

### 8. *Laws and regulations*

Title I-C of the Economic Opportunity Act of 1964, enacted on August 20, 1964, as Public Law 88-452. See Compendium of Statutes, pages 285-315 and 11-14, for a copy of the act and extensions. For other amendments see the Economic Opportunity Amendments of 1965 and the Higher Education Act.

## PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

### 9. *Economic effects*

#### (a) *Personal income.*—

1. Long range: The program will have its impact on both the parental income of the present and near future and the student recipients' income over the better part of a half century. Some parental income that otherwise would have been encumbered by borrowings for educational expenses will be freed for the purchase of goods and services. The effects on the personal income of students participating in work-study programs will be of a greater magnitude. The Department of Labor estimates that whereas the lifetime earnings of a male high school graduate are \$272,600, those of college graduates are \$452,000. Thus college students benefiting from the program have the potential to achieve much higher income levels than would be possible without the college degree.

2. Short range: The program's support of part-time employment opportunities will assure to the participating college students additional income to meet, in part, the increasing costs of higher education.

#### (b) *Worker placement or productivity.*—

1. Long range: College graduates not only increase their earning power through higher education but they move, generally, into highly skilled professional careers in which critical manpower shortages have existed for a long time. Thus the addition of new teachers, health personnel, engineers, scientists, social workers, and those in other professions not only contributes to the economy, but helps overcome manpower shortages that impede national progress.

2. Short range: Increasing the number of jobs available to students which are not available to the general public tends to draw students away from some of the jobs which they have previously held in the community; e.g., working as gas station attendants or clerking in stores. These jobs then become available to the general public.

#### (c) *Business and industrial organization and management.*—

1. Long range: Each year, with the injection of additional highly trained college graduates into the work world, business and industrial organizations and management receive the stimulation and support of talented young people whom they can train to carry on their work.

2. Short range: None immediately observable.

#### (d) *Other phases of economic activity.*—

1. Long range: See (a), (b), and (c) above.

2. Short range: The basic wage established in this program is \$1.25 per hour. Since this is significantly higher than the wages previously paid to many college students, the total wage for student employment will probably continue to be increased. The effect cited in (b) above will also tend to raise the wage level.