



# *News from the* Fiscal Policy Institute

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## **New report**

<http://www.epi.org/publication/states-education-productivity-growth-foundations>

## ***Investing in Education Will Build a Stronger New York Economy***

The best way for New York State to grow its economy is by expanding investment in a well-educated workforce, according to a new study published by Economic Policy Institute for the [Economic Analysis and Research Network \(EARN\)](#). EARN is a network of 61 state and local economic think tanks and 25 national partners founded by the Economic Policy Institute and several other state and national groups, including the Latham, New York-based Fiscal Policy Institute.

In *A Well Educated Workforce is Key to State Prosperity*, Noah Berger, president of the Massachusetts Budget and Policy Center, and Peter Fisher, research director at the Iowa Policy Project, analyze data for all 50 states and find a strong link between the educational attainment of state workforces and both productivity and median wages. The study concludes that further raising educational attainment is the best way for New York and other states to bolster state economic performance and job creation.

“This report underscores the fact that the smartest economic policy New York can pursue is to make sure that each and every school district in the state provides a high quality preschool-12 education, and that the state further broadens access to affordable public higher education,” said Frank Mauro, Executive Director of the Fiscal Policy Institute (FPI.)

“New York’s economic future fundamentally relies on sound and sustained education investments, not on quick-fix business tax breaks,” noted James Parrott, FPI’s Deputy Director and Chief Economist.

Key findings of the new EARN study include:

- Overwhelmingly, high-wage states are states with a well-educated workforce. There is a clear and strong correlation between the educational attainment of a state’s workforce and median wages.

- States can build a strong foundation for economic success and shared prosperity by investing in education. Providing expanded access to high quality education will not only expand economic opportunity for residents, but also likely do more to strengthen the overall state economy than anything else a state government can do.
- Cutting taxes to lure businesses from other states is a race-to-the-bottom state economic development strategy that undermines the ability to invest in education.
- States can grow and attract high-wage employers by investing in education and increasing the number of well-educated workers.
- Investing in education is also good for state budgets in the long run, since workers with higher incomes contribute more through taxes over the course of their lifetimes.

The EARN paper is available at:

<http://www.epi.org/publication/states-education-productivity-growth-foundations>

*The Fiscal Policy Institute ([www.fiscalpolicy.org](http://www.fiscalpolicy.org)) is an independent, nonpartisan, nonprofit research and education organization committed to improving public policies and private practices to better the economic and social conditions of all New Yorkers.*