

Dead End: Dropout Crisis Imperils Alabama's Economy

An ACPPE Fact Sheet made possible by the Southern Education Foundation

September 23, 2008

“School just isn’t for everyone.”

“It’s good to go ahead and get started in the real world.”

“There’s always the GED.”

When a student drops out of school, it may be tempting to explain away the broken relationship and its consequences. Similarly, parents, educators and the general public may rationalize dropout statistics as a measure of the inevitable. However, changing economic and social factors are eroding this long-standing complacency about dropping out of school. Educators, parents and policymakers are coming to understand how the negative impacts of leaving school reach beyond individual lives to society as a whole.

The scope of the problem

Roughly 1 million American students begin ninth grade each year, but only 70 percent of them graduate four years later (NYT). Each year, nearly one-third of all public high school students – and nearly half of all African Americans, Hispanics and Native Americans – fail to graduate from school with their class (*Silent Epidemic*).

Not surprisingly, Alabama fares worse than the national average. Only 60 percent of Alabama students finish high school. Wilcox County has a dropout rate of twice the state average, exceeding 80 percent (*SEF*). A full classroom of students drop out of high school every school day in Alabama (*SPLC*). In every independent analysis, Alabama ranks between 42nd and 47th in the nation in graduation rates (*SEF*). This pattern has persisted for the past 25 years.

Numerous factors contribute to Alabama’s high dropout rate. Students cite various reasons for quitting, including academic challenges, a perception that school is boring, a lack of connection to the school community, financial pressures and family responsibilities. But studies show these factors are not insurmountable. While students play a crucial role in the teaching/learning partnership, the burden is on adults to address the multiple systemic barriers to graduation. Substantial evidence indicates we’re failing in this mission.

For example, many schools rely on “zero tolerance” discipline policies aimed at removing disruptive or uncooperative students from the learning environment after the fact, rather than reducing disciplinary referrals at the front end. Alabama schools issue out-of-school suspensions at the eighth highest rate in the nation. This authoritarian approach may eliminate some of the toughest behavioral challenges from the classroom, but it does little to keep those students engaged with school.

On a different front, the push for higher performance on standardized tests, combined with a lack of federal requirements that students graduate, creates a perverse incentive for schools to allow or even encourage students to drop out. If low-achieving students are pushed out the door by schools before graduation, overall test scores (and thus federal funding) will increase.

Dropping out: everyone’s business

The consequences of dropping out for students are obvious. High school dropouts are three times more likely to be chronically poor than graduates. Dropouts are ill-equipped for the modern workforce. They are less likely to have permanent jobs, are more likely to add to welfare rolls and are at a higher risk for drug abuse and incarceration. A high school diploma may not ensure a job, but it vastly increases the odds of acquiring one and thus increases the chances for a better life.

However, while none of these predictable outcomes are new, the costs of quitting school have a new dimension. Dropouts from previous generations were once able to acquire decent jobs. In the 1950s, a high school diploma was considered good but not essential. Now, the economy is globalized and more high-tech than ever. Even entry level workers require unprecedented levels of training. Labor pools are more mobile, and increased skills requirements are pricing Alabama out of the competitive labor market. For families headed by a high school dropout, median earnings declined by nearly a third between 1974 and 2004 (*Achieve*).

As wages decline, less revenue exists to pay for education and social services, and the entire state economy slows. The Alliance for Excellence in Education estimates that Alabama’s dropouts from the Class of 2007 would earn an additional \$6.7 billion in their lifetimes if they had completed high school.

There has been a lot of fanfare about Alabama’s recruitment of new industries in recent years. However, previous gains to Alabama’s median income levels will be short-lived if the dropout rate remains high. Keeping students in school until graduation will be critical to developing the skilled workforce that can attract and develop industries.

If Alabama were to decrease its dropout rate by 2 percent and then sustain that annual rate of improvement over two decades, the state would gain more than \$190 million in government savings and revenues. If the state also increased by 2 percent annually the number of high school

A full classroom of students drop out of high school every school day in Alabama, according to a report by the Southern Poverty Law Center.

dropouts who return to get a diploma, the net gains would approach \$400 million (*SEF*).

Alabama is slow to respond

Alabama can't "thank God for Mississippi" on the dropout issue, an area in which Mississippi has left Alabama far behind. Mississippi acknowledges a 63 percent graduation rate, but state schools superintendent Hank Bounds is leading a progressive campaign to "combat a dropout crisis." Leaders in Mississippi have been commended for being among the "most serious" in the nation about confronting the dropout issue (*NYT*).

Leaders in Alabama have been slow even to acknowledge the issue. Steve Suits of the Southern Education Foundation, author of a recent comprehensive report on Alabama dropouts, offers the following analysis:

"Alabama must own its problems before it can solve them, and high school dropouts are Alabama's number one educational and economic problem. SEF's report shows that Alabama had a dropout rate of 39 percent in 2006-07. This is in line with the findings of every national 50-state report on high school dropouts published in the last six years, including the latest report of *Education Week*, the nation's leading K-12 education newspaper. However, for the last six years, the Alabama Department of Education has taken public exception to the methods of each and every dropout report instead of acknowledging that its own published dropout rates (9.7 percent for 2006-07) are clearly inaccurate and misleading. Alabama needs to marshal the public will and public resources to address this major problem – not try to deny its existence. Alabama's economic future . . . depends on the state's recognizing and dealing with high school dropouts as other Southern states are doing."

Real solutions

Education policy experts offer a variety of proposed solutions to the dropout dilemma. Assessing the scope of the problem more accurately is a primary challenge. To deal with state-level underreporting, U.S. Secretary of Education Margaret Spellings decided in April to require all states next year to use a single formula to calculate graduation and dropout rates (*NYT*). Regular and consistent data will go a long way toward crafting solutions to keep students in school.

As well as measuring the scope of the problem, we need a better understanding of the reasons why students drop out. A number of factors correlate with dropout rates, including gender, ethnicity, parental education, scholastic ability and achievement, self-esteem, socioeconomic status, drug and alcohol use, parental involvement, peer relations, school climate, class size and participation in extracurricular activities (*Davis*).

Dropping out is preventable. Numerous studies show future dropouts can be identified at early ages with a high

degree of accuracy. Early interventions have a lasting effect. Policy decisions regarding elementary school students, such as reading initiatives, after-school programs and increased parent-teacher relationships, have tremendous influence on whether those children grow up to acquire high school diplomas.

Other proposed anti-dropout measures include:

- Development of dropout early warning systems (*Achieve*);
- Increased funding for pre-K programs (*SEF*);
- Raising the compulsory school age (*Silent Epidemic*);
- Use of positive behavioral interventions (*SPLC*).

Conclusion

High school completion remains an issue of paramount importance. The Southern Education Foundation asserts that dropouts are not only Alabama's most pressing education problem but also the state's most significant economic problem. The lowered earning power of Alabama's dropouts represents a serious disadvantage to the state as the economy globalizes, becomes more technologically complex and relies to a greater degree on educated and skilled workers.

Concern about dropouts deserves a place at the front of the educational agenda. The broader impact of an undereducated population on the economy, social services and the democratic process suggests the problem should be a major consideration in other areas of public policy as well.

Resources

- "High School Dropouts: Alabama's Number One Education and Economic Problem" (Southern Education Foundation, 2008; www.sefatl.org).
- "Reducing Student and Teacher Dropout Rates in Alabama" (Southern Poverty Law Center, 2008; www.splcenter.org).
- "States Obscure How Few Finish High School" (*New York Times*, Sam Dillon, March 20, 2008).
- "U.S. to Require States to Use a Single Dropout Formula" (*New York Times*, Sam Dillon, April 1, 2008).
- "NEA's Plan for Reducing the School Dropout Rate" (National Education Association; www.nea.org).
- "The Silent Epidemic: Perspectives of High School Dropouts" (Civic Enterprises, in association with Peter D. Hart Research Associates and the Gates Foundation, March 2006; www.gatesfoundation.org).
- "Avoidable Losses: High Stakes Accountability and the Dropout Crisis" (Education Policy Analysis Archives; Linda McSpadden McNeil, et al.; Jan. 31, 2008).
- "Identifying Potential Dropouts: Key Lessons for Building an Early Warning Data System" (Craig D. Jerald for Achieve, Inc., June 2006).
- Davis, L.E., et al., "The Decision of African American Students to Complete High School: An Application of the Theory of Planned Behavior" (*Journal of Educational Psychology*, 94[4], 810-819, 2002).

This fact sheet was prepared by ACPPE policy analyst Stephen Stetson. It may be reproduced with acknowledgment of Arise Citizens' Policy Project, Box 1188, Montgomery, AL 36101; (800) 832-9060; arisecitizens.org.