
The Case for:

Changing education changes everything.

The list of challenges facing our country can overwhelm even the most spirited optimist. What if you could solve most of America's top problems by addressing just one? The economy, healthcare, crime, human services, national security—these are just a few of the things keeping Americans up at night. It's no wonder we're losing sleep; each issue is scary enough on its own, so the thought of solving them all simultaneously... well, where would we even start? The answer might surprise you. A recent survey of K-12 parents found that EDUCATION ranks 6th on the list of our most pressing concerns. But ACE Scholarships recognizes it should be our country's top priority, and here's why. Education is embedded in the roots of every single problem we're up against. And it's the proven solution to moving forward with hope for a brighter future. Because changing education changes everything.



ACE Research

Objective:

ACE partnered with ROI Rocket to conduct research on public opinions about education. The survey included 2,200 respondents, evenly split between three groups:

- K-12 parents
- Parents of adult children
- Adults without children

Key Findings:

- **Education is not a top priority** compared to other national and household issues.
- **Nationally**, education ranks below concerns like the economy, healthcare, crime, and national security.
- **Within households**, basic needs take precedence over education. The issues that took precedence were, in this order:
 - The Economy
 - Healthcare
 - Human Services
 - Crime
 - National Security (Defense/Terrorism/Border Control)

Even among **K-12 parents**, who value education more than other groups, it still ranks lower than the economy and other pressing issues.

- **Priority Index:** Education scored **49** on a 100-point scale, meaning it is about **half as important** as the top issue (the economy).
- Overall, while education is valued, it is not seen as an urgent or top-tier issue compared to other personal and societal concerns.

WHERE DID EDUCATION RANK:

- And while education was not ranked in the top five, we were incredibly motivated by what we discovered.
- In fact, education ended up ranking **sixth** on the list.
- But here's what was truly eye-opening: based on ACE's 25 years of experience and data, we came to a powerful conclusion—education is **foundational** in addressing the top five issues Americans see as the most pressing.
- That's why, at ACE, we don't just believe—but **know**—that *Changing Education Changes Everything*. And we have the proof to back it up.

The Bottom Line:

A Stronger Education System Solves More Than Just Education

Education is not just about schools—it's about the future of our economy, our healthcare system, our safety, our national security, and our social services. If we **change education, we change everything**.

The Case for: Changing Education. Changes Everything.

1. The Economy: Education Builds a Stronger Workforce

- A skilled workforce drives innovation, job creation, and economic growth.
- Higher education levels lead to better wages, reducing poverty and reliance on government assistance.
- Stronger education in STEM, trades, and financial literacy equips students to thrive in a changing economy.

Impact: A better-educated workforce leads to a stronger economy, higher wages, and less economic insecurity.

ACE PROOF POINT:

Source: Value of a Diploma (June 2024), ACE Scholarships study conducted by QREM.

OUTCOME	NO HIGH SCHOOL DIPLOMA	HIGH SCHOOL DIPLOMA OR EQUIVALENCY	COLLEGE EDUCATION
Average Annual Income	\$50,159 23% less than high school graduates 66% less than college graduates	\$65,701	\$147,263
Likelihood to live in poverty*	24.5% 1.7 times more likely than those with a high school diploma 5.4 times more likely than those with a college education	14.4%	4.5%
Own a home*	64%	77% 1.2 times the rate of high school dropouts	84% 1.3 times the rate of high school dropouts
Receive government assistance by age 27‡	67.9% 3.9 times more likely than those with a high school diploma	17.6%	
Fired more than once by age 27‡	31.5% 2.1 times more likely than those with a high school diploma	15.2%	

- **Increased Household Income:** ACE households see a **13% overall income increase** after three years, with a **17% rise** for families qualifying for Free & Reduced Lunch (FRL).
- **Lower Unemployment:** Parent unemployment drops **45% overall** and **34% for FRL-eligible** households by year three.
- **More Stable Employment:** ACE parents stay **twice as long** with their current employer after three years in the program.
- **Pathway Out of Poverty:** After two years, **12% fewer** ACE households qualify for FRL, and **6% fewer** remain in poverty.

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2. Healthcare: Education Leads to Healthier Lives

- Education directly correlates with better health outcomes and longer life expectancy.
- More education increases awareness of preventative healthcare, reducing long-term medical costs.
- Higher education levels lead to lower rates of smoking, obesity, and chronic disease.

Impact: Investing in education reduces healthcare costs, improves public health, and increases life expectancy.

ACE PROOF POINTS:

Higher Life Expectancy

They get jobs that provide health benefits allowing preventative care and health care when needed.

Source: Value of a Diploma (June 2024), ACE Scholarships study conducted by QREM.

OUTCOME	NO HIGH SCHOOL DIPLOMA	HIGH SCHOOL DIPLOMA OR EQUIVALENCY	COLLEGE EDUCATION
Used illicit drugs with in the past 6 months‡	43.9% 1.9 times more likely than those with a high school diploma	22.9%	
Self-reported poor health‡	21.8% 2.3 times more likely than those with a high school diploma	9.4%	
Life Expectancy	71 years	75 years	83 Years

*US Census Bureau data
°American Time Use Survey
‡Lansford et al., 2016

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3. Human Services: Education Breaks Cycles of Poverty & Strengthens Communities

- Better education leads to **higher incomes**, reducing the need for social services like food assistance and housing aid.
- Education promotes **financial literacy**, helping families build long-term stability and avoid cycles of poverty.
- Schools serve as **community hubs**, providing resources like mental health support, childcare, and job training.
- Early childhood education programs improve long-term life outcomes, especially for low-income families.

Impact: A strong education system reduces dependence on social services, strengthens communities, and creates generational change.

ACE PROOF POINTS:

Source: Value of a Diploma (June 2024), ACE Scholarships study conducted by QREM.

OUTCOME	NO HIGH SCHOOL DIPLOMA	HIGH SCHOOL DIPLOMA OR EQUIVALENCY	COLLEGE EDUCATION
Connected to neighbors, will do small favors for them*	68.8%	71.9%	76.6%
Volunteer regularly*	9.5%	13.1% 1.4 times the rate of those without a high school diploma	31.9% 3.4 times the rate of those without a high school diploma
Hours volunteering°	58.2 hours	69.6 hours 1.2 times the rate of those without a high school diploma	65.5 hours 1.1 times the rate of those without a high school diploma

*US Census Bureau data
°American Time Use Survey
‡Lansford et al., 2016

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4. Crime & Public Safety: Education Reduces Crime Rates

- Higher educational attainment significantly lowers crime rates.
- More education leads to higher employment rates, reducing economic desperation that fuels crime.
- Schools with strong social-emotional learning programs decrease youth violence and incarceration rates.

Impact: Education is one of the most effective crime prevention strategies available.

ACE PROOF POINTS:

Source: Value of a Diploma (June 2024), ACE Scholarships study conducted by QREM.

OUTCOME	NO HIGH SCHOOL DIPLOMA	HIGH SCHOOL DIPLOMA OR EQUIVALENCY	COLLEGE EDUCATION
Used illicit drugs with in the past 6 months‡	43.9%	22.9%	1.9 times more likely than those with a high school diploma
Arrested between the ages of 18 and 27‡	65.4%	20.6%	3.2 times more likely than those with a high school diploma

*US Census Bureau data
°American Time Use Survey
‡Lansford et al., 2016

Total Economic Impact

- Each dropout costs the U.S. economy an estimated \$300,000–\$500,000 over their lifetime. This figure encompasses several factors: Lost earnings, Decreased Tax Revenue, Increased Public Assistance, High Crime-Related Costs, and Poorer Health Outcomes.
- If the U.S. cut the dropout rate in half, it could save \$150 billion or more annually in lost revenue and public spending.
- A 5% increase in male graduation rates would reduce crime-related costs by \$18 billion annually.
- 60% of inmates do not have a high school diploma
 - Federal: \$40,000 cost per inmate per year
 - State: \$65,000 cost per inmate per year

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5. National Security: Education Strengthens America's Global Standing

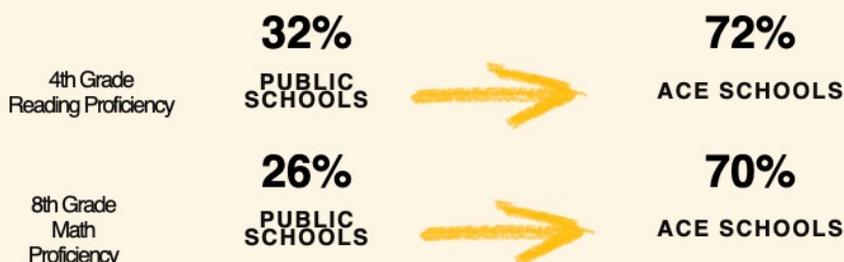
- A strong education system fuels innovation and keeps the U.S. competitive in technology and defense.
- Critical thinking skills and civic education create a more informed, engaged, and resilient population.
- Strong schools reduce economic disparities, strengthening national unity and stability.

Impact: Education is essential to maintaining America's leadership in the world.

Developing a Skilled Workforce: National security relies on well-trained professionals in fields like cybersecurity, engineering, intelligence, and defense. A strong K-12 education lays the foundation for students to pursue STEM (Science, Technology, Engineering, and Mathematics) careers, which are essential for national defense and innovation.

ACE PROOF POINTS

- **ACE parents return to school themselves.** On average, it takes ACE parents approximately three years to gain an educational credential.
- **ACE students are more likely to attend college and then finish their degrees within six years.** While they are in elementary and secondary school, ACE proficiency rates increase significantly from 48% their first year to 65% after four years in Math, and from 55% to 73% in Reading. This increases their chances of being prepared for college. Once they start college, they are more likely to finish their degrees within six years (42%) compared to 25% of their low-income peers.
- **Pathway Out of Poverty:** After two years, **12% fewer** ACE households qualify for FRL, and **6% fewer** remain in poverty.
- Fourth-grade reading and eighth-grade math are critical indicators of future success.



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Why 4th Grade Reading and 8th Grade Math Matter:

Fourth-Grade Reading: From Learning to Read to Reading to Learn

- Early grades focus on learning basic reading skills, but by fourth grade, students must use reading to learn across all subjects.
- Poor reading skills at this stage lead to academic struggles, knowledge gaps, and increased dropout risks.
- Research links fourth-grade reading proficiency to long-term success in education and the workforce.

Eighth-Grade Mathematics: The Gateway to Advanced Learning

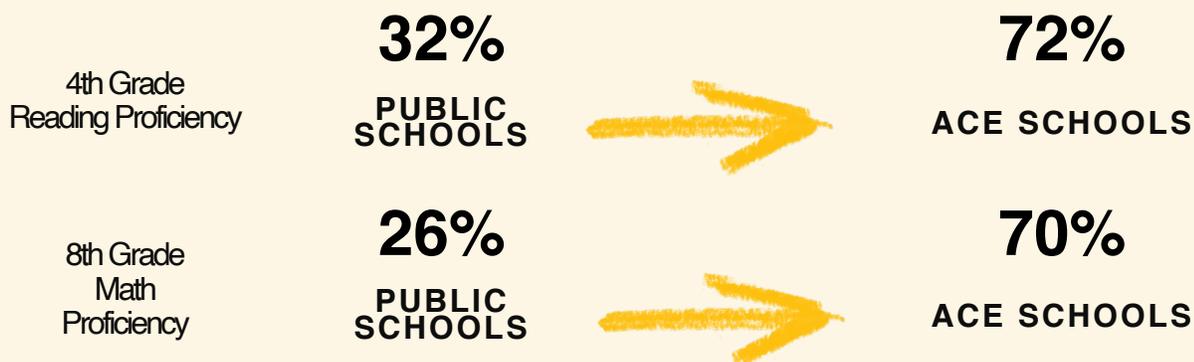
- Mastering eighth-grade math, particularly algebra, is a strong predictor of high school and college success.
- Algebra is a "gateway subject" to STEM careers and logical reasoning skills.
- Struggles in eighth-grade math often signal future difficulties in higher education and workforce readiness.

Why These Benchmarks Matter

- Policymakers use these milestones to assess educational progress and make early interventions.
- They influence workforce readiness, economic mobility, and national competitiveness.
- Standardized assessments like the NAEP use these grades to track educational trends.

Bottom Line: Fourth-grade reading and eighth-grade math are critical indicators of future success. Early intervention in these areas helps ensure students stay on track academically and professionally.

ACE PROOF POINT:



The Case for: Changing Education. Changes Everything. Why a high school diploma matters.

Lower Earning Potential

- Dropouts earn **\$10,000–\$15,000 less per year** than high school graduates.
- Over a lifetime, dropouts contribute **\$200,000–\$300,000 less** in taxes.

Higher Reliance on Public Assistance

- Dropouts are **three times more likely** to rely on government assistance (food stamps, Medicaid, housing aid).
- The cost of public assistance per dropout: **\$30,000–\$50,000 over a lifetime**.

Increased Crime and Incarceration Costs

- **60% of inmates** in state and federal prisons did not finish high school.
- The cost of incarceration: **\$40,000–\$65,000 per inmate per year**—far more than the cost of education.
- A **5% increase in male graduation rates** could reduce crime-related costs by **\$18 billion annually**.

Higher Healthcare Costs

- Dropouts suffer from more chronic health issues, leading to increased **Medicaid and emergency care costs**.
- Estimated extra healthcare costs per dropout: **\$10,000–\$50,000 over a lifetime**.

The National Economic Impact

- Each dropout costs the U.S. economy an estimated **\$300,000–\$500,000** over their lifetime in tax revenue.
- Cutting the dropout rate in half could save **\$150 billion annually** in lost revenue and public spending.
- Investing in K-12 education is **cost-effective**—the total cost to educate a student for 13 years (K-12) is **\$211,000**, significantly lower than the costs of public assistance and incarceration.

Breaking the School-to-Prison Pipeline

- High school dropouts are overrepresented in the juvenile justice system.
- Suspended or expelled students are at higher risk of future incarceration.
- Reducing dropout rates can directly reduce the prison population and associated costs.

Why Investing in Education Pays Off

- A high school diploma provides a **pathway to college, vocational training, and stable employment**.
- Increased graduation rates lead to **lower crime, reduced poverty, and economic growth**.
- The long-term benefits far outweigh the short-term costs of educational investment.

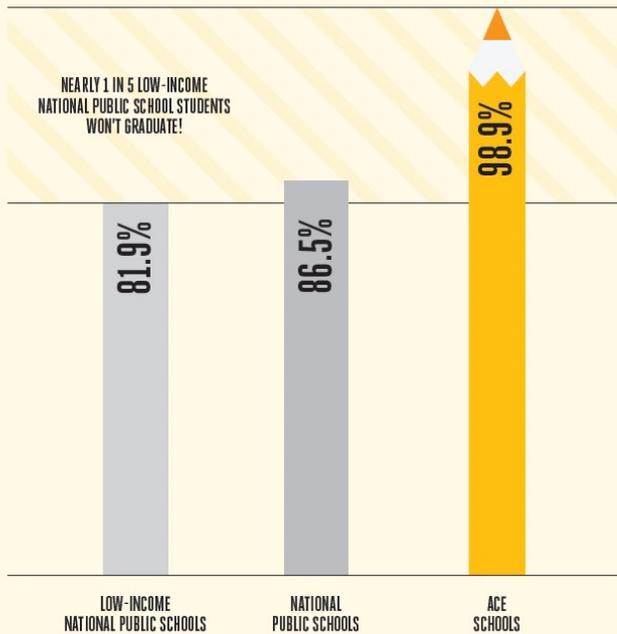
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ACE PROOF POINT:

High School Graduation Rates

Our partner schools have some of the highest graduation rates in the country.
And nearly all of our graduates go on to college or enter the trades or military.



Why Education Reduces Incarceration

- **Increases job opportunities** → More legal employment options reduce the need for illegal activities.
- **Enhances decision-making skills** → Better education is linked to improved problem-solving and reduced impulsive behavior.
- **Reduces likelihood of poverty** → Economic hardship is one of the strongest predictors of criminal behavior.
- **Improves social integration** → Schools provide positive social structures that keep individuals engaged in productive activities.



THE HIDDEN COST

Dropouts in the U.S. in 2023
cost society \$19.8 billion!

*State Department of Education for the 12 states ACE operates in.
ACE Partner Schools with analyses done by QREM.

Nearly 1 in 5 low-income national public school students won't graduate!

Investing in education offers long-term benefits that far exceed the initial costs. A high school diploma opens doors to higher education and stable employment, while increased graduation rates contribute to lower crime, reduced poverty, and overall economic growth. The impact of education reaches beyond individuals, strengthening communities and society as a whole.

Funding

Federal: Approximately **\$124.9 billion** in FY 2021–22, which is about **13.7%** of total K-12 public school funding

This includes federal education programs and COVID-19 relief funds.

State: Approximately **\$400.8 billion** (roughly **44%** of total funding) came from state governments in FY 2021–22. States are typically the largest single contributor to K-12 funding, often through state taxes and education aid formulas.

Local: Approximately **\$383.5 billion** (**42%** of the total) was raised from local sources (primarily local property taxes) in FY 2021–22. Local funding varies by community wealth and makes up a substantial portion of school budgets.

Total Public K-12 Funding: About **\$909.2 billion** in FY 2021–22

State and local sources combined provided roughly **\$784.3 billion** (about 86.3% of all funding) while the **federal government** contributed the remaining **13.7%**

Source (Latest Published Numbers): nces.ed.gov

Average Cost to Educate a Child from K-12 (13 Years):

- \$211,000 (source: nces.ed.gov)

Average Cost to House an Inmate Per Year:

- Federal: \$40,000
- State: \$65,000

(source: [Bureau of Prisons](https://www.boprisons.gov))

Average Tuition for ACE Partner School: \$10,000

Average Budget Per Student Public School: \$14,000 - \$16,000