



**MINDS MATTER**  
COLORADO

# **4 HIDDEN COSTS TO COLORADANS**

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**WHEN OUR STUDENTS  
DON'T GO TO COLLEGE**





**HARD-WORKING  
STUDENTS SHOULD  
SUCCEED.**

# **INCOME SHOULDN'T MATTER.**

Politics today has polarized Colorado and our country, yet most of us agree that hard-working students should succeed and income shouldn't matter. Most Coloradans agree that every child should have the opportunity to reach their potential regardless of ethnicity, race, or socioeconomic background. Despite differing circumstances, children deserve a chance. But when kids of color and those from low-socioeconomic situations are faced with ever growing adversity, and when social mobility seems impossible, we start to feel like the game is rigged.

Looking at the lifetime earnings of high school dropouts, diploma holders, and college graduates, it becomes clear that education (or lack of quality education options) plays a role in this stratification. Earnings are directly linked to degree certification.

*Colorado is one of the top 5 most educated states in the country, but we are bottom 5 in helping high school students get college degrees.*





*The difference in earnings between a high school degree and a four-year college degree can be a million dollars or more over a lifetime.*

Over one out of every three children in Colorado come from low-income households. **Yet our teachers graduate 79% of students who enter high school** (National Center for Children in Poverty, 2018).

This constitutes a major victory when it comes to providing educational access to students who may have historically fallen behind. However, we are still not creating a big enough skilled workforce of college graduates, and **this affects all Coloradans**.

In October 2017, 46.6% of Coloradoans identified as a non-white race. That is nearly half of the school-aged children in the state, yet nowhere near that many attend college — for example, **only 29% of CSU freshmen in 2018 were students of color** (CSU: Freshmen Enrollments — Demographic Summary Fall 2018). The following report will showcase how valuable students of color are to Colorado's ongoing success, and the costs to Coloradans across the state if the education gap for low-income students continues. We will make the case that we need to continue to invest in and care for every child that walks through the schoolhouse doors on their first day of Kindergarten until they have earned a degree.

## CALCULATING THE ECONOMIC COST OF UNEQUAL EDUCATION

Unequal education results in fewer graduations, a less skilled workforce, and a population more reliant on social programs for survival. The costs are personal, commercial, and governmental at the local, state, and federal levels.

## THE SCHOOL-TO-PRISON PIPELINE

The demographics of the prison population in Colorado is one way to showcase how we are failing our students of color. Approximately **38% of prison inmates haven't earned a high school diploma**, and another 25% completed a GED (Educational Characteristics of Prisoners, US Census Bureau). Both of these education levels represent high school dropouts, meaning that almost **two out of every three inmates (63%) dropped out of high school**.

**1 IN 3** children in Colorado come from **low-income households**

This is a staggering statistic. The school-to-prison pipeline — students who drop out of school and end up in the prison system — is difficult to dispute.

In addition, high school dropouts who become incarcerated find it far more difficult to find jobs and make a meaningful living after being released from jail. Many times they are stripped of the ability to vote or become productive members of society. Therefore, **the cost to taxpayers is \$37,958 per prisoner per year** (CO Dept of Corrections, 2016), and those who are released often are unable to financially contribute to our state after the fact. It's a double whammy.

## LESS TAX REVENUE

Even among high school dropouts who do not commit crimes, the graph below explains that students without diplomas earn less money and pay fewer taxes compared to higher-earning counterparts. Using the most recent Census data, we can see exactly how much less. (Collegeboard, 2016)

**The cost of dropping out of high school is an annual salary loss of \$9,600**, which is an enormous difference for someone earning \$27,200 per year. Lifetime earnings decrease by \$432,000.

That means \$2,400 less tax revenue per year to local, state and federal governments, or \$108,000 in lifetime taxes, on average.

When our graduation rate jumps by 1%, our local, state and federal governing bodies win 9,000 diploma holders and **an approximate \$1 billion in tax revenues over the lifetime of the graduating class.**

When we look at what happens between high school and college, the potential impact is even greater.

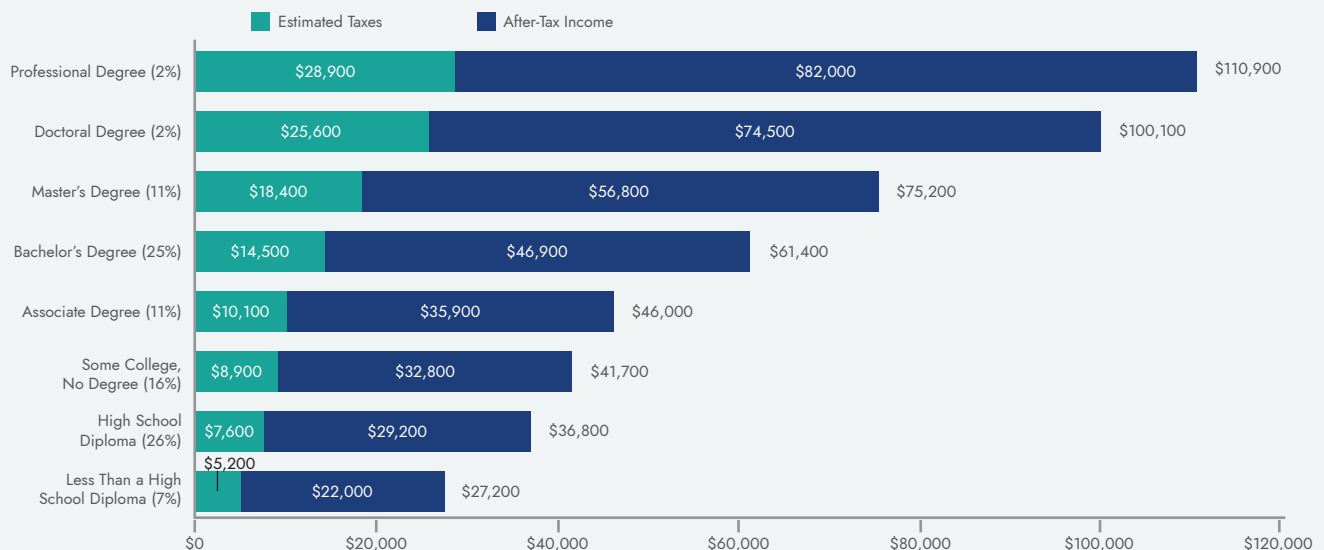
A baccalaureate degree holder earns, on average, \$61,400 annually. **That is \$24,600 more than high school graduates, or \$6,900 more in tax revenues annually.** Over a 45-year worklife, every college grad earns \$1.1 million more and pays \$310,000 more in tax revenues.

That's an even larger gap than between high school dropouts and diploma holders!

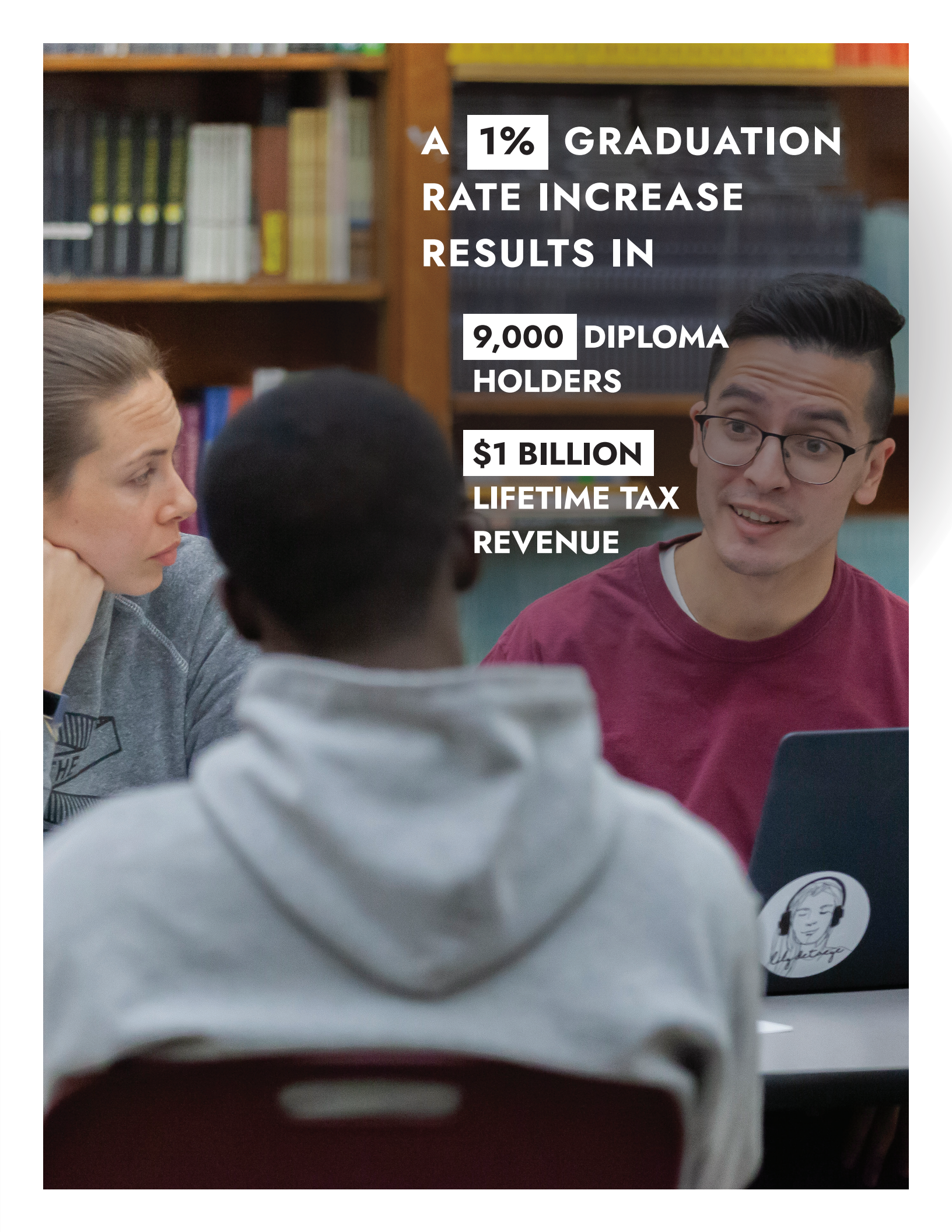
## MORE EXPENSIVE TALENT

The cost to our businesses is also significant, though less legwork has been done to estimate the exact impact. We do know that in 2020, an

**MEDIAN EARNINGS AND TAX PAYMENTS OF FULL-TIME YEAR-ROUND WORKERS  
AGE 25 AND OLDER, BY EDUCATION LEVEL, 2015**





A photograph of three students in a library setting. A woman on the left is looking towards a man on the right who is speaking. A student in the foreground is seen from the back, wearing a grey hoodie. Bookshelves filled with books are in the background.

A **1%** GRADUATION  
RATE INCREASE  
RESULTS IN

**9,000** DIPLOMA  
HOLDERS

**\$1 BILLION**  
LIFETIME TAX  
REVENUE





# THE COLORADO PARADOX

TOO MANY SKILLED JOBS.

NOT ENOUGH SKILLED WORKERS.

estimated three-quarters of Colorado jobs require postsecondary degrees (Carnevale et al, 2013).

This is actually very good. It means that Colorado employers are some of the most innovative in the country. **As a state, we require more skilled labor than almost any other in the nation (currently we are third).**

But, we are not training the labor force necessary to fulfill those needs. This problem has been called the Colorado Paradox: too many skilled jobs and not enough skilled workers.

Of course, our businesses need to fill these jobs, and they do. Colorado businesses broaden their search to out-of-state workers and pay a premium to identify, interview, and attract candidates. This raises the cost of doing business. That then raises the cost of housing, the traffic on our highways, the cost of recreation (e.g. ski passes), and the crowds downtown. Meanwhile, our home-grown population earns less income (and pays fewer taxes), has a shorter life expectancy and an increased likelihood of entering the school-to-prison pipeline. The cost to Colorado compounds.

## 4 LOST ECONOMIC GROWTH

When evaluating an investment, you look at the cost, return, and ultimate profitability. Let's apply the same rubric to Colorado's public education system.

At a cost of \$7 billion to Colorado taxpayers, secondary school is expensive. But let's consider how much value our teachers are creating.

Each of the 905,019 students currently enrolled in Colorado schools is training for a high school diploma that will be worth \$432,000 in their lifetime, for a total of \$391 billion in total economic value. **That is a return of 5500%!**

As college graduates, those students would bring home an **additional \$608.5 billion over the course of their lives!**

School is an economic powerhouse that gains value (almost exponentially) as students move up the credentialing ladder from high school to college, so **closing the gap between high school and college will have an even more positive effect for Colorado's future prosperity.**





## THE VALUE OUR TEACHERS CREATE

**905,019**

students currently enrolled  
in Colorado high schools

**\$432,000**

lifetime value of those  
high school diplomas

**\$391,000,000**

in total economic value

**5,500%**

return on investment

**\$608,500,000**

*additional* lifetime value  
of a college degree

## ADDRESSING EDUCATION INEQUALITY IN COLORADO

When we think about education and the problems our nation is facing, most people think about high school. But our high schools in Colorado are putting in a lot of work to counterbalance socioeconomic inequality in the classroom.

### **Over one in three children (38%) in our schools go home to low-income households**

(National Center for Children in Poverty, 2016).

Given the difficulties those who live in low-income circumstances face with providing for food, shelter, transportation, childcare, and other day-to-day living expenses, the likelihood of a child from this environment persisting, graduating with a diploma, and graduating from college are incredibly low compared to their more affluent peers (in some cases 1/8th as likely!).

Colorado's 79% high school graduation rate, while 5% lower than the national average, is heroic given the challenges high-school instructors face. Over the last eight years, we have made incredible progress toward graduating disadvantaged kids (Colorado Department of Education).

In particular, we need to celebrate the growth in four-year graduation rates for Limited English Proficiency, Economically Disadvantaged, Title 1, and Homeless children. Their progress will make Colorado a better state for the next 45 years at least, as these graduates lead more generative, successful lives. However, there is still clearly much work to be done as the gap between outcomes for those students and the broader population is significant.

## THE GAP BETWEEN HIGH SCHOOL AND COLLEGE IS THE REAL BOTTLENECK

Despite our success in high school graduation rates, only 55.8% of our graduates enrolled in college in 2016. That's 3% less than in 2009. Each percentage point here is worth \$6 billion in economic value. So

## HIGH SCHOOL GRADUATION RATE BY INSTRUCTIONAL PROGRAM TYPE

| YEAR    | STUDENTS W/<br>DISABILITIES | LIMITED ENGLISH<br>PROFICIENCY | ECONOMICALLY<br>DISADVANTAGED | MIGRANT | TITLE I | HOMELESS | GIFTED AND<br>TALENTED |
|---------|-----------------------------|--------------------------------|-------------------------------|---------|---------|----------|------------------------|
| 2016-17 | 56.8%                       | 64.6%                          | 68.5%                         | 61.8%   | 56.5%   | 55.8%    | 93.0%                  |
| 2015-16 | 57.2%                       | 61.4%                          | 67.8%                         | 62.8%   | 56.7%   | 53.2%    | 94.5%                  |
| 2014-15 | 53.8%                       | 61.1%                          | 65.5%                         | 67.9%   | 51.2%   | 52.8%    | 92.2%                  |
| 2013-14 | 54.6%                       | 58.7%                          | 64.2%                         | 63%     | 52.4%   | 52.7%    | 92.2%                  |
| 2012-13 | 53.8%                       | 58.5%                          | 63.7%                         | 62.6%   | 52.8%   | 50.4%    | 91.7%                  |
| 2011-12 | 53.7%                       | 53.3%                          | 61.4%                         | 55.7%   | 52.1%   | 49.1%    | 91.6%                  |
| 2010-11 | 53.5%                       | 52.8%                          | 62.2%                         | 60.8%   | 51.6%   | 49.7%    | 93.7%                  |

Colorado Department of Education

while our secondary school system has made huge gains, the bridge between high school and college has weakened.

Keep in mind that the demand for college-level education is not sitting still; it is increasing. Colorado employers are demanding more and more college degree-holders, while asking for fewer diplomas. So, if we continue along the current path, our education system will prepare the next generation for jobs that will be scarce, and fail to prepare kids for more lucrative jobs that will be increasingly abundant.

We are making progress in high school graduation rates, which is necessary and good, but in order to keep the American Dream alive, we need to strengthen the connective tissue between secondary and postsecondary schools. This is where the smallest investment in the short term will produce the largest long-term gains.

### HERE'S HOW WE CAN SEND MORE DIPLOMA-HOLDERS TO COLLEGE

One tangible way to help students find educational success in high school and beyond is to help them see their own potential. We know that students of college educated parents are far more likely to graduate college themselves.

However, parents are not the only key to this equation. Mentors and coaches can help students see the goal of college, enabling our students, who have been historically marginalized, to see how college can work into their lives.

**Only 55.8% of our graduates enrolled in college in 2016, 3% less than in 2009.**

**Each percentage point here is worth  
\$6 billion in economic value.**

### We cannot be what we cannot see.

Mentorship and guidance from people who have graduated college themselves — who have “seen” the possibilities — can really help make college more achievable to first-generation college students.



In fact, any adult who can help students build the foundational skills to succeed in college can tip the scales.

Mentorship, perhaps more than any other state initiative, is how we can bolster the last bridge to college enrollment, and help keep the American Dream alive and well in Colorado.

### YOUR THREE-STEP PLAN TO MAKING A DIFFERENCE

At [Minds Matter Colorado](#), we know that you want to make a difference. You see the world around you and you know you can make it better, you're just looking for a clear way to make that impact.

What you may not know is that **only 1 out of 4 low-income Colorado kids will go to a four-year college**.

If you think that's shocking and unfair, we agree. We believe in a meritocracy — hard-working kids should succeed and income shouldn't matter. That's why we've supported **hundreds** of students to get into college, helped **thousands** of volunteers in make a difference, and avoided **millions** of dollars in student loans for our graduates.

You can [give time](#) or [give money](#) now. So if you're feeling aimless or unfulfilled, let us help you become the leader and difference-maker you are, invested and energized when you watch the students you've supported walk across the graduation stage with college acceptance letters and scholarship checks in hand.



## HOW TO MAKE A DIFFERENCE



### Volunteer

to mentor our students.



### Stay engaged

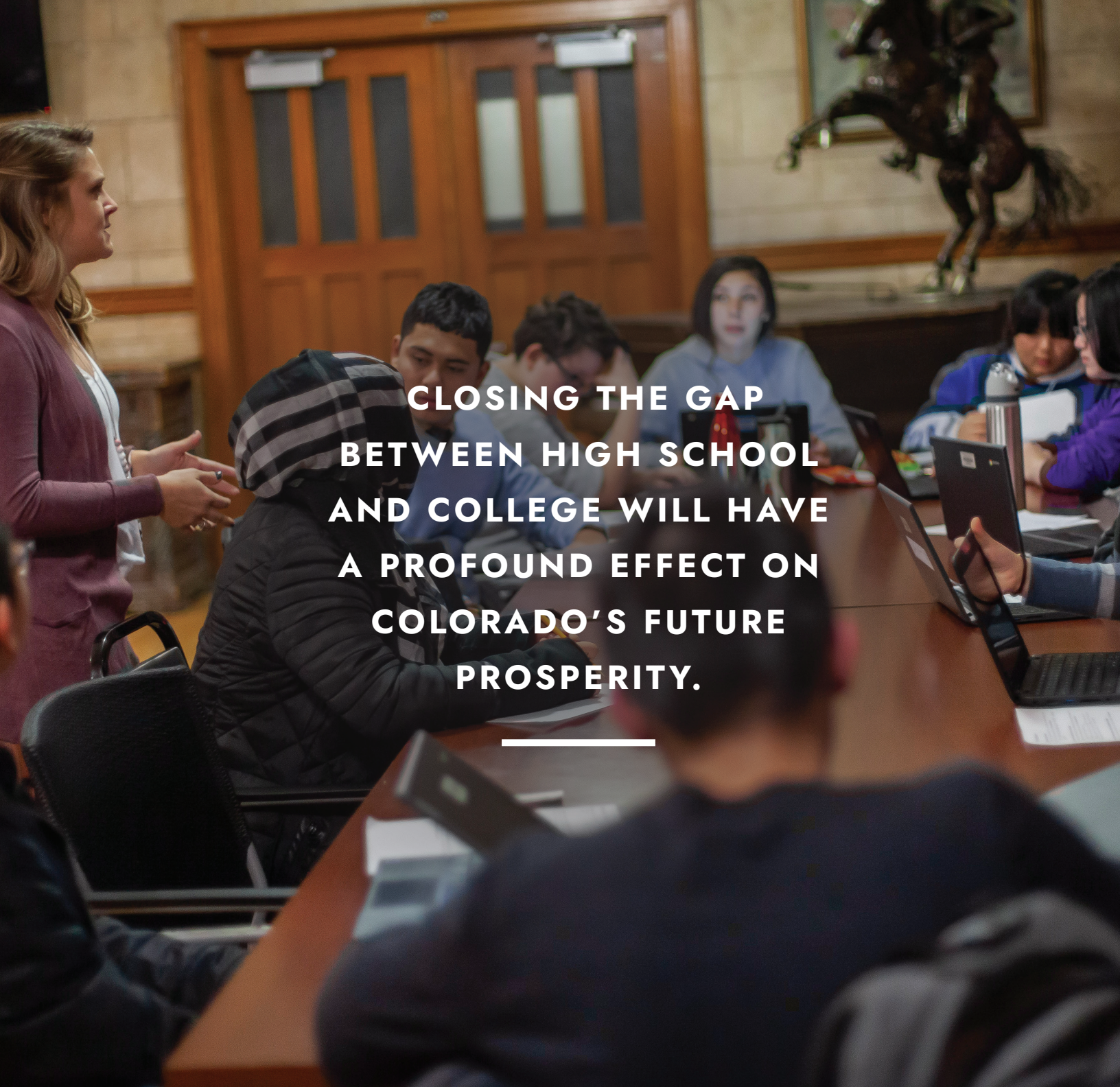
in their journey.



### Watch them succeed

in college.





**CLOSING THE GAP  
BETWEEN HIGH SCHOOL  
AND COLLEGE WILL HAVE  
A PROFOUND EFFECT ON  
COLORADO'S FUTURE  
PROSPERITY.**

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**MINDS MATTER**  
COLORADO

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