Learning that works for America
CTE®

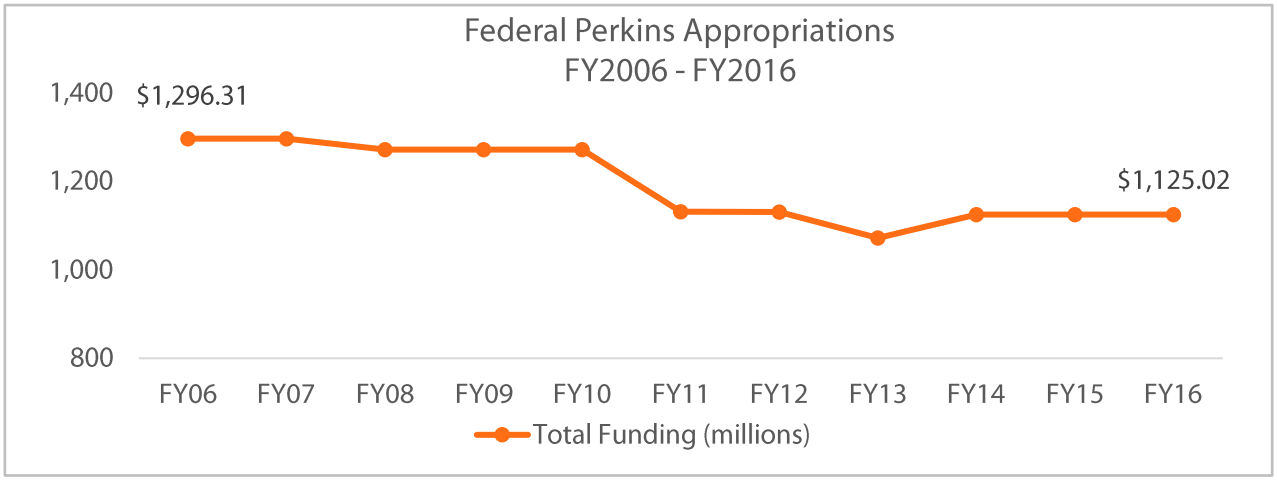
Funding Career Technical Education: An American Imperative

Career Technical Education (CTE) is a proven strategy to strengthen the U.S. economy. CTE engages students, strengthens the workforce and closes critical skills gaps. While CTE programs are supported by both state and federal dollars, nearly every community in the U.S. receives funds through the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins), directly impacting more than 11.3 million students nationwide.[1]

Despite its value and impact, Perkins remains a critically underfunded program. Now is the time to increase investments in programs that work. To ensure students develop skills that meet the needs of tomorrow's economy, it is critical to sustain support and funding for CTE programs nationwide.

CTE is Chronically Underfunded

- The Perkins Act is the federal government's largest investment in CTE, but funding has not kept pace with increasing demand in a growing economy.
- Between FY2006 and FY2016, Perkins funding declined by $171 million, or 13 percent over the decade.
- Given Perkins funds are not tied to inflation, this decrease is more accurately a 27 percent reduction in inflation-adjusted dollars from 2006 to today.
- Taking a longer view, Perkins has remained relatively flat funded since 1991, and without being tied to inflation, the program's **buying power has fallen by approximately $933 million** in inflation-adjusted dollars since 1991 — a 45 percent reduction over a quarter century.[2]
- More than 20 states today receive a Perkins Basic Grant fund that is at or below the level they received in 1998.
- Nevertheless, demand for CTE remains high, with 7.4 million secondary students and nearly 4 million postsecondary students enrolled in CTE programs nationwide.[3]



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An Investment in CTE is an Investment in America's Economy

CTE strengthens the American economy by reducing high school dropout rates, equipping students with workforce-relevant skills and expanding a talent pool that is responsive to the needs of employers. High-quality CTE programs have a direct and measurable impact on the economy.

Consider:

- The graduation rate for students who take a concentration of CTE courses is about 93 percent, approximately 10 percent higher than the national average.[4]
- In *Arkansas*, students who concentrated in a CTE program of study were 21 percentage points more likely to graduate from high school, more likely to be employed or enrolled in a postsecondary program after high school, and earned $45 more in wages per quarter than their peers.[5]
- The impact of CTE's role in dropout reduction is estimated to have the potential to save the economy upwards of $186 billion dollars, including an **$11.5 billion increase in Gross Domestic Product**, and **$1.1 billion in new federal tax revenue**.[6]

High-quality CTE programs can strengthen the talent pipeline by supporting a workforce that is ready to meet the demands of tomorrow's jobs.

Consider:

- About two-thirds of all jobs will require some education and training beyond high school by 2018, including 48 million jobs that will require more than a high school diploma but less than a four-year degree. [7]
- Of these jobs, 15.6 million will require an industry-recognized certificate (either in lieu of or in addition to a postsecondary degree).[8]
- These 48 million jobs – sometimes called "middle skill" even though they often require highly-advanced technical skills – are often those waiting for individuals at the end of a CTE program of study.

46%

Percent of employers with difficulty finding skilled talent [9]

$14,000

Estimated cost to business per job that goes unfilled [10]

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[1] Refers to Program Year 2014-15. Source: https://perkins.ed.gov/pims/DataExplorer/CTEParticipant
[2] Calculated using the Bureau of Labor Statistics' CPI Inflation Calculator https://data.bls.gov/cgi-bin/cpicalc.pl
[3] Refers to Program Year 2014-15. Source: https://perkins.ed.gov/pims/DataExplorer/CTEParticipant
[4] https://s3.amazonaws.com/PCRN/uploads/Perkins_RTC_2013-14.pdf
[5] https://edexcellence.net/publications/career-and-technical-education-in-high-school-does-it-improve-student-outcomes
[6] http://impact.all4ed.org/wp-content/uploads/2015/10/the-United-States-of-America_2015.pdf
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