

Lit Scan

Facts & Figures from the Colorado Literacy Research Initiative

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The Impact of Literacy on Income

Earnings by Educational Attainment, Age, and Sex, 1996

In 1996, long-term high school dropouts earned about a third less than high school graduates, according to unpublished data from the 1996 Current Population Survey reported in the **Statistical Abstract of the United States 1998** (http://www.census.gov/stat_abstract). That year, those who did not graduate from high school or pass the GED Tests—regardless of age—earned six to seven thousand dollars less than those whose highest degree was a high school diploma. Notably, this pay gap was widest—almost \$8,500 a year—for the 45-54 age group, the years during



which earning potential is generally highest and—somewhat ominously—the years during which most parents hope to help to cover college costs for their own children (see Table 1). Even more dramatic discrepancies were found between the earnings of non high school/GED graduates and those who not only graduated from high school but earned bachelor's degrees.

Table 1 ■ Earnings by Educational Attainment (Non High School v. High School) and Age Group, 1996

Age Group	Not high school graduate	High school /GED graduate	Difference	Per-cent
18+	\$ 14,013	\$ 21,431	\$ (7,418)	-35%
18-24	\$ 6,837	\$ 11,376	\$ (4,539)	-40%
25-34	\$ 13,742	\$ 20,243	\$ (6,501)	-32%
35-44	\$ 17,313	\$ 23,926	\$ (6,613)	-28%
45-54	\$ 17,197	\$ 25,661	\$ (8,464)	-33%
55-64	\$ 18,692	\$ 24,766	\$ (6,074)	-25%
65+	\$ 10,803	\$ 16,443	\$ (5,640)	-34%

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In 1996, those who did not graduate from high school—regardless of age—earned almost \$23,000 less than those who earned bachelor’s degrees. Again, this pay gap was widest—almost \$27,000—for the 45-54 age group (See Table 1.)



Table 2 ■ Earnings by Educational Attainment (Non High School v. Bachelor’s Degree) and Age Group, 1996

Age Group	Not HS/GED graduate	Bachelor's degree	Difference	Per-cent
18+	\$ 14,013	\$ 36,980	\$ (22,967)	-62%
18-24	\$ 6,837	\$ 16,145	\$ (9,308)	-58%
25-34	\$ 13,742	\$ 31,658	\$ (17,916)	-57%
35-44	\$ 17,313	\$ 42,056	\$ (24,743)	-59%
45-54	\$ 17,197	\$ 44,115	\$ (26,918)	-61%
55-64	\$ 18,692	\$ 45,055	\$ (26,363)	-59%
65+	\$ 10,803	\$ 26,442	\$ (15,639)	-59%

Because of this earnings differential, the risk of non-high school/GED graduates and their families ending up in the poorer half of the nation’s adult population has increased steadily between 1969 and 1996. In 1969, 17.5 percent of individuals age 25 and over who had not graduated from high school had incomes above the median (i.e., in the top half); by 1996, that figure had dropped to only 5 percent. (Source: **Changes in Median Household Income: 1969 to 1996**, U.S. Bureau of the Census, July 1998, <http://www.census.gov/prod/3/98pubs/p23-196.pdf>).

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