



TACIR Fast Facts

- **“Tennessee’s limited resources and its choice to fund education at relatively modest levels are two main reasons for the state’s low stock of human capital.”**
- **“The importance of skills and a high overall level of education cannot be emphasized enough since these are the key requirements in securing economic growth and development.”**

An Economic Report to the Governor of the State of Tennessee (January 2002), U. of Tennessee, Center for Business and Economic Research.

<http://cber.bus.utk.edu/erg/erg2002.pdf>

Tennessee Should Close the Education Gap *Everyone’s Financial Well-being Depends on It!*

*“With demand for skilled labor so high today, a good location must have a critical mass of employable persons or be attractive to the kinds of employees a company needs to recruit.”**

Tennessee has a lot to overcome when it comes to comparisons to other states in education:

- **only three states** have proportionately fewer adults over 25 years old without high school diplomas
- **only five states** have proportionately fewer adults over 25 years old without college degrees

Why does it matter? *Because more education means more money—to individuals and to the state’s economy.* So say the experts.

More Education Means More Money—to Individuals!

If you don’t have a college education, these are some hard facts to face, but in 1999, nationally

- Adults with **less than a high school education** earned only half the average amount for all adults. At least 21.4 percent of Tennesseans fall into this group.
- Adults with **high school only** earned about 76 percent of the average for all adults.
- Adults with **some college** earned about 88 percent of the average for all adults.
- Adults with **bachelor degrees** earned more than 1.4 times the average for all adults.
- Adults with **advanced degrees** earned more than double (2.09 times) the average for all adults.

Somewhere between 19.7 and 22.1 percent of Tennesseans over 25 years of

age have college degrees based on the latest information from the 2000 census. These figures for educational attainment and income comparisons help explain why 40 states outrank Tennessee for median household income.

More Education Means A Better Economy for Tennessee!

Tennessee’s economy compared to other states peaked in 1994 with gross state product per capita at more than 94 percent of the US average. That percentage has been declining ever since. Tennessee rose to 26th by 1994, but had fallen back to 30th by 1999 (US Bureau of Economic Analysis).

Technology is gradually eliminating many low-skill jobs, and many more are being exported to low-wage countries. New low-skill jobs, primarily service-oriented, don’t pay as well as the low-skill manufacturing jobs that we’re losing. Education is the antidote to the decline.

* Cohen, Natalie, *Business Location Decision-Making and the Cities: Bringing Companies Back*, a Brookings Institution, Center on Urban and Metropolitan Policy, Working Paper (April 2000).

<http://www.brook.edu/dybdocroot/es/urban/cohenexsum.htm>

Implications for Tennessee—

There's an old saying: "It takes money to make money." That goes double today. It takes money to get a good education, and it takes a good education to make money. Tennessee has been spending more on elementary and secondary education—more than before, but not more in comparison to the national average. Only five other states spend less per student. Even so, high school graduation rates are slowly improving.

Tennessee is spending less per capita on higher education—including student aid—compared to the national average now than ten years ago. Thirty-seven states spend more. It will be difficult for Tennessee to attract better paying jobs without improving the overall education level of Tennesseans, and that will be difficult, if not impossible, without investing more in higher education. A better state economy benefits us all. It helps keep tax rates low and good jobs plentiful.

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	Percent of Adults with High School Diploma			Percent of Adults with Bachelor Degrees		
Lower Than Tennessee	Kentucky	Mississippi (3)	West Virginia	Arkansas Kentucky	Mississippi (5)	Nevada West Virginia
Same As Tennessee	Alabama Arkansas California Georgia	Louisiana New Mexico North Carolina (11)	Oklahoma Rhode Island South Carolina Texas	Alabama Arizona Idaho Indiana	Iowa Louisiana Maine Missouri North Carolina (13)	Ohio Oklahoma South Carolina Wisconsin
Higher Than Tennessee	Alaska Arizona Colorado Connecticut Delaware Florida Hawaii Idaho Illinois Indiana Iowa Kansas	Maine Maryland Massachusetts Michigan Minnesota Missouri Montana Nebraska New Hampshire New Jersey New York (35)	Nevada North Dakota Ohio Oregon Pennsylvania South Dakota Utah Vermont Virginia Washington Wisconsin Wyoming	Alaska California Colorado Connecticut Delaware Florida Georgia Hawaii Illinois Kansas	Maryland Massachusetts Michigan Minnesota Montana Nebraska New Hampshire New Jersey New Mexico New York North Dakota (31)	Oregon Pennsylvania Rhode Island South Dakota Texas Utah Vermont Virginia Washington Wyoming

Source: US Census Bureau, Census 2000 Supplementary Survey [<http://www.census.gov/c2ss/www/Products/Rank.htm>].