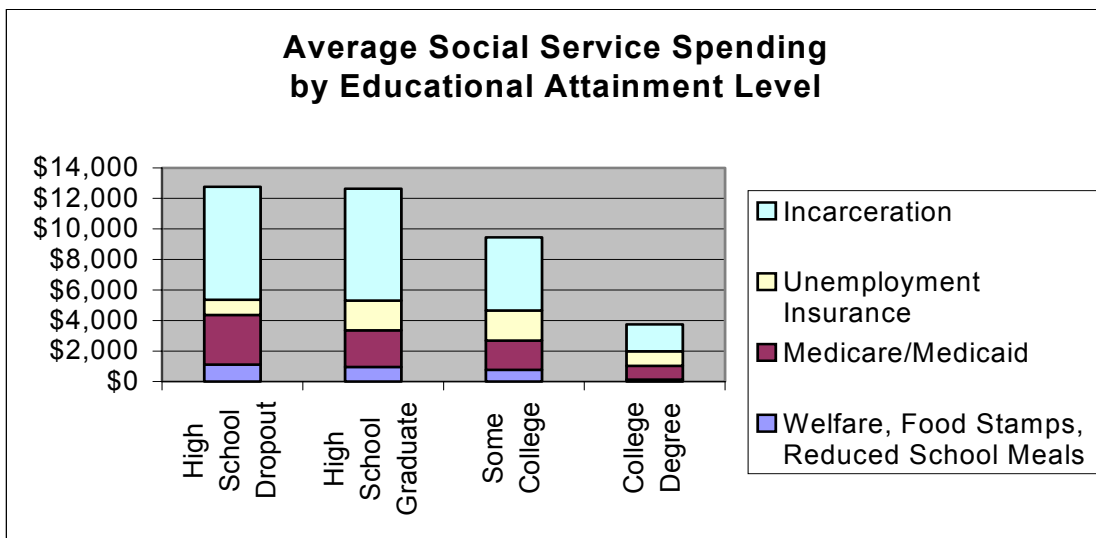
Oregonians drop out of high school than nationally: dropout 15% (nationally 20%), high school graduate 26% (29%), some college 34% (27%), college degree 25% (24%). This information was derived from the US Census Bureau.

The second chart shows the average earnings of people in each of the educational attainment levels and the average rate of government

spending on that average person. This information comes from a study done by the College Board in October 2004 entitled "Education Pays 2004: The Benefits of Higher Education for Individuals and Society."

The following chart and graph show the breakdown of how much is spent in various types of social programs for each level of educational attainment. As education levels rise, workers contribute more (as measured by their salary) than they require (as measured by social spending). The difference in social spending for the four educational attainment levels is less noticeable between high school dropouts and high school graduates, but a greater difference is noticed between the high school groups and the groups with post-high school education.

	Welfare, food stamps, and reduced school meals	Medicare and Medicaid	Unemployment Insurance	Incarceration	TOTAL social service spending per person in Oregon in 2000
High School Dropout	\$1,115	\$3,245	\$1,006	\$7,393	\$12,760
High School Graduate	\$955	\$2,398	\$1,958	\$7,323	\$12,634
Some College	\$771	\$1,920	\$1,964	\$4,788	\$9,443
College Degree	\$137	\$898	\$954	\$1,760	\$3,750



The information about the rate of each educational level using social services comes from the College Board report which used data from a 1999 study performed by the RAND Corporation. The information about how much each of the social service categories costs per person was calculated mathematically using specific Oregon information where available from the US Census Bureau, the US Department of Agriculture, the Oregon Department of Administrative Services, the Oregon Employment Department, the Oregon Department of Education, the Oregon Department of Corrections, and the 1999 RAND study. All information was adjusted for inflation to 2000 dollars using the Consumer Price Index from the Bureau of Labor Statistics.