The real costs of closing schools and what can be done to address them

The reduction in school activity brings serious losses to the training of students. It is estimated that these losses will have serious economic consequences for the future of this generation and for the country. The only way to try to mitigate these losses is to increase the demand and quality of education.

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The pandemic forced us to make major adaptations, including the closure of schools and uncertainty about their reopening. The real cost of stopping schools has been largely underestimated. Children who are currently of school age will suffer losses in their income throughout their lives. And Portugal will see serious economic losses.

Dias de escola perdidos em meados de maio de 2020

It is not possible to predict whether schools will resume normal operations in the fall, but even if they do, the economic problems caused by the pandemic will not be resolved. In our most recent analysis published by the OECD, we estimate that the cohort of students aged 5 to 18, affected by the closure of schools last spring, will suffer a lifetime loss of income of 3% or more - and this if schools immediately return to 2019 performance levels. If the process of reopening schools becomes more complex, the losses will be proportionately greater.

“In many countries, each additional school year translates into an increase of around 10% in income”

Hanushek EA and Woessmann L., The Economic Impacts of Learning Losses, OECD 2020

The country will also face a less promising future. Recent learning losses will imply slower growth, as economic development depends to a large extent on society’s knowledge and skills. Based on historical standards, the closure of schools last spring could cause a drop of 1.5% in the average Gross Domestic Product (GDP) for the rest of the century. At the current price of the euro, Portugal is estimated to lose more than 212 billion euros of GDP.

| Long-term GDP drop due to learning losses induced by the coronavirus pandemic |
|---------------------------------|-----------------|--------------|-------------------|
| Learning loss (equivalences per school year) | In% of discounted future GDP | As% of current GDP | GDP decline in the year 2100 |
| 0.25                            | 1.1%            | 52%          | 1.9%             |
| 0.33                            | 1.5%            | 69%          | 2.6%             |
| 0.50                            | 2.2%            | 103%         | 3.8%             |
| 0.67                            | 2.9%            | 136%         | 5.1%             |
| 1.00                            | 4.3%            | 202%         | 7.5%             |

Source: authors’ calculations based on the publication by Hanushek and Woessmann (2018). Basic Universal Skills: What Countries Stand to Gain (OECD)

It should also be noted that the impact of school closures on student learning was extremely variable. Although some schools have found ways to adapt quickly to distance learning, and some parents have found ways to make up for the diminished role of schools, most students have suffered learning losses that will accompany them for the rest of their lives.

These losses are almost certain to be more pronounced for students whose parents are less able to intervene and replace the role of teachers. It is not enough to overcome the “digital barrier” to eliminate the growing disparities in school achievement, as students with less achievement need human help to adapt to new teaching methods. And the widening learning gap is expected to lead to even greater wage inequalities in the future.

“Good school performance is not only reflected in the increase in individual earnings, but also in the overall increase in national wages. Basic cognitive skills, as measured in international comparative tests for math and science students, are probably the most determining factor for economic growth and, consequently, for long-term social prosperity.”

Hanushek EA and Woessmann L., The Economic Impacts of Learning Losses, OECD 2020

While schools are testing different reopening strategies, any rapid return to previous performance levels seems unlikely. And as the learning losses accumulate, the initial projections of the costs involved worsen.
While the pandemic remains active and schools are looking to resume their educational programs, it is natural to place greater emphasis on the mechanics and logistics necessary to ensure a safe return to school. Still, the long-term economic impact also requires immediate attention. The losses already incurred require more effective measures than those suggested so far in the best reopening proposals.

It is not enough to return to pre-COVID performance levels. Learning losses will only be remedied if schools become more effective than they were previously, which is by no means impossible. The research points to a path where benefits from the changes induced by the pandemic in the traditional education system can be reaped.

Schools are rapidly evolving into new teaching models, which include different online workloads, asynchronous presentations and face-to-face instruction. Research has shown that teacher effectiveness levels are highly variable, and these variations are likely to widen when some teachers are more effective in classroom teaching and others in distance learning. If schools take advantage of what each teacher has to offer, this educational improvement can benefit schools’ performance and mitigate recent learning losses. For example, teachers who are more effective in distance learning could accept more students, allowing more support for others.

In addition, with the likely widening of learning disparities between students in the same class after the reopening of schools, students would largely benefit from education that can adapt to each other’s difficulties, allowing students in the same class to work in different ways. different, always focusing on the domain of the same content. With this degree of adaptation, everyone improves.

The reopening of schools poses new challenges. Regardless of the approach taken, the huge economic losses associated with learning losses have to be addressed, and the current best proposals for reopening are still insufficient to stem the growing learning deficits.

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