

Too many incompletes

The dropout crisis is a threat to students, society, the economy, and the taxpayer **BY NEIL SULLIVAN AND ANDREW SUM**

EDUCATION REFORM IN the Commonwealth focused our attention on those students who were passing through school without acquiring basic academic skills. We aimed for a particular target, and we hit it. We raised academic achievement across the board, and we redefined the high school diploma.

But education reform had no impact on the state's dropout rate. No surprise, since it's hard to hit a target—even a target as big and costly as this one—when you do not aim for it. But the time has come to make dropout rate reduction a major policy objective, just as we have done with K-12 education. The cost of inaction is simply too great in terms of squandered lives and taxpayer dollars. Over 70 percent of the inmates in state prisons are high school dropouts, and that is just the tip of the iceberg when it comes to the social and fiscal consequences of the dropout crisis.

A concerted effort to cut the dropout rate in half would yield substantial benefits for students, society, the economy, and the taxpayer. We need to ask what kind of commitment it will take—from educators, parents and the community, from business and workforce development, from human services and law enforcement.

Massachusetts is one of only seven states that measure on-time graduation rates. For the Class of 2007, our rate was just over 80 percent, the highest among the reporting states. However, on-time graduation rates vary substantially by community, from 41 percent in Lawrence to 99 percent in Weston. Statewide, approximately 85 percent of white and Asian students graduate on time, while black and Hispanic graduation rates run at only 65 percent and 59 percent, respectively. The situation is even worse for black and Hispanic boys. Only 58 percent of black males graduate on time, compared with 72 percent of their female counterparts. For Hispanic students, the rate is 53 percent for young men versus 64 percent for young women.

Another way to measure the size of the dropout problem is to count the actual number of students who leave each year. Approximately 11,000 students in Massachusetts drop out of high school annually, almost 2,000 per year in Boston alone.

The economic, social, and fiscal consequences of the dropout crisis are profound. Drawing on disparate data sources, the Center for Labor Market Studies at Northeastern University has quantified the impact of the dropout crisis on individuals and on society as a whole. The failure to graduate from high school leads to a wide range of personal and social ills, as well an enormous burden on the taxpayer.

Dropouts face an unforgiving labor market from the moment they leave high school. Fewer than 40 percent of teenage dropouts in Massachusetts are employed during an average month. During 2005, only 55 percent of working age adults without a high school diploma or GED were employed in any type of job (full-time or part-time), versus nearly 75 percent of high school graduates and 82 percent of bachelor's degree holders.

Due to their low employment rates and low hourly earnings, adult dropouts in Massachusetts have very limited earnings potential. During 2005, the mean annual earnings of 18- to 64-year-old dropouts were slightly under \$16,800, nearly \$9,200 less than those of high school graduates and \$34,000 less than those with bachelor's degrees. Over a lifetime, high school dropouts in Massachusetts earn an average of \$777,000. Add a high school diploma and average lifetime earnings rise to \$1,224,000. In other words, a high school diploma is worth an average of \$447,000.

It is tempting to say that this has always been the case, but that could not be further from the truth. The gap in lifetime earnings between those with diplomas and those without has widened considerably over the past few decades. The high school diploma may not be worth what it once was, but the high school dropout has lost almost twice as much in real earnings.

These large drops in lifetime income are associated with steep declines in marriage rates and thus family formation. Back in 1979, the marriage rate for male dropouts actually exceeded that of bachelor's degree holders by 6.5 percentage points. Since then, marriage rates for college graduates have remained the same, while the rate for male dropouts has plummeted by 25 percentage points, from 68 percent to 43 percent. Meanwhile, the out-of-wedlock

birth rate for female dropouts has risen to 77 percent, compared with just 6 percent for college-educated females.

Dropouts also contribute less in taxes, and they are more dependent on public assistance such as welfare (Temporary Assistance for Needy Families) and Supplemental Security Income, as well as food stamps, rental subsidies, and Medicaid health benefits. Their incarceration rates dwarf those of other educational groups, driving the explosion of prison costs.

High school dropouts are the only educational group that pays less in taxes to federal, state, and local governments than it receives in public assistance. On average, including the expense of institutionalization, dropouts cost taxpayers \$1,400 a year, while high school graduates contribute \$5,480. On average, over a lifetime, the public treasury loses \$322,000 when a young person leaves school without a diploma. Fiscal conservatives, take note. By any calculation, we cannot afford to ignore the steadily escalating impact of the dropout crisis.

DETECTING THE WARNING SIGNS

Boston and Massachusetts have begun to take the dropout crisis very seriously. In October 2004, with support from national foundations, Mayor Thomas Menino convened a Youth Transitions task force. This coalition of school, community, and state agency leaders has made the dropout issue visible through a steady drumbeat of meetings, forums, publications, and emerging networks of community organizations.

The Massachusetts Department of Elementary and Secondary Education has implemented an individual student tracking system that allows us to reliably measure on-time high school graduation rates, as well as five- and six-year rates, starting with the classes of 2006 and 2007.

Secretary of Labor and Workforce Development Suzanne Bump is promoting employment programs for at-risk youth, including those transitioning out of residential programs run by the Department of Youth Services. The Commonwealth Corporation is supporting local coalitions that reconnect youth to education and the state workforce system through its “Pathways to Success by 21” (P-21) initiative. Sixteen local workforce boards, including the Private Industry Council in Boston, stand ready to partner with school districts, adding employment to the prevention and recovery mix, as well as school-to-career internships and connections to the workforce system.

These efforts are benefiting from a strong body of research that has taken shape over the past three years. We know what we need to know to identify those students most likely to drop out. Robert Balfanz of Johns Hopkins

University and the Boston-based Parthenon Group have done separate studies of Boston’s student population that will allow Superintendent Carol Johnson to identify the individual students who are most likely to drop out of school. The Boston Plan for Excellence, the local education foundation, has developed a composite learning index that displays this information in a format that is accessible for teachers and administrators.

A strong early-indicator system sets up the need for effective early interventions. The Balfanz model identifies those middle-school students who need serious social services, as well as those who need less intensive attention. This lighter and less expensive intervention could be pro-

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vided by community organizations and national service corps volunteers as early as fourth grade. The Parthenon study recommends new high school models that specialize in serving younger students who have fallen significantly behind and older students who need just a few more credits.

The essential complement to prevention is recovery. In Boston, the Private Industry Council has hired two outreach and referral specialists, both former dropouts themselves, to pursue recent dropouts and to reenroll them in school. We are in the process of learning why students leave, what brings them back, and what is necessary to keep them in school once they return.

All of these reforms are contained in legislation filed by state Sen. Edward Augustus of Worcester. The legislation calls for a 50 percent reduction in the statewide dropout rate within five years, while allowing a cabinet-level commission to adjust the goal and timetable as local action plans are developed. It mandates local action teams that link school districts, state agencies, and community organizations to a plan that includes early indicators and early interventions for students who are falling behind, as well as outreach, re-enrollment, and alternative pathways to graduation for those who have left.

Even with a strong foundation of research and innovation, Massachusetts is merely pointed in the right direction. Addressing the dropout crisis will require a major leadership commitment at all levels. With enough focus and effort, we can continuously reduce the number of students dropping out of high school. **CW**

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