1-1-2001

Employment Research, Vol. 8, No. 1, January 2001

Follow this and additional works at: https://research.upjohn.org/empl_research

Citation

W.E. Upjohn Institute. 2001. Employment Research 8(1). [https://doi.org/10.17848/1075-8445.8\(1\)](https://doi.org/10.17848/1075-8445.8(1))

This title is brought to you by the Upjohn Institute. For more information, please contact repository@upjohn.org.

UPJOHN INSTITUTE

Employment Research

JANUARY 2001

Education and the Economy

High School Career Academies

New Books

Vol. 8, No. 1

Employment Research is published quarterly by the W.E. Upjohn Institute for Employment Research. Issues will appear in January, April, July, and October.

The Institute is a nonprofit research organization devoted to finding and promoting solutions to employment-related problems at the national, state, and local level. The Institute is an activity of the W.E. Upjohn Unemployment Trustee Corporation, which was established in 1932 to administer a fund set aside by the late Dr. W.E. Upjohn, founder of the Upjohn Company, to conduct research on the causes and effects of unemployment and seek measures for the alleviation of the hardships suffered by the unemployed.

W.E. Upjohn Institute
300 S. Westnedge Avenue
Kalamazoo, MI 49007-4686
(616) 343-5541
www.upjohninst.org

Randall W. Eberts
Executive Director

Kevin M. Hollenbeck

Education and the Economy

[Editor's note: This is the seventh in a series on Research Questions for the New Millennium. The series aims to identify research needed to inform employment policy in the future.]

Almost two decades ago, education was under attack. The report *A Nation at Risk* (National Commission on Excellence in Education 1983, p. 5) made the statement, "If an unfriendly foreign power had attempted to impose on America the mediocre educational performance that exists today, we might well have viewed it as an act of war." At the time, the United States had experienced a deep recession and the country worried about significant international competition. This past year, education was again under attack. In campaigning for the presidency, Governor George W. Bush suggested that there is a significant "educational recession" in this country (Dao 2000). Yet, the United States is experiencing unprecedented economic growth that is the envy of all of the world's economies. Can education be blamed for the recession of the eighties? Should education receive credit for the booming economy of the nineties? Is there even a connection between economic performance and education?

The dire predictions of *A Nation at Risk* did not materialize and, if anything, were exactly wrong. Shortly after it was

published, the United States entered a period of economic and productivity growth. Does this prove that there is no connection between education and economy? No. For one thing, the United States increased substantially its investment in education after the release of *A Nation at Risk*. Further, economic development studies and policies suggest that firms believe that the educational attainment of workers is one of the most important factors in siting their activities. International growth studies consistently use education in their models (see Bils and Klenow [2000] and references cited therein.) Finally, one of the most consistent empirical findings in labor economics is a substantial return to education in explaining wages and earnings. If you believe that there is a substantial nexus between the performance of the educational system and the economy, and if you believe that the U.S. educational system is underperforming, then a reasonable conclusion is that the U.S. economy could be even stronger.

However, even if you believe that the causal connection between education and the level of the macroeconomy is weak, the educational attainment of individuals may be important on equity grounds; that is, individuals' education may be key to their own economic situations. So

education determines the distribution of income, not just its growth.

The State of Education

What is the state of education in the United States? One problem that we have in trying to answer this broad question is that the nation has never achieved a consensus on the purpose of education nor on how to measure outcomes. Much attention is paid to test score results, and in particular, two studies seem to be bellwethers. The National Assessment of Educational Progress (NAEP) is a program that has existed for over 20 years; it involves testing 4th grade, 8th grade, and 12th grade students from many states in mathematics, reading, writing, science, and social studies. The Third International Math and Science Study (TIMSS) was undertaken in 1997. It included math and science assessments of students from several nations at comparable ages and grades, specifically, late elementary (4th grade in the United States), middle school (8th grade), and last year of high school (12th grade).

The results are at best unimpressive. The NAEP results show that roughly one-third of U.S. students fail to meet "basic" levels of competence, about one-third demonstrate basic levels, and about one-third are "proficient" or "advanced" in all of the tested areas. (Usually a very small percentage of students score in the advanced category.) Trends are flat, and racial gaps are narrowing but remain quite wide (NAEP 2000). The TIMSS results generally show that U.S. 4th grade students are among international leaders in science and math, 8th graders are in the middle of the pack, and 12th graders are at or near the bottom (TIMSS 2000). Several analysts believe that the problems with U.S. results are overblown (Bracey 1997; Berliner and Biddle 1996). Yet, when you couple these mediocre test results with continued high levels of high school dropouts, it is no wonder that the public does not believe it is getting good return on its investment.

The educational sector is aware of its shortcomings and perceived mediocrity, and it is undergoing substantial change. Over the past decade, significant changes

have occurred in curriculum, instructional techniques, technology, and competitive environment. Virtually all of the states (Iowa being the sole exception) have adopted a standards-based approach to curriculum, in which they have produced a document that states explicitly the skills and knowledge that students are expected to achieve, by grade level, and many have adopted a testing program to measure achievement versus the standards. Additionally, the legacy of the implementation of School-to-Work and Tech Prep programs is that some curricular attention is now paid to career development for all students.

The recent trends in instructional technique include explicit variation to cater to many different learning styles (Gardner 1993) and follow the constructivist paradigm of encouraging individual exploration and learning. The introduction and rapid integration of technology into schools have also altered teaching styles. Finally, the educational sector has experienced a dramatic increase in student and parent choice. Many local districts have adopted policies allowing choice of building and teacher, and about 37 states have implemented charter school policies that allow innovative schools to exist in environments with reduced regulatory constraints. These schools allow parents to opt out of their local school district. Voucher schemes are in their infancy in a few districts and states across the country.

In short, education is a system that is going through significant changes, but it is likely that the challenges it is facing are growing also and at a faster rate, so that education appears to be a "slow-moving" behemoth trying to overcome substantial inertia.

What are the Key Problems that Need to be Addressed?

As the kindergarten through grade 12 (K-12) education system attempts to meet its many challenges, it may be helpful to identify the issues that are most pressing. These issues can be classified into three areas: concerns about overall student achievement, concerns about unequal outcomes across the population, and

concerns about an area of education that has experienced drastic (and possibly uncontrolled) cost increases.

Student achievement

Employers and the general public lament what they perceive to be relatively low attainment of basic academic skills. The NAEP evidence, which shows that one-third or more of students do not meet basic levels of competence and that one-third or more of students meet just the basic levels, confirms these perceptions. In science and math, the TIMSS results are equally mediocre. Accountability systems—with their standards-based reforms and "high stakes" testing policies—that are being implemented widely across the nation are a response to this general concern. It seems clear that the public has mandated improved levels of student achievement.

Inequity

The national assessments have shown that there has been slow progress made, at best, in closing the gaps in educational achievement among racial groups. Urban school districts are under particular public scrutiny. Studies suggest that low expectations as well as testing bias may explain some of the gap in black/white test results (Jencks and Phillips 1998), but seemingly incontrovertible evidence suggests that poverty and lack of home-based resources is the major culprit. Poverty and economic disadvantage is disproportionately situated among the minority and urban populations, which explains relatively low achievement in those populations. In recent statistical analyses of test score data in Michigan, poverty as measured by the proportion of students in a building eligible for free or reduced-price lunches was by far the most significant explainer (Hollenbeck and Kracker 1998).

Costs of special education

Public education serves all students without regard to ability or physical condition. Special education (i.e., services to students with physical, mental, or emotional impairments) accounts for a growing share of the student population.

(continued on p. 5)

Nan L. Maxwell and Victor Rubin

High School Career Academies

Note: This article highlights findings from a study conducted by the authors with funding from the W.E. Upjohn Institute. The full study has been published as High School Career Academies: Pathways to Educational Reform in Urban School Districts?

Restructuring high school curricula has been the focal point of continual waves of reform strategies for many decades. Traditionally, U.S. students in high school encountered separate vocational education and college preparatory programs. Both programs are currently facing serious critiques for failing to equitably or effectively prepare students for the "new economy." Both public and private sector leaders cite economic and labor market trends showing an increasing demand for workers with higher levels of skills and statistical evidence suggesting that our schools produce students who are unable to meet these requirements. With some notable exceptions, vocational students have become isolated from the newer technologies and employment opportunities, and many college-bound students have been seen as inadequately prepared for the rigor of higher education or of their future careers.

Various strategies known as school-to-work programs are intended to bring lessons from the workplace into the classroom for all kinds of students and to provide students with a first-hand, integrated understanding of the knowledge-based economy. We examined the potential of one school-to-work strategy, the career academy, to improve educational and work outcomes for students from inner city schools. The large urban school district that was the focus of our study included a diverse student body and a number of career

academies with different characteristics. The district adopted an ambitious and comprehensive model for its academy programs, calling for creating a "school-within-a-school," integrating academic and vocational learning around a specific focus (e.g., health, computer technology), building extensive employer involvement, and creating a cohort of students who take four core classes together throughout three years of high school, taught by a small group of teachers. Important differences existed, however, from site to site in the degree of model implementation.

The study focused on the potential of the career academy to facilitate educational outcomes in high school or in the labor market. Detailed data were collected from three cohorts of public high school students (about 10,000);

about 14 percent of the students were in career academies. The information included complete transcripts and the results of a survey undertaken two or three years after the students had left high school. These data were used to assess, during high school and postsecondary endeavors, the performance of the students in academies relative to those who were not. The study also examined the district's capacity to implement nine career academies at six high schools, using seven years of data on operations (e.g., budgets, enrollment, staffing, employer participation) and interviews of academy directors and principals.

Performance in High School

The career academy increased the academic knowledge and skills taken from high school (Table 1). The increase in grade point for many groups was particularly important because it crossed the critical threshold from a D/D+ average to a C average. Even though the average is still low and is hardly an indicator of postsecondary success, the increase suggests that the career academy increased the knowledge and skills that students took away from school.

Table 1 Influence of the Career Academy^a

Outcome	Average value for all students	Change associated with being in an academy ^b
High school		
High school GPA	2.12	0.176**
Graduated from high school (%)	84.5	1.0
Labor market		
Job related to high school (%)	4.9	1.0**
Average hours worked	27.8	3.27**
Average hourly wage (\$)	7.34	-0.71
Postsecondary		
Attending a 2-year or 4-year college (%)	74.7	0.6
Attending a 4-year college (%)	40.4	2.4**

^aOrdinary least squares analysis was used for GPA, hours worked, and hourly wage, and probit analysis was used for high school graduation, job related to high school, and attending 2- or 4-year college. ** = statistically significant at $p = 0.05$.

^bThe "Change" column gives the estimated change associated with being in an academy, all else being equal.

The career academy also helped to keep students in school and to obtain high school degrees. We found that students who were not in academies had dropout rates that were over two times higher than those for students in career academies (results not shown here). Approximately two years after leaving high school, more than 92 percent of former academy students had a high school diploma or equivalent, compared with 82 percent of students from other programs (hence the 84 percent degree rate for all students in Table 1). However, our multivariate analysis showed that the career academy increased graduation rates for academy students only by building their academic knowledge and skills. That is, academy enrollment increased high school GPA, which in turn increased the probability of graduating.

Three sets of interrelated factors explained the influence of the academy on students' achievement in high school: students' academic preparedness upon entering high school, their school environment, and their level of exposure to the career academy program. The career academy did not increase GPA in every high school, perhaps because of the differences in school resources and

circumstances, and it did not increase GPA for students whose math preparation when they entered high school was in the bottom third of their cohort.

Short-Term Labor Market Outcomes

Although the hours worked increased significantly for career academy students, academies generally had little impact on labor market outcomes in the years immediately after students left high school (see Table 1). Only about 5 percent of former students had worked in a field related to the focus of their high school program, and the academy had no significant influence on wages.

Postsecondary Education

Former academy students were more likely than their counterparts to attend postsecondary education. The magnitude of the difference depends on whether the student went to a two- or a four-year institution. When attendance rates at community colleges and four-year institutions were combined, only about a 10 percent difference existed between academy and nonacademy students (results not shown here). When only four-year schools were considered, about 40 percent more academy students

enrolled than did nonacademy students. However, under multivariate analysis, the statistically significant influence of the academy shown in Table 1 results from the two strongest sites. Most career academies did not independently increase the probability of attending college. Instead, they increased the probability of attending a four-year college by building academic knowledge in high school, which increased postsecondary education.

Strengths and Challenges

The greatest strength identified by our research was the sense of community the academy created among teachers and students. Many

directors and administrators described a fundamental asset of the academy as being the network of social support that leads to better educational outcomes. Academy directors and students also saw the work-based learning component of the program as a major strength.

The most pressing problem facing academies may be scheduling, with institutional constraints often limiting students' and teachers' class assignments and the capacity to structure a school-within-a-school. Administrative support and leadership was another critical area, and most directors felt district support was not sufficiently integrated into their program. Finally, a major challenge for the academies was the need to raise funds to support their increased operating costs, such as paid internships and extra time for teachers to plan and design curricula.

Policy Implications

Career academies embody a potentially effective strategy for educational reform, and the approach was shown to facilitate postsecondary success for inner-city, public high school students from the district in our study. Despite a positive conclusion at this most general level, career academy programs and policies will not be effective unless the following issues are directly addressed at the level of the high school, the school district, and the state.

First, career academies are effective only when they build students' academic skills. In most cases, the career academies' positive influence on postsecondary education worked through increased academic knowledge and skills in high school (Figure 1). Program designers should resist the quick-fix strategy that substitutes career exposure or work experience alone for serious academic preparation, or one that channels students into highly specialized job training without broad grounding in basic academic skills.

Second, not all career academies were equally effective at building students' academic knowledge, nor did their programs enhance learning for all students equally. This may change, but from current evidence, policies that

Figure 1 Effect of Academies on Postsecondary Activities

universalize the academy approach "for all students" in a school or district should be viewed very cautiously, despite legislative calls for universality.

Third, successful academies need to have the numerous necessary program components and commitments in place, because partially implemented programs do not generally produce the desired outcomes. Policies aimed at proliferating academies should only proceed at a pace commensurate with a school district's capacity to recruit and train teachers, raise internal and community resources, and restructure the schools to accommodate the requirements of scheduling and other factors.

Finally, career academies cannot compensate for inadequate education prior to high school. Even where the career academy improved students' academic outcomes, these were relative gains. Overall performance indicators were still low by statewide or national standards.

In sum, because career academies are expensive undertakings that require additional funds and in-kind resources for implementation, the conditions for their success must be considered before they are implemented. However, they may be worth the effort, since there is evidence that the new curriculum, social support, and work experiences offered by the academies can make a very important, positive difference in the lives of many students. The challenge is to create and replicate the enabling circumstances for the right teachers and students, without losing academic rigor.

Prof. Maxwell is Chair of the Economics Department and Executive Director for the Human Investment Research and Education Center at California State University, Hayward.

Dr. Rubin is Director of Research at PolicyLink in Oakland, California.

Education (continued from p. 2)

The burgeoning enrollments as well as accelerating costs of providing services has caused a substantial fiscal burden on education. In many ways, special education can be seen as a success. Over the last half-century, we have gone from the attitude that education should be minimally provided to these students (if at all) to an attitude that special education students should be integrated into school settings and mainstreamed into classrooms. The Individuals with Disabilities Education Act (IDEA; amended in 1997) goes one step further by holding schools accountable for learning outcomes. The costs of this success have been substantial, however, and represent a serious constraint on school districts.

Are there "Silver Bullet" Answers?

As Carpenter (2000) pointed out, there has been no lack of suggestions for reforming education. He reported that in the 10-year period between 1987 and 1997, over 360 "good ideas" to enhance or reform U.S. education were suggested in just one publication, the *Phi Delta Kappan*. He wonders why 10 years of "silver bullets" have produced such limited effect. The answer may be that there are no silver bullets. Consider three major, national initiatives argued by some to be the elusive silver bullet: investment of more resources, establishing national goals and high-profile commitment, and introducing a more competitive environment.

Buoyed by the Tennessee class-size experiment results, many suggest that lowering class sizes may significantly improve educational outcomes (Krueger 1999). In a classical, random-assignment experimental design, the Project Star outcomes showed that reducing class size in the early elementary grades increased achievement for urban students. However, the extent to which a major infusion of resources into education would pay off remains controversial. Hoxby (2000) found that smaller class sizes are not associated with better test score achievement, and Angrist and Lavy (1998) found that professional

development may be far more cost-effective than reducing class size.

A second major initiative has been a high-profile effort to set national goals, which are monitored annually, the annual progress toward them being broadly publicized. The National Educational Goals Panel (NEGP) resulted from a group of governors and business people who met in 1989 and decided that the nation needed to establish a few major goals and work toward them. The idea was similar to the national efforts to accomplish a lunar landing, to build an interstate highway system, or to reform the welfare system. The panel established six goals that were to be met by the year 2000 and, if they were met, then the United States would be an international leader in education. The goals were amended to add two additional goals, and annually, the National Educational Goals Panel monitors progress toward the goals. Suffice it to say that they were not met by 2000, and progress has been intermittent.

A third major silver bullet initiative has been to "incentivize" education. In various locations, programs such as pay for performance, charter schools, public school vouchers, and reducing the level of collective bargaining have been tried. To date, incentives have had little influence on achievement (Eberts, Hollenbeck, and Stone 1999).

Conclusion

The evidence seems to suggest that mediocre educational results do not threaten economic performance, and that major initiatives toward reforming education have had limited success. It would seem that in the coming years, we should work toward marginal changes within the existing budget constraints and institutional context.

In this context, research and policy analyses in the economics of education can play an important role in directing educational policymakers toward improved student achievement through better curriculum, instruction, leadership development, and professional development. Areas of inquiry include the following.

- Using econometric techniques to control for intervening factors, what are the impacts of programs and initiatives (such as smaller class size, early childhood interventions, charter schools, or professional development) on learning?
- What interventions seem to work best for students from poor or other disadvantaged backgrounds?
- Because the major outcome of education is learning, which is difficult to place a value on, economists need to assess the cost-effectiveness of educational initiatives. Policymakers and administrators are particularly interested in the cost-effectiveness of special education services, but also there are production choices between technology investments, class size, or teacher training for which we have very little evidence about efficiency.
- How can incentives best be used to improve the system? Are there effective means of implementing incentives in compensation schemes? Are there effective ways of widening market choices for students and parents? Are there incentives that will motivate student effort?
- Do financing mechanisms affect student achievement? Are there ways of more equitably or efficiently financing public education?

In closing, a medical analogy may be instructive. An individual with a relatively straightforward medical problem could go to virtually any physician and receive competent medical attention. The variation among physicians in treatment and in outcome success is probably very minor for many, if not most, conditions; in most cases, a successful outcome is achieved. In education, however, say for a young person entering fourth grade, there is a great deal of variation among districts in the curriculum offered, the instruction, and the outcomes. According to the NAEP, only about one-third of the students achieve high levels of success. What explains the difference?

One difference is that patients are motivated to follow a regimen that will lead to success, i.e., good health; students

are not often so motivated. Second, physicians devote considerable resources in making their diagnoses; relatively few districts use annual assessments or beginning-of-the-year tests to drive instruction. In medicine, interventions are standard: desk reference guides, experience, and publicized research are available to guide the physician in offering the most efficacious remedy or treatment; in education, teachers revere their classroom autonomy to teach what and how they wish. Medicine is practiced by licensed physicians who go through four years of rigorous, practical, hands-on instruction beyond the baccalaureate and at least two years of apprenticeship training as interns and residents. They rotate through many different specialties and encounter significant variation in patient needs and conditions. Teachers typically follow a highly theoretical course of study at the undergraduate level that includes a semester of practical application in a single building. It is interesting to note that physicians are probably not influenced greatly by competition or accountability systems.

To the extent that the medical analogy is applicable, future directions in education should be aimed toward improved and more extensive teacher training, more research into and wider dissemination of best practice, improved assessment and documentation of students' achievement levels, and rewards or incentives that improve student motivation.

Cited works

- Angrist, Joshua D., and Victor Lavy. 1998. "Does Teacher Training Affect Pupil Learning? Evidence from Matched Comparisons in Jerusalem Public Schools." National Bureau of Economic Research working paper 6781, November.
- Berliner, David C., and Bruce J. Biddle. 1996. *The Manufactured Crisis: Myths, Fraud, and the Attack on America's Public Schools*. Reading, Massachusetts: Addison-Wesley.
- Bils, Mark, and Peter Klenow. 2000. "Does Schooling Cause Growth?" *The American Economic Review* 90(5): 1160–1183.

Bracey, Gerald. 1997. *Setting the Record Straight: Responses to Misconceptions about Public Education in the United States*. Alexandria, Virginia: Association for Supervision and Curriculum Development.

Carpenter, Wade A. 2000. "Ten Years of Silver Bullets: Dissenting Thoughts on Education Reform." *Phi Delta Kappan* (January): 383–389.

Dao, James. 2000. "The 2000 Campaign: The Texas Governor; Bush Expands on Education Theme, Saying a Reading Crisis Endangers the Economy." *New York Times* (September 26).

Eberts, Randall, Kevin Hollenbeck, and Joe Stone. 1999. "Teacher Performance Incentives, Collective Bargaining, and Student Outcomes." Paper presented at "Devising Incentives to Promote Human Capital," a National Academy of Sciences conference, Irvine, California, December 17–18.

Gardner, Howard. 1993. *Multiple Intelligences: The Theory in Practice*. New York: Basic Books.

Hollenbeck, Kevin, and Kristine Kracker. 1998. "An Analysis of 4th and 5th Grade MEAP Results of Elementary Schools in Southwest Michigan." Unpublished paper, November.

Hoxby, Caroline M. 2000. "Does Competition among Public Schools Benefit Students and Taxpayers?" *American Economic Review* 90(5): 1209–1238.

Jencks, Christopher, and Meredith Phillips, eds. 1998. *The Black-White Test Score Gap*. Washington, D.C.: The Brookings Institution.

Krueger, Alan B. 1999. "Experimental Estimates of Education Production Functions." *Quarterly Journal of Economics* 114(2): 497–532.

NAEP. 2000. Web site <http://nces.ed.gov/nationsreportcard/site/home.asp>, accessed January 2001.

National Commission on Excellence in Education. 1983. *A Nation at Risk: The Imperative for Educational Reform*. U.S. Department of Education.

TIMSS. 2000. Web site <http://timss.bc.edu/TIMSS1/Items.html>, accessed January 2001.

Dr. Hollenbeck is a Senior Economist at the Upjohn Institute.

New Books from the Upjohn Institute

High School Career Academies

A Pathway to Educational Reform in Urban School Districts?

Nan L. Maxwell and Victor Rubin

Maxwell and Rubin examine the capacity of career academies to address academic reform in terms of increased education and workplace skills. They

assess a number of academies' development and implementation within an urban school district. This leads to findings on key issues, including whether or not

career academies can become a district's primary tool for educational reform, and how the structure and resources of the academy affect its impact on student outcomes.

Then Maxwell and Rubin assess academies' potential to promote postsecondary success among academy students relative to nonacademy students. This is achieved by analyzing a detailed data set on a group of about 10,000 public high school students, along with a survey of the students' education and labor market activities after high school. From this, Maxwell and Rubin determine 1) if and how career academies in urban high schools increase postsecondary and workplace skills, 2) the aspects of the academy that improve postsecondary outcomes, and 3) whether career academies are effective for all students and in all school environments.

These findings will help educators and policymakers better understand the strengths and limitations of career academies as a method of educational reform.

237 pp. \$35 cloth ISBN 0-88099-214-X
\$17 paper ISBN 0-88099-213-1 / 2000.

Ensuring Health and Income Security for an Aging Workforce

Peter B. Budetti, Richard V. Burkhauser, Janice M. Gregory, and H. Allan Hunt, editors

During the next two decades, the number of older workers in the United States will nearly double. This bulge, soon to be a conspicuous aspect of the aging baby boom

generation, will require a transformation in the way public and private programs are designed to support these individuals at work and in retirement.

This volume presents a group of forward-looking papers commissioned by the National Academy of Social Insurance and presented in January 2000. The papers explore implications of an aging workforce for a number of social programs in the coming decades and point to the critical policy issues we must face when growing numbers of older workers begin to strain the capacity of those programs.

Contributors include Katherine Swartz and Betsey Stevenson; John Burton and Emily Spieler; Christopher J. O'Leary and Stephen Wandner; Mark Nadel; Robert Haveman; Ann Huff Stevens and Sewin Chan; Jill Quadagno, David Macpherson, and Jennifer Reid Keene; Karen Pollitz; Jeffrey Biddle, Leslie Boden, and Robert Reville; Richard Burkhauser, Mary Daly, and Andrew Houtenville; Bruce Flynn; Gary Burtless and Joseph Quinn; Anna Rappaport; Glen Pransky; and Len Nichols.

521 pp. \$43 cloth ISBN 0-88099-220-4
\$25 paper ISBN 0-88099-219-0 / 2001.

Workers' Compensation Benefits, Costs, and Safety under Alternative Insurance Arrangements

Terry Thomason, Timothy P. Schmidle, and John F. Burton, Jr.

Thomason, Schmidle, and Burton make use of a unique data set to delve into how insurance arrangements affect several objectives of the workers'

compensation (WC) program. They underscore the effects of deregulation and other changes in WC insurance pricing arrangements by performing

empirical analyses, that use state-specific cost, benefit, and injury data from 48 states for 1975-1995.

This allows them to address the interactive relationships among the objectives of WC systems and how various public policies adopted by states or the federal government work to achieve them.

Several important contributions result. For instance, the authors quantify the trade-offs between adequacy and affordability that would result from a federal mandate requiring adequate benefits. They also provide analysis of the possible trade-offs in using different public policies regarding insurance arrangements, e.g., the expected savings to employers from deregulation of private insurance carriers. Overall the authors' results clarify the complicated relationships between insurance arrangements and employers' costs, and the impact of regulation on employers' costs, WC insurance market structure, and workplace health and safety.

457 pp. \$43 cloth ISBN 0-88099-218-2
\$25 paper ISBN 0-88099-217-4 / 2001.

ORDER FORM

Book/Author	Qty Cloth	Qty Paper	Total Price
High School Career Academies Maxwell and Rubin	_____ @ \$35	_____ @ \$17	_____
Ensuring Health and Income Security for an Aging Workforce Budetti, Burkhauser, Gregory, and Hunt	_____ @ \$43	_____ @ \$25	_____
Workers Compensation Thomason, Schmidle, and Burton	_____ @ \$43	_____ @ \$25	_____

Quantity Discount

5-9=10% 10-24=20% 25-99=30% 100 & up=35%

Minus discount _____

Shipping/Handling

U.S.A. and Canada: \$3.50 first book, \$0.75 each additional book.

Foreign: \$4 first book, \$1.50 each additional book.

Plus shipping _____

TOTAL \$ _____

SHIP TO:

Name	Name
Organization	Organization
Address	Address
City	City
State	State
Zip	Zip

BILL TO: (must attach purchase order)

Name	Name
Organization	Organization
Address	Address
City	City
State	State
Zip	Zip

If an associate of yours would like to be on the mailing list for *Employment Research*, please check here ☐ and complete the "SHIP TO" information above.

To order a publication or request a catalog, mail, phone, fax, or e-mail:

W.E. UPJOHN INSTITUTE

300 S. Westnedge Avenue
Kalamazoo, MI 49007-4686

Phone (616) 343-4330

Fax (616) 343-7310

E-mail publications@we.upjohninst.org

PAYMENT: All orders must include check, credit card information, or purchase order. Checks must be payable to the W.E. Upjohn Institute in U.S. funds drawn on a U.S. bank. All prices are subject to change without notice.

_____ check enclosed

_____ VISA

_____ MasterCard

_____ P.O. # _____

_____ signature

_____ credit card #

_____ expiration date

_____ phone

January 2001

W.E. UPJOHN INSTITUTE
for Employment Research
300 S. Westnedge Avenue
Kalamazoo, MI 49007-4686

Nonprofit Org.
U.S. POSTAGE
PAID
Kalamazoo MI
Permit No. 756