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## Fact Sheet: Return on Investment of CTE

### Revenue/Economic Impact

The return on investment over the lifetime of a secondary CTE completer in the state of Washington is 43.97%. (A CTE completer is a student who has completed 360 hours of sequenced vocational classes, approximately 2.4 credits.)<sup>1</sup>

In Washington, for every dollar invested in secondary CTE programs, taxpayers receive \$9 in revenues and benefits.<sup>2</sup>

At the secondary level, Tennessee CTE program completers account for more than \$13 million in annual tax revenues.<sup>3</sup>

An estimated 1.3 million students across all fifty states and the District of Columbia dropped out from the Class of 2010 at great cost to themselves and to their communities. Cutting in half the number of each state's dropouts for this single high school class could result in tremendous economic benefits. Below are the contributions that these 650,000 "new graduates" would likely make to the economy:

- \$7.6 Billion in Increased Earnings;
- \$5.6 Billion in Increased Spending;
- 54,000 New Jobs;
- \$9.6 Billion in Economic Growth; and
- \$713 Million in Increased Tax Revenue.<sup>4</sup>

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<sup>1</sup> Conducting Return on Investment Analyses for Secondary and Postsecondary CTE: A Framework. Hollenbeck, K. M., 2011. <http://www.nrccte.org/resources/publications/conducting-return-investment-analyses-secondary-and-postsecondary-cte>

<sup>2</sup> Investing in Career & Technical Education Yields Big Returns. Association for Career and Technical Education, 2015. <http://www.acteonline.org/>

<sup>3</sup> The Economic Impact of Secondary and Postsecondary Career and Technical Education in Tennessee. Sparks Bureau of Business and Economic Research and the University of Memphis, 2006. (Quoted in CTE Today Fact Sheet. Association for Career and Technical Education, 2015.) <http://www.acteonline.org/>

<sup>4</sup> Education and the Economy: Boosting the Nation's Economy by Improving High School Graduation Rates. Alliance for Excellent Education, 2011. [http://all4ed.org/wp-content/uploads/2013/09/NationalStates\\_seb.pdf](http://all4ed.org/wp-content/uploads/2013/09/NationalStates_seb.pdf)

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## Graduation Rates

The average high school graduation rate in 2012 for CTE concentrators was 93%, compared to the national adjusted cohort graduation rate of 80%.<sup>5</sup>

The 2013-2014 four-year cohort graduation rate for CTE concentrators in Oregon was 85.7%; for all students (including CTE concentrators) it was 76.4%. (An Oregon CTE concentrator is a student who has earned one or more credits in a technical skill course(s) within an Oregon state-approved CTE Program of Study.)

### Costs of Oregon Dropouts:

- Approximately \$173 million in tax revenues is lost each year due to the decreased earnings of high school dropouts.
- Oregon's dropouts are twice as likely as graduates to depend on Medicaid.
- Higher Medicaid use by dropouts costs Oregon nearly \$219 million per year.
- Over their collective lifetimes, Oregon's population of dropouts will cost the state \$2.1 billion in lost taxable revenues.
- Oregon can save up to \$37 million each year in incarceration costs by increasing graduation rates (thereby lowering incarceration rates).<sup>6</sup>

## Employment, Earnings and College/Career-Readiness

The most recent employment figures for Washington show that between two and three years after leaving the program, employment for secondary CTE completers was 8.4% higher than for non-CTE students.

The total net benefit to secondary CTE completers over their lifetime (to age 65) was \$79,833. The net benefit to the public was \$7,659 per secondary CTE completer.

The Return on Public Investment over the lifetime of a secondary CTE completer is \$87 to 1.<sup>7</sup>

High school students who complete a CTE sequence earn \$840 more annually, and have 6.7% higher employment rates than those who did not.<sup>8</sup>

Eighty percent of students taking a college preparatory academic curriculum with rigorous CTE met college and career readiness goals, compared to only 63 percent of students taking the same academic core who did not experience rigorous CTE.<sup>9</sup>

*The CTE brand logo, brand-positioning, theme, and brand extensions are the property of NASDCTEc*

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<sup>5</sup> Building a Grad Nation: Progress and Challenge in Ending the High School Dropout Epidemic. Office of Career, Technical and Adult Education, 2014. <http://gradnation.org/resource/building-gradnation-progress-and-challenge-ending-high-school-dropout-epidemic-2014>

<sup>6</sup> Oregon's High School Dropouts: Examining the Economic and Social Costs. The Foundation for Education Choice and Cascade Policy Institute, 2012. [http://cascadepolicy.org/pdf/edref/2010\\_03\\_ORdropout.pdf](http://cascadepolicy.org/pdf/edref/2010_03_ORdropout.pdf)

<sup>7</sup> 2015 Workforce Training Results for Washington Secondary CTE <http://www.wtb.wa.gov/CTE2015Dashboard.asp>

<sup>8</sup> CTE: An Investment in Success. Washington Workforce Training and Education Coordinating Board. <http://www.wtb.wa.gov/>

<sup>9</sup> High Schools That Work 2012 Assessment. Southern Regional Education Board. [http://www.sreb.org/page/1078/high\\_schools\\_that\\_work.html](http://www.sreb.org/page/1078/high_schools_that_work.html)