



**STATEMENT OF REP. JERRY WELLER**  
**INCOME SECURITY AND FAMILY SUPPORT SUBCOMMITTEE**  
**HEARING ON GAPS IN HEALTH INSURANCE COVERAGE**  
**NOVEMBER 14, 2007**  
*(REMARKS AS SUBMITTED FOR THE RECORD)*

Today's hearing reviews issues that aren't often considered by this subcommittee. But no one can dispute that helping more Americans receive appropriate and affordable health care is an important goal, and one we should all support.

So the question becomes what to do. Chairman Rangel, in his years working to reduce drug abuse, often talked about the "root causes" of drug use. For example, in 1989 he said "We need to focus on the problems that bring people to the desire for illicit drugs - homelessness, unemployment, lack of education, lack of health care, lack of family and, above all, poverty."

Today's hearing offers a similar opportunity to focus on the root causes that result in so many American families having low incomes, living in poverty, experiencing unemployment, and lacking health coverage. This is a complex picture, but a close look at the data shows one factor that tremendously increases the chances families will experience those problems, including lacking health coverage. That factor is not finishing high school.

Consider the following data.

First, every year 1.2 million students fail to graduate from high school on time. Many will never finish high school, and thus will join the 22 million other working age adults without high school degrees. The data also shows that African Americans and Hispanics have even higher dropout rates than others.

Figure 1

**Too Many Drop Out of High School...**

- "Each year, approximately 1.2 million students failed to graduate from high school."
- "Nationally, approximately 70 percent of students graduate from high school, but African-American and Hispanic students have a 55 percent or less chance of finishing high school with a regular diploma."

Second, high school dropouts have far lower annual and lifetime incomes than others. The average high school graduate earns about 40 percent more per year than the average dropout. Over the course of a lifetime, the average high school dropout will earn about \$300,000 less than his or her peer who gets a high school diploma; average college graduates will earn more than twice as much as dropouts – a total of \$1.4 million more over their lifetimes.

Figure 2

## ...Leading to Far Lower Income

More Learning Translates into Higher Earnings

Education	Average Annual Earnings	Average Lifetime Earnings
High school drop out	\$22,000	\$1.1 million
High school diploma	\$31,000	\$1.4 million
Associate's degree	\$38,000	\$1.8 million
Bachelor's Degree	\$50,000	\$2.5 million

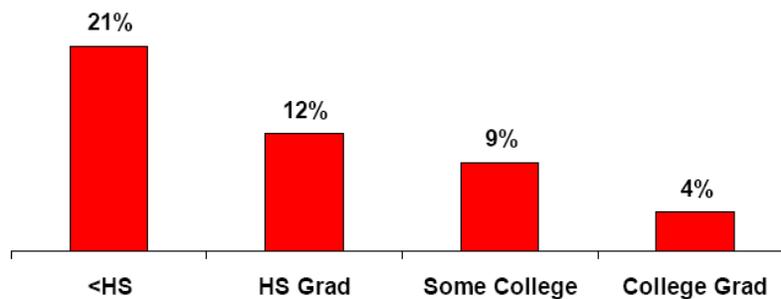
Source: Cited in "Preparing Today's High School Students for Tomorrow's Opportunities," American Diploma Project Network

Third, and not surprisingly given these income figures, high school dropouts are far more likely to be poor. Across all ages and both genders, dropouts are 75 percent more likely than high school graduates to be poor.

Figure 3

## ...Far Greater Poverty Overall

Percentage in Poverty by Educational Attainment, Both Sexes and All Ages (2006)



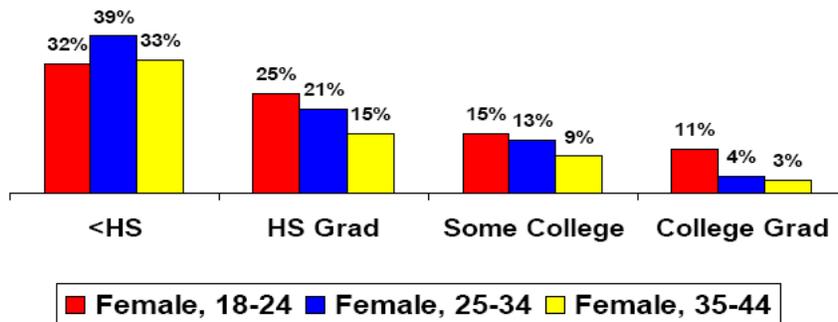
Source: Census Bureau, Current Population Survey, Table POV29.

As the fourth figure shows, for women the picture is even bleaker. Women between ages 25 and 34 who don't complete high school are almost twice as likely as high school graduates to be poor, and about 10 times as likely as college graduates to be poor – 39 percent versus 4 percent.

Figure 4

## ...Far Greater Poverty Among Women

Percentage in Poverty by Educational Attainment, Women (2006)



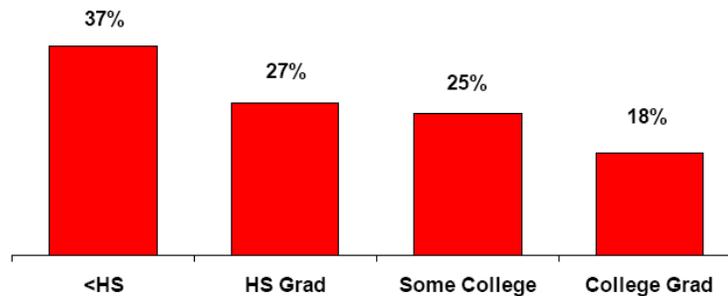
Source: Census Bureau, Current Population Survey, Table POV29.

Fifth, as a Congressional Budget Office report requested by Chairman Rangel recently displayed, following the most recent recession the chances were far greater that working age adults who hadn't finished high school would be unemployed than other workers. Dropouts were twice as likely to experience unemployment as college graduates during this period, for example.

Figure 5

## ...More Unemployment

Percentage of Labor Force Who Experienced Any Unemployment (2001-2003)



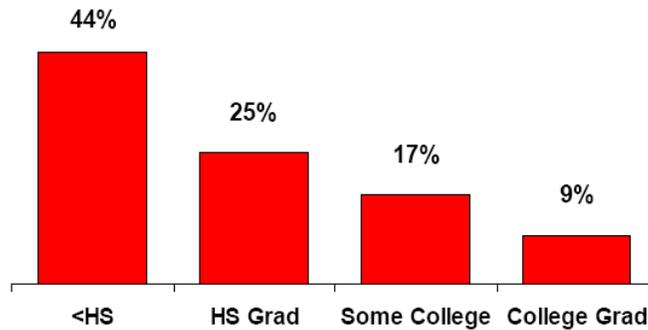
Source: CBO report requested by Chairman Rangel et al, "Long-Term Unemployment," October 2007

Finally, and back to our topic today, the lack of health coverage is rampant among high school dropouts, even with many getting coverage under the Medicaid program. According to the Kaiser Commission on Medicaid and the Uninsured, despite being twice as likely as high school graduates and nine times as likely as college graduates to be on Medicaid, working age high school dropouts are still five times as likely to be uninsured as college graduates.

Figure 6

### **...and Less Health Coverage.**

**Percentage of Nonelderly Adults Who Are Uninsured, by Education (2006)**



Source: Kaiser Commission on Medicaid and the Uninsured, "The Uninsured: A Primer," October 2007

There are many reasons why Americans lack health coverage. But the above data suggests one key reason is because too many lack the basic credential needed to succeed in the workplace, which is a high school diploma. The sad fact is that people who don't finish high school are far too likely to be poor, to be unemployed, and despite existing programs to be without health coverage.

In the long run, all families will be better off if our country can improve high school completion rates. There are a number of positive proposals to do that, which like the issue of health coverage in general extend beyond the jurisdiction of this subcommittee. But taking such steps will help more workers gain the skills they need to successfully compete and win in today's global workplace, and gain health coverage for themselves and their families in the process. That is something we should all support.