

The huge economic impact of the achievement gap

Written by Marian Wright Edelman
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McKinsey & Company is one of the leading management consulting companies in the world so when they turn their attention to analyzing a problem, people listen. Recently, McKinsey's Social Sector Office has been studying a crisis affecting America's children that has enormous repercussions for our nation. In April, they released the report *The Economic Impact of the Achievement Gap in America's Schools*, and in it they concluded our nation's persistent educational disparities are taking a huge economic toll.

McKinsey's research shows that while we may have promised to create an educational system where there will be "no child left behind," we're still very far from living up to that promise. Not only do we continue to leave behind whole groups of children, but our failure to educate all our children to the highest levels means students in America overall are being left behind in a world where global competition is increasingly tough—resulting in huge costs for all of us.

What is the price we pay for schools that aren't doing their job for children in America? Who pays it? McKinsey reported two kinds of costs—one price paid for by the individual students we leave behind and another price paid by our country. For individual children faced with unequal educational opportunities, McKinsey found that "avoidable shortfalls in academic achievement impose heavy and often tragic consequences, via lower earnings, poorer health and higher rates of incarceration." They also discovered that, sadly, it is possible to predict which children are being singled out to bear this burden before they have even finished elementary school. For many students, poor achievement as early as fourth grade appears to predict future chances of graduating from high school or college and of low lifetime earnings. But some children are at greater risk than others before they even enter their first classroom—especially children who are Black, Latino or poor.

McKinsey's research showed "on average, Black and Latino students are roughly two to three years of learning behind White students of the same age." The income achievement gap was just as glaring with poor children: "roughly two years of learning behind the average better-off student of the same age." They were also able to make comparisons between groups by both race and income. Not surprisingly, they found the intersection of race and poverty was the most dangerous of all: "Poor White students tend toward lower achievement than rich White students. Whites, meanwhile, significantly outperform Blacks and Latinos at each income level . . . [and] low-income Black students suffer from the largest achievement gap of any cohort." Measured in years again, "the average non-poor White student is about three and a half years ahead in learning compared to the average poor Black student."

It's almost possible to imagine those gaps as wasted time—time so many children can never get back. And productivity the whole country cannot get back. McKinsey estimated what our nation's GDP might look like if we had closed these achievement gaps between 1983 and 1998, the fifteen years after the government report, "A Nation at Risk," first alerted us to the serious problems facing children in our schools. They found that the 2008 GDP would have been \$310 billion to \$525 billion higher if we had closed the racial achievement gap, and \$400 billion to \$670 billion higher if we had closed the income achievement gap. McKinsey also found that there continues to be a gap between students in America and their peers in other countries and notes the 2008 U.S. GDP could have been \$1.3-\$2.3 trillion higher if had we had closed the

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international educational achievement gap between students in America and those in top-performing countries like Finland and Korea. McKinsey concluded that the combined impact of the educational achievement gaps in the United States is the "economic equivalent of a permanent, deep recession."

The McKinsey report is not all gloom and doom—it found at least one reason for hope. When they studied the variations between schools and systems serving similar students in different parts of the country, they found wide differences in outcomes. But this time, they believe those gaps are actually promising, because when some schools are having success, there is every reason to expect that some of their best practices can be studied and replicated elsewhere—a basic premise of management consulting. McKinsey states: "Many teachers and schools across the country are proving that race and poverty are not destiny; many more are demonstrating that middle-class children can be educated to world-class levels of performance. America's history of bringing disadvantaged groups into the economic mainstream over time, and the progress of other nations in education, suggest that large steps forward are possible." The lesson in McKinsey's thorough research is that in many cases we already know what is working. We need to find both the will and resources to take these solutions to scale for all children. The futures of tens of millions of children and of our country depend on it.

Marian Wright Edelman, whose new book is *The Sea Is So Wide And My Boat Is So Small: Charting a Course for the Next Generation*, is president of the Children's Defense Fund. For more information about the Children's Defense Fund, go to <http://www.childrensdefense.org/>.