

DATA DELAWARE: Monday, October 7, 2019
SUBJECT: "Education Impacts the Economy" (Part I Podcast transcript)

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the conversion is being offered on a best-efforts basis.**

Dace Blaskovitz: Welcome back to Money and Politics in Delaware. As promised a new voice, new face to the program. Welcome to the program Rick Hanushek.

Eric Hanushek: It's really very good to be here. I'm real pleased that you invited me on.

Dace Blaskovitz: Well, thank you. As mentioned, Rick is headed to Delaware, the formality of title Hoover Institution, Stanford University. And he's in Delaware Tuesday, October 15th. That's a 6:00 to 9:00 event, and he's the guest speaker at the Caesar Rodney Institute 11th Annual Banquet, Education Impacts the Economy. We'll give out the info in just a minute.

Dace Blaskovitz: But with that said, we do this with every guest, Rick Hanushek, and that is we start at the beginning. And that is, for a first-time listener, 30 seconds about you and 30 seconds about what you do for a living.

Eric Hanushek: I'm an economist and I do research on education policy. I've been studying education now for longer than I care to admit. And have started to learn a lot about what makes for good schools and what is the impact of good schools.

Dace Blaskovitz: And when Rick and I, professor Hanushek, traded emails the proverbial outline has two highlights. Delaware should focus on improving its schools because this will directly affect the future economic wellbeing. And then the second, improving schools is difficult but possible.

Dace Blaskovitz: So again, I like to word choice. Let's start at the beginning. Delaware should focus on improving its schools because this will directly affect the future economic wellbeing. It's your turn, tell the story,

Eric Hanushek: Well there's the story that all parents know, and that is that better education on average leads to better economic outcomes for their kids. And that's a true story, but it's a true story that has some nuances that maybe not all parents understand. The nuance is that just going to class doesn't count unless you learn something. And so what we're finding now is that scores on these state examinations or national examinations are pretty good indices of what the skills are that the person will take to the labor market or their ability to learn new things.

Eric Hanushek: And that pays off, but that's not the main message that I would like to give. The main message is that, this holds for the state of Delaware as a whole, that if it has better educated people it ends up with a more highly skilled labor force. And the quality of the labor force in each state will have a strong influence on the future economic growth and the wellbeing of the entire state.

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Dace Blaskovitz: You've written extensively about that. I believe you have some stats, especially the international student test and economic growth scores, the PISA scores. I mean, talk a little bit more here.

Eric Hanushek: Yes. So in the last quarter century or so, economists have really started to focus on the importance of economic growth. It is because it's growth that distinguishes what the future will look like compared to today. The U.S. is the richest nation in the world today because it's had 100 years of stronger growth than most other nations and that has made us wealthy. It turns out that when you try to figure out why some nations grow faster than others, there have been puzzles, to economists at least. There seems to be some relationship between the amount of schooling measured by years of schooling in a country and growth.

Eric Hanushek: But the reality is that the real relationship is between what people know. And so we've been studying that for quite a while. What we have are a series of international tests of math and science and reading, and so you can think of this as taking a math problem by marching it around the world and seeing whether the kids in any country can answer particular math problems. And it gives you a pretty good index, actually, of the quality of schools. The quality of schools is very, very closely related to differences in growth rates, and it's important. And the U.S. is not doing particularly well.

Dace Blaskovitz: All right, well, it's not a rhetorical question. Let me attack you right away. So not particularly well, tell us why, guru?

Eric Hanushek: Well, I think this is a complicated story. We have constraints in our system. We don't focus on performance of our kids as much as other countries do. We don't provide incentives to the students to do particularly well. In other countries at the end of your high school days, you have a consequential examination that determines whether you're going to go to college or not and whether you're going to go to the best college or not. And kids in other countries work very hard to prepare themselves for these tests. We essentially don't have that, because most kids who want to go to college today can find a college to go to.

Dace Blaskovitz: And on your side, to play with that theme just a minute, the schools come back and say, "Well, we got to be more than tests to the test." Or take it to the extreme, that the test by definition are racist. You've spent a lifetime in this space. You hear those same chirps. What's the response?

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- Eric Hanushek: Well, the response is that the people in those schools today don't want to be judged by their performance, it's plain and simple. The people in schools resist any form of accountability that would suggest that some of them aren't doing as well as others. With the one exception is if they can use some argument along that line it gets more money, they'll do it.
- Eric Hanushek: The answer is that these tests in general are not the whole story, they're not all that we want to get out of education, but they're extraordinarily important. There is a measure of whether kids, when they go out into labor markets, are going to be able to compete in today's world.
- Dace Blaskovitz: And on your side, well you kind of said it, but I want to come back and close the loop and that is the direct correlation between the student scores and the growth of the economy is a direct correlation with a question mark. Correct?
- Eric Hanushek: It is. And the questions that scientists or economists and others have been struggling with is to make sure that it's a causal relationship. And by that, that's a short hand for saying, "If we increased the test scores of the kids in the United States, could we reasonably expect growth rates to improve in the future or is it just that these are correlated the way sunspots are correlated with business cycles." And after quite a bit of work, I think that you can make a strong case that this is a causal relationship because this measure of test scores is not what you care about itself. It's not that you can, the people can answer questions about quadratic equations. Instead, it's rather correlated with the set of knowledge and cognitive skills that people have. And these cognitive skills both enable students today to go into college and get more out of college, it enables them to adjust when the labor market changes.
- Dace Blaskovitz: His name is Rick Hanushek. He's coming to Delaware, let me put that out there. The title of his talk is Education Impacts the Economy. He's the guest speaker at the Caesar Rodney Institute's 11th Annual Banquet. If you want to check in, you can go to the Caesar Rodney Institute website. The phone number (302) 273-0080. And again, it's the Caesar Rodney Institute, it's October 15th.
- Dace Blaskovitz: When we come back from break, improving schools is difficult, but possible. It's all about the teachers. We will be, or should be, we'll take a short break. We will be right back.