

Today I want to talk about the importance of the basic education system, and the theme is going to be that it's a necessary, but not sufficient strategy, for education for the future. We're all familiar with the basic education model. We start in kindergarten and go through grade school through high school. Hopefully go on to a two- or a four-year college and maybe even to graduate school. Then we enter the labor force and we start our working career after we complete our education.

Well that model no longer works. Today, we have to think about lifelong learning because technologies are changing, the job market is changing in unpredictable ways, and new ways of working are going to continue to come along. They're going to require us to refresh our skills.

As this graph shows, the evidence is clear. High school dropouts are really doomed to a lifetime of poverty wages. On average they earn about \$24,000 a year. High school graduates get to about \$34,000 a year, and college graduates get to about \$55,000 a year average income. So the key lesson of this graph is, by all means, every one must finish high school and hopefully go beyond that.

But you could say the same thing for high school graduation. College still pays off. This graph shows the difference in median earnings of high school and college graduates, and you'll see that it's been growing over time. That's both for men and for women. The gap between high school and the college degree earnings has grown, and so there's increasing returns to college even given the increased cost of college.

This graph shows that adjusting for the increased cost, that gap is still growing and the increase in returns to college, particularly since around 1980, have been growing by very, very large numbers. And so the message here is that, yes, college is expensive, but we've got to be careful not to underestimate its value.

At the same time, it's important to recognize that there's wide variation in the earnings of college graduates. So it's very important to be careful to choose when, where, and what kind of organization, what kind of institution you choose to get your education at.

Ending your education and then entering the workforce was a model that worked in the past, but it's not going to work in the future. So let's look more carefully at how we're going to move through a model of lifelong learning in the future.