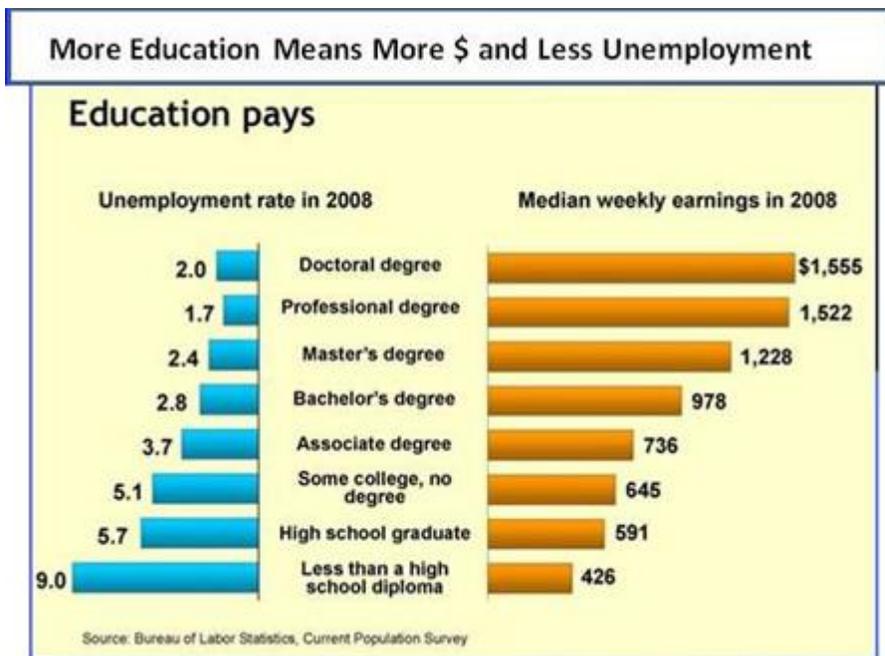# EDUCATION

Learning Outcomes
At the end of this chapter you will be able to do the following:
- Define credentialed society.
- Apply Weber's idea of life chances to education.

EXPLORING THE RELATIONSHIP BETWEEN EDUCATION AND MONEY

Here's the fact, pure and simple: More education means more money and opportunity in the United States. Typically, the higher your education, the higher your wealth, power, and prestige. **Socio-Economic Status** (SES) is *a combination of one's education, occupation, and income.* Higher SES has been found to be highly correlated with a better quality of life. There is more job stability (less unemployment and more pay) for those with higher educational levels. Figure 1 shows U.S. Census data for 2008. High school dropouts are more than four times more likely to be unemployed than those with professional or doctorial degrees. Individuals with Bachelor's degrees earn $387 more per week than high school graduates; that's $1,548 per month or $18,576 per year more. A similar pattern holds true among racial/ethnic groups and by sex.

Figure 1. Unemployment and Earnings by Education, 2008.[1]

More Education Means More $ and Less Unemployment

Education pays

Unemployment rate in 2008		Median weekly earnings in 2008
2.0	Doctoral degree	$1,555
1.7	Professional degree	1,522
2.4	Master's degree	1,228
2.8	Bachelor's degree	978
3.7	Associate degree	736
5.1	Some college, no degree	645
5.7	High school graduate	591
9.0	Less than a high school diploma	426

Source: Bureau of Labor Statistics, Current Population Survey

Baum and Ma pointed out that the higher your education the better your medical insurance, health, lifestyle (for your family and the next generation), and contribution to society. Education, especially earning advanced degrees, is a doorway to many life-long payoffs.[2] Education is important because we live in a credentialed society. **Credentialed**

societies are *societies which use diplomas or degrees to determine who is eligible for a job*. A person who earns a degree, even an advanced degree, may not have all of the skills needed to do a specific job, but she has the credentials that get her into the job where she can learn the specifics.

Education is the great equalizer. Students who grew up in impoverished households can go to college in the U.S. and come out after they graduate in the middle class. Unfortunately many students don't know that there is aid available to them to help pay for tuition, books, and living expenses, so they don't even apply to college. Furthermore, millions in the U.S. do not have health care coverage. Most of them have lower educational levels. The extremely poor and disabled may have limited government coverage, but most poor and near poor have no medical insurance. Most middle class jobs provide for medical insurance which helps the individual provide in a better way for their children.

The top 10-25% of individuals in the U.S. are born into privilege. They are offered the educational levels, social networking, marriage market, and overall better life chances that only money can buy, including exclusive educations at prep-schools, admittance into competitive programs, and Ivy League degrees.

Remember Max Weber's concept of life chances? **Life chances** are *an individual's access to basic opportunities and resources in the marketplace*. The very few in our society born into extreme wealth have enormous life chances when compared to the rest of us. A person can't run for political office without the proper social connections among the country's power elite. Most don't become famous or extremely successful without access to extremely well-educated friends and associates who are connected to corporate owners and board members. Most cannot call a friend and get a huge favor for their children with the understanding that someday they will reciprocate with a huge favor for the friend's children.

MEASURING EDUCATION

In Sociology we measure two distinct types of educational accomplishments. **Educational attainment** is *the number of years of school completed* and **educational achievement** refers to *how much the student has learned in terms of reading, writing, and arithmetic*. Look at Table 2 to see how educational attainment typically correlates with degrees.

Table 3 shows the levels of income typically associated with these degrees. The difference between high school dropouts and high school graduates is about $8,100 per year more for graduates. During a 35-year career in the labor force, that's at least $283,500 more money earned by graduates. What would a 4-year Bachelor's degree add per year? $19,400 per year for Bachelor's grads compared to high school grads or $679,000 in 35 years of career work. A 4-year degree is financially well worth it.

Table 2. Years of Schooling and Typical Degrees Associated with Them.[3]

Years	Typical Degree
<12	Drop out
12	High School
13	Vocational Certificate
14	Associates
16	Bachelor's
18	Master's
20	Doctorate (Ph.D., Ed.D., JD, or MD)
21+	Specialization or Post-doctoral education

Table 3. Degrees and Median Incomes Associated with Them.[4]

Degrees	Median Yearly Income
Drop out	23,400
High School	31,500
Vocational Certificate	37,100
Associates	40,000
Bachelor's	50,900
Master's	61,300
Doctorate (Ph.D., Ed.D., JD, or MD)	79,400
Specialization or Post-doctoral education	100,000+

If you are wondering if taking out student loans is worth it, think about this: If you choose to go to college and forfeit full-time wages to become a full-time student you will lose about $126,000 of lost wages while in college. Add the cost of about $25,000 in student loans or expenses. You could conclude that it cost you about $151,000 to earn a 4-year degree. Subtract that $151,000 from the extra $697,000 and you end up with a $546,000 net increase in career earnings even accounting for missed wages and student loan expenses. So going to college really pays off, but how does dropping out of high school affect individuals and society?

The worst possible scenario in terms of work and lifestyle is to drop out of high school and yet millions drop out each year in the U.S. Table 4 shows the dropout rates by race/ethnicity for the U.S. By far, Asian Americans dropout the least at only 18.7%, followed closely by Whites at 22.4%. Hispanics, African Americans, and Native Americans

each have over 40% dropout rates—all that income lost, all that lifestyle forfeited, and all those other benefits of higher education missed.

Table 4. Dropout Rates in the United States by Race/Ethnicity, 2007.[5]

Racial Classification	Percent Dropping Out of High School
Native American	49.4
African American	44.7
Hispanic	42.2
White	22.4
Asian American	18.7

Jason Amos in his study of U.S. dropouts also stated that:

> Individuals who fail to earn a high school diploma are at a great disadvantage, and not only when it comes to finding good-paying jobs. They are also generally less healthy and die earlier, are more likely to become parents when very young, are more at risk of tangling with the criminal justice system, and are more likely to need social welfare assistance. Even more tragic, their children are more likely to become high school dropouts themselves, as are their children's children, and so on, in a possibly endless cycle of poverty.[6]

Truly this is an accurate statement. The U.S. has some of the best educational opportunities for average children to acquire a good public education, but it lacks cultural motivations that translate across racial and ethnic lines in such a way that education becomes valued and pursued by average children as a way of opening doors and improving life chances for themselves and their families. It is a paradox in the context of Weber's life chances because so many life chances are readily available to average people, yet they are refused or ignored by millions.

Amos also pointed out that high school dropouts from the class of 2008 will lose $318 billion in lifetime earnings. They will be more likely to be arrested and use welfare for another combined cost of $25 billion to local and state agencies.[7] The billions of lost earnings and judicial and welfare costs translate to a lower collective standard of living that could be corrected and improved upon if dropouts would graduate or even go back to earn their high school equivalency diploma (GED).

Figure 2 shows U.S. dropout rates by race for selected years from 1972 to 2006. Overall, the dropout rate has been slightly declining for years, but remains disproportionately high for

non-Whites. This confirms that it has been an ongoing problem, especially when non-White schools and districts have been historically underfunded at the basic level of need.

Figure 2. Percentage of United States High School Dropouts by Race, Selected Years, 1972-2006.[8]
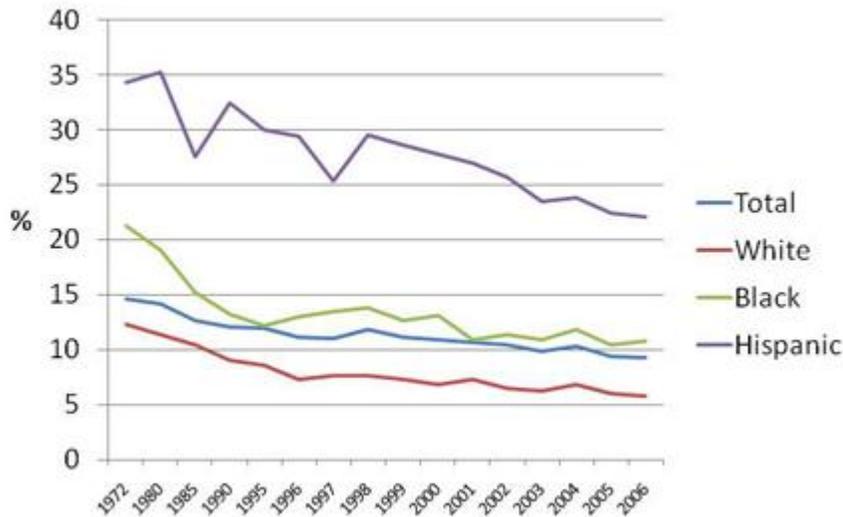
There appears to be a geographic trend in highest and lowest dropout rates by states. Look at Table 5 to see dropout rates for the states with the ten lowest rates. Please note that all of the ten states with the lowest dropout rates are located in the Northern states, except one Western state, Utah.

Now look at Table 6 to see the ten states with highest dropout rates. Seven of the ten are in the Southern states with Washington, DC in the North and New Mexico and Nevada in the west. Over half of Nevada's students don't graduate from high school.

For those who stay in school, there becomes an issue of quality of education. I know it is relatively difficult to define what "quality of education" even means, much less which states or schools get the best quality. It's a real challenge given that the U.S. spent about $290,700,000,000 on public education in 2007 which is designed to serve nearly 50,000,000 public education students.[9]

Table 7 shows per pupil spending by state for the ten lowest spending states. Please note that Utah, the state with the lowest per pupil spending in 2007 also had the eighth lowest dropout rate in 2005. Mississippi and Nevada, numbers six and seven here, are also among the highest dropout states.

Table 5. 2005 States with Lowest Dropout Rates.[10]

State	Percent Dropout
1. New Jersey	16.7
2. Iowa	17.2
3. Wisconsin	19.5
4. Pennsylvania	19.6
5. Vermont	19.8
6. Nebraska	20.4
7. North Dakota	20.8
8. Utah	21.4
9. Connecticut	21.9
10. Minnesota	21.9

Table 6. 2005 States with Highest Dropout Rates.[11]

State	Percent Dropout
1. Mississippi	38.2
2. Alabama	38.7
3. Florida	39.2
4. Delaware	39.9
5. Georgia	41.9
6. District of Columbia	42.4
7. South Carolina	44.4
8. Louisiana	45.3
9. New Mexico	45.9
10. Nevada	54.6

Compared to other countries the U.S. does not hold up in math, reading, and problem solving. An analysis of 2003 comparative data between the U.S. and a dozen other countries yielded some discouraging results, given the billions of dollars spent for U.S. public education each year. For mathematics, the U.S. scored worse than 12 other countries with Korea, Canada, Hong Kong, The Netherlands, and Japan coming in the top five. The U.S. scored worse in reading than ten other countries with Korea, Canada, Hong Kong, Ireland, and Sweden coming in the top five. In problem solving, the U.S. scored worse than 12 other countries with Korea, Hong Kong, Canada, Japan, and Denmark coming in the top five. The U.S. did beat Italy and Mexico in math, reading, and problem solving and also beat Spain and Germany in reading.[12]

Table 7. States with Lowest Spending per Pupil, 2007.[13]

State	# of Students	$ Per Pupil Expenditures
1. Utah	523,586	5,706
2. Idaho	267,380	6,648
3. Tennessee	978,368	7,129
4. Arizona	1,065,082	7,338
5. Oklahoma	639,391	7,430
6. Mississippi	495,026	7,459
7. Nevada	424,240	7,806
8. Texas	4,599,509	7,850
9. North Carolina	1,427,880	7,878
10. Kentucky	683,173	7,940
11. South Dakota	121, 158	8,064

[1] Retrieved from Bureau of Labor Statistics Internet 23 March 2009 from http://www.bls.gov/emp/emptab.htm

[2] See "Education Pays: The Benefits of Higher Education for Individuals and Society" by Sandy Baum and Jennifer Ma; in Trends in Higher Education Series 2007 Taken form Internet on 23 March 2009 from http://www.collegeboard.com/prod_downloads/about/news_info/trends/ed_pays_2007.pdf

[3] Extracted from Jason Amos, (August 2008) Dropouts, Diplomas, and Dollars: US High Schools and the Nation's Economy taken from Internet on 24 March 2009 from http://www.all4ed.org/files/Econ2008.pdf All4edu funded by Bill and Malinda gates Foundation

[4] Extracted from Baum and May (2007) Figure 1.1 Median Earnings and Tax Payments of Full-time Year-Round Workers Ages 25 and Older by education Level, 2005

[5] Extracted from Jason Amos, (August 2008) Dropouts, Diplomas, and Dollars: US High Schools and the Nation's Economy taken from Internet on 24 March 2009 from http://www.all4ed.org/files/Econ2008.pdf All4edu funded by Bill and Malinda gates Foundation

[6] Jason Amos, (August 2008) Dropouts, Diplomas, and Dollars: US High Schools and the Nation's Economy taken from Internet on 24 March 2009 from http://www.all4ed.org/files/Econ2008.pdf All4edu funded by Bill and Malinda gates Foundation, page 7

[7] Jason Amos, (August 2008) Dropouts, Diplomas, and Dollars: US High Schools and the Nation's Economy taken from Internet on 24 March 2009 from http://www.all4ed.org/files/Econ2008.pdf All4edu funded by Bill and Malinda gates Foundation, page 8

[8] U.S. Department of Education, National Center for Education Statistics. (2008). The Condition of Education 2008 (NCES 2008-031), Indicator 23

[9] Taken 24 March 2009 from http://nces.ed.gov/ and http://nces.ed.gov/pubs2009/expenditures/tables/table_03.asp

[10] Extracted from Jason Amos, (August 2008) Dropouts, Diplomas, and Dollars: US High Schools and the Nation's Economy taken from Internet on 24 March 2009 from http://www.all4ed.org/files/Econ2008.pdf All4edu funded by Bill and Malinda gates Foundation

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[12] See Baum and Ma, 2007

[13] Taken 24 March 2009 from ttp://nces.ed.gov/pubs2009/expenditures/tables/table_03.asp Table 3. Student membership and current expenditures per pupil for public elementary and secondary education, by function, subfunction, and state or jurisdiction: Fiscal year 2007