

# **Lifetime Fiscal Benefits to Illinois Taxpayers and Individuals Who Return and Finish High School**

## **Executive Summary**

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# **The Lifetime Fiscal Benefits to Illinois Taxpayers and Individuals Who Return and Finish High School**

## **Benefits to Illinois Taxpayers**

The combined net fiscal benefits from having adults obtain a high school diploma are nearly \$312,000. These fiscal savings exclude other benefits such as increased property taxes, increased sales and excise taxes, reduced costs of substance abuse treatment, reduced criminal justice system costs other than prison/jail maintenance, reduced costs of providing free medical care to the uninsured, and the positive social benefits from a healthier society, a more active citizenry, and more effective parenting.

Annual costs for programs to reenroll dropouts are approximately \$10,000 which is the average cost for educating a high school student. Usually it takes 2 years to help a dropout earn a high school diploma so the two-year cost is approximately \$20,000. The Illinois taxpayers received cost savings of over \$312,000. The return on investment is that for every \$1 invested, Illinois taxpayers receive a return of \$15.

## **Benefits to Individuals Who Return and Finish High School**

The mean lifetime earnings of high school graduates in Illinois as of 2000 were nearly \$316,000 higher than those of high school dropouts--a 45% difference. The mean lifetime earnings of Associate degree holders were \$344,000 higher than those of high school graduates.

Mean lifetime property income of high school graduates in Illinois exceeded that of high school dropouts by approximately \$15,000, a relative difference of 76%.

High school dropouts in Illinois would be expected to experience twice as many years in poverty as high school graduates from ages 18-64 (9.7 vs. 4.8 years). The lifetime poverty rate of high school dropouts was 21% versus only 10% among high school graduates.

Among those with an Associate's degree, the lifetime poverty rate was only 6%. High school dropouts would experience nearly twice as many years with low incomes (below 200% of the poverty line) as their counterparts who graduated from high school (20 vs. 11 years).

Nearly two-thirds of Illinois householders with a high school diploma owned their own home in 2000 versus only one-half of householders lacking a high school diploma (65% vs. 50%). The mean reported value of the homes owned by householder with a high school diploma exceeded that of homes owned by high school dropouts by about \$15,000 in 2000.