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THE GED: A WISE INVESTMENT

GED holders have higher earnings in general and better labor market participation than high school dropouts. This is one of many findings conveyed in two major reports from the Center for Labor Market Studies of Northeastern University. The research analyzes differences in outcomes of GED holders as contrasted to high school dropouts, primary school leavers, and high school graduates (for persons aged 16 to 74). The reports were prepared for the Office of Vocational and Adult Education of the U.S. Department of Education and are available from LINCS. They are:

(1) [*The Labor Force Behaviors, Labor Market Experiences, and Labor Market Outcomes of the Nation's Adults with No Post-Secondary Education, 2000-2010: Differences in Outcomes Between High School Dropouts, GED Holders, and High School Graduates.*](#) (Andrew Sum, Ishwar Khatiwada, Joseph McLaughlin, Mykhaylo Trubskyy, and Sheila Palma)

This paper examines all kinds of employment and labor market behaviors and outcomes, and is rich with tables, charts, and findings. Analysis is provided according to different age groups, by education attainment levels, race/ethnicity, whether native-born or not, gender, type of occupation,

and other variables. While recognizing that earning gaps have widened a good deal between the less- and best-educated over time, it is clear that high school graduates and GED holders still do much better in the labor market than high school dropouts. And the "full-time employment population ratios were well above those of high school dropouts" in each of the years examined. The report calls for more comprehensive research attention to the issues examined, but it also concludes that public policy should be strongly directed to increasing high school graduation rates and attainment of high school equivalency.

(2) [The Impacts of the GED Credential and Regular High School Diploma on the Employment, Unemployment, Weekly and Annual Earnings, and Income Experiences of Native-Born Adults \(16-74\) in 2000, 2009, and 2010.](#) (Andrew Sum, Ishwar Khatiwada, Mykhaylo Trubskyy, Sheila Palma)

This research examined the wide range of variables given above, including geographical area and income level. For illustrative purposes, some specific findings are: (1) GED holders have full-time employment advantages over high school dropout counterparts. There is no significant difference for black men or for persons aged 65-74 in terms of employment or full-time work, but for black women "the GED had a very powerful effect." (2) GED holders are 8.4 percent more likely (and high school graduates 18 percent more likely) to be working full-time than dropouts. (3) Among black and white males, the GED has no significant impact on being poor as compared to dropouts, but it has "a very large impact on poverty reduction among Hispanic males" and "a substantial benefit in poverty reduction among black females." (4) The GED "consistently increased the expected weekly earnings" of ALL demographic groups examined.

The report concludes with these words: *"Across the board for all employment, unemployment, weekly and annual earnings, incomes and public assistance measures, obtaining a GED or regular diploma significantly improved outcomes over both high school dropouts and primary school leavers. The higher personal earnings of better educated adults, their higher family incomes, and reduced dependence on cash public assistance income increases their net fiscal contributions to state and national government budgets. GED holders and high school graduates (and their employers) will pay more in Social Security payroll taxes, higher state and federal income taxes, more in state sales taxes, and higher property taxes at the local level due to increased rates of home ownership and high valued homes. Their higher family incomes reduce their dependence on both cash and in-kind public assistance income, including food stamps, rental assistance, and Medicaid, thus holding down the growth of public expenditures and fiscal deficits."*

Highlighting A Related GED Resource: The following item appeared in CAAL's June 2013 E-News issue: [Enhancing GED Instruction to Prepare Students for College and Careers: Early Success in LaGuardia Community College's Bridge to Health and Business Program](#), by Vanessa Martin and Joseph Broadus, released in May 2013 by MDRC. After a year of collaborating with the College, and with funding from the Robin Hood and MetLife Foundations, MDRC details some of the key study findings that indicate early success in the LaGuardia GED Bridge program. For example, "one year after enrolling, students....were more than twice as likely to have passed the GED exam and three times as likely to have enrolled in college as students in a more traditional GED preparation class."



POINT OF VIEW: FEDERAL ADULT ED FUNDING

Federal funding of adult education keeps shrinking. The Adult Education program has not had a funding increase since the last budget of the Clinton Administration, 13 years ago! In fact, since then, in 2013 dollars, there has been about a 25% loss in federal funding.

These figures are alarming in the current economic climate. S.1356 (the Senate's new WIA bill) proposes for adult education only "such sums as needed" rather than a dollar amount. The newly-introduced Adult Education and Economic Growth Act (S.1400) proposes \$850 million which would at least cover the 25% loss. CAAL is urging that WIA specify funding at least at the AEEGA level, or even better, find a way to do more! (S.1356 and S.1400 are available from www.thomas.gov.)

Of course, at any level, the Workforce Investment Act has been a central part of federal funding for Adult Education since 1998, and it remains an important core source of needed funding. The fact is that the nation's employment and global competitiveness goals cannot be met without a strong role by the adult education and workforce skills development system, and it has been operating at near-starvation levels for way too long. [*Gail Spangenberg, CAAL*]



ON THE MOVE: CAAL's ROI PROJECT

CAAL interacts regularly with legislative leaders in Congress and in state houses across the country. With increasing urgency we are asked to provide proof of program effectiveness in services, especially those that receive public funding. To begin to address this challenge, we launched a "return-on-investment" (ROI) project early this year that will run through February or March 2014. It consists of a state-by-state survey of state ABE officials to gather information on what they are doing on the ROI front (to be published in October), an invitational Roundtable of two-dozen national and state leaders (in November), and a companion paper in February to offer the Roundtable's next-step action ideas and recommendations.

We asked the states what program ROI variables they look at, if any, when they consider program design and outcomes, what evidence they have to determine if their desired program goals are reached, how/whether their ROI activity links to such variables as form of governance, and, if

applicable, whether there is a relationship between their ROI activities and participation in the initiatives of the Joyce Foundation (*Shifting Gears*), Jobs for the Future (*Accelerating Opportunity*), and OVAE (*Policy to Performance*). The survey had an astounding rate of response--49 states completed it!

The Annie Casey and Charles Stewart Mott Foundations have made the Roundtable and publication of the two related reports possible. McGraw Hill Financial is providing substantial in-kind support.



NEWS IN BRIEF

▶ **Manufacturing Institute Certificates Awarded.** CAAL reported in its June 2012 E-News issue that the Manufacturing Institute of the National Association of Manufacturers (NAM) was making substantial progress in its 5-year "stackable certificate" program to award half a million industry-based credentials to verify readiness for jobs and advancement in manufacturing. At that time, less than a year into the program, nearly 85,000 certifications had been awarded to potential and incumbent workers. By August 2013, this number had jumped to 170,000, with some 100 colleges participating nationwide. In addition to its stackable certificate program, the Institute has launched "The M List," a group of the first 50 community and technical colleges that have come together so far to "arrange their coursework around industry standards and...make sure students earn credentials that are in the NAM-Endorsed Skills Certification System." More information about the Certification program and the M List is [available from the Institute's website.](#)

▶ **First Library of Congress Adult Literacy Awards.** 2013 is the first year of a five-year Library of Congress adult literacy awards program funded by philanthropist David M. Rubenstein. In making his \$1.5 million grant for the initiative, Rubenstein, co-founder of the Carlyle Group and a major donor to the Library of Congress, noted that "reading has been a powerful force in my life and a major contributor to my success." He observed that thanks to his parents, he was encouraged to investigate the resources of the public library which "opened a door to the universe." Each year during the five years of the LOC program, three awards will be given: The David M. Rubenstein Prize (to one individual or entity worldwide), the American Prize, and the International Prize. Winners for 2013 are expected to be announced by the LOC later this month. For more information about the Awards program, including the press release announcing the program and a listing of its illustrious Advisory Committee, go to the [Library of Congress website.](#)



WE KNOW HOW TO STRETCH A DOLLAR

CAAL has achieved major outcomes over the years on modest means. But like many small nonprofit groups, we're short of dollars to stretch these days. We need a stable base of funding and your help. Please support our 2013-14 programs. Your donation in any amount will make a big difference. You can either give online or mail a check to CAAL.

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