

February 7, 2016

Arizona Mayors Education Roundtable

Dashboards Talking Points

Methodology

--This report estimates the economic losses for two groups of vulnerable youth: (1) high school dropouts, and (2) disconnected youth—youth who are neither working nor enrolled in school. Estimates are provided for the entire state and for 10 cities across the state. Estimates are also provided for males and females from three race/ethnic groups: Whites, Blacks, and Hispanics

--Economic losses are estimated using national research evidence and Arizona data to calculate the economic impact related to (1) earnings and taxes; (2) crime; (3) health; (4) welfare; (5) labor productivity benefits; (6) marginal excess tax loss that result over a lifetime. The greatest source of economic loss comes from lower earnings and taxes of dropouts and disconnected youth. Economic losses are estimated for society as a whole (social losses) and for taxpayers (fiscal losses).

Estimated economic losses

--For the entire state of Arizona, the lifetime social economic loss per high school dropout is \$421,280 and the aggregate economic losses for the total number of 18,100 dropouts in 2012 amounts to \$7.6 billion. The lifetime social economic loss per disconnected youth is \$695,090 and the aggregate economic losses for the total number of 183,200 disconnected youth ages 16-24 in 2012 amounts to \$127.3 billion.

--The economic loss per disconnected youth is higher than the economic loss per dropout, in part, because economic losses from disconnected youth are estimated beginning at age 16 and includes substantial losses from juvenile crime.

--Economic losses vary widely by gender and race/ethnicity. Males have higher economic losses than females because they have higher earnings and experience a greater absolute loss in earnings from being a dropout or a disconnected youth compared to females. Hispanic males have higher economic losses per dropout than white males because (1) they experience a greater relative loss in earnings from being a dropout; and (2) they experience a greater increase in crime from being a dropout. Black males and females have higher economic losses per disconnected youth than White males and females because they experience a greater increase in crime and suffer relatively poorer health outcomes from being disconnected.