

Education Stocks

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When an investor chooses to buy a stock, they study the stock's potential future

earnings. Why couldn't this principle be applied to education?

I visit a lot of school districts and the most common complaint is lack of funding. Curious, considering that we are training the next generation of adults. We have often heard "it takes a village to raise a child". But, to generalize, "it takes a society to raise our children." Why don't we invest more in this precious asset?

What if school districts issued stocks and traded on the open market? After all, their assets are students. Each one of them has potential future earnings. Education stocks could be viewed as blue-chip assets (take note, Berkshire Hathaway!). Slow growth and small but meaningful returns. Investors could look at ROI, current performance on standardized testing (literacy and numeracy scores), growth factors (increasing or decreasing enrollment). Technical analysis of these stocks would be easy to perform considering the amount of data that is collected by most school districts.

And how would investors realize returns? By tying education stocks to the Dow Jones index. The results of good education is a highly employable, innovative and creative workforce. This means that our economy in the future will benefit and the value of all stocks will increase.

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