

Why High School Graduation Rates Matter

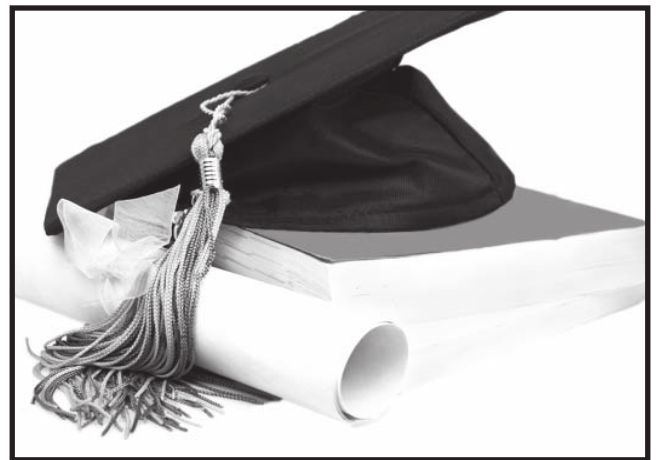
A Policy Brief from Public Citizens for Children and Youth

In the age of high stakes testing and diminishing public education budgets, services and supports for all students are in jeopardy. Here in Pennsylvania alone, thousands of teaching positions, and hundreds of programs and services have disappeared within the last year. It has become commonplace to cut the programs and staff positions that are not mandated by state or federal guidelines. Yet these are often the very services that act as anchors for all student engagement and success. When they are removed, the quality of education for all students suffers.

Investing in education is good financial policy because it ensures that students become productive and contributing members of society. Studies show that students who do not graduate from high school are more likely to earn less income and live in poverty.¹ The lack of a high school diploma or its equivalent creates a path of fewer opportunities. The negative long-term effects of these shortcomings can surpass any immediate savings that may be realized by budget cuts. It also affirms the importance of adequate program support and intervention for a positive impact on education.

Progress

Nationwide, the graduation rate is on the rise and the number of so-called drop-out factories – where graduation rates in specific schools are below 60% – decreased.²



For the first time, the School District of Philadelphia reported in 2011 that the graduation rate crossed the sixty percent threshold—a critical indicator of the progress that can be achieved through targeted advocacy and interventions. Without a serious investment and a continued focus on the graduation rate, we risk reversing progress as a city, thereby increasing the social burden for communities and individuals alike.

Cost to Individuals and Their Communities

Despite progress nationwide, one million students still drop out of school every year, creating negative implications for their communities.³ Students who leave high school without graduating with a diploma or its equivalent often find themselves marginalized and on the fringes of society. Without this basic credential, non-graduates are at a serious disadvantage. The high school diploma has been called the “passport to the economic world.”

Without it, dropouts find themselves barred from higher education and training programs and cornered into low paid and low skilled positions.

Paul Harrington of the Center for Labor Markets and Policy at Drexel University notes the current economic climate throughout the country as a major barrier to employment. A high school graduate in 1980 could have expected to earn approximately one million dollars in his lifetime, while the same diploma credential today would yield only \$480,000.⁴

Currently, high school dropouts have even less economic security than in the past as global outsourcing has greatly reduced the availability of low-paying and low-skilled jobs, which historically were available for those without a high school diploma.⁵

As the economics of the local job market have changed, youth who leave high school before graduating are more likely to be skipped over even for low paying positions and are more likely to need public welfare programs.

Economic Costs

For every student who fails to graduate, communities can expect to lose revenue, witness lower economic activity, and realize an increased social burden on society.⁶

Moving just one student from dropout status to graduation will yield over \$200,000 in higher tax revenue.⁷

Furthermore, economic instability can exacerbate health and social stressors, negatively impacting families and by extension, their communities. Raising the graduation rate will save millions of dollars in future costs. In addition to generating higher revenue, high school graduates will also require less government spending in educational interventions, prison corrections, and social programming.⁸

Cost to Public Programs

Populations with higher education levels have a reduced need for government spending on public programs such

as Medicaid and food stamps.⁹ High school graduates are more likely to earn higher incomes and enjoy employer-paid health benefits. Improving the graduation rate will reduce the need for government expenditures on educational interventions designed to reengage drop outs as well as for public services such as Medicaid and food stamps. Though costs vary greatly depending on the demographic population, a look at one subgroup can further clarify the cost effectiveness of increasing our graduation rate.

White females who did not finish high school require, on average, \$60,800 in Medicaid and Medicare costs over their lifetime, while the costs for a high school graduate are \$23,200 and only \$3,600 for a college graduate.⁹

Spotlight on Philadelphia

In many school districts, a focus on increasing the graduation rate has led to a multi-faceted approach to prevent students from dropping out and to reengage students who have already left school. Philadelphia has taken a diverse approach to improving the city's graduation rate. Broad-based collaboration facilitated by the Project U-Turn campaign and other initiatives, along with Mayor Michael Nutter's prioritization of the issue, have helped to increase our graduation rate.

Efforts to improve the graduation rate employ a diversity of methods and focus on reengagement, prevention, and the sharing of best practices. However, as with any significant initiative, funding plays a critical role for success and sustainability. A closer look at just two of the many initiatives at the City level tells the story of how crucial sustainable programming and supports are to out of school youth. The story of the accelerated schools and Re-Engagement Center demonstrates the critical need for and importance of these programs.

Increasing Philadelphia's Graduation Rate

The City of Philadelphia made increasing the high school graduation rate a top priority, launching a public campaign in October 2006. Recent initiatives have seen significant progress as Philadelphia's graduation rate has steadily increased. Accelerated Schools and the Re-Engagement Center are two elements of the high school graduation campaign that have had significant impact for student success.



Accelerated Schools

“Excel South gave me a second chance at my education. I am so grateful for the resources that were provided and the opportunity to re-engage in school. I feel that I can succeed with the educational tools that I gained.” - Student

Accelerated schools serve students who are at high risk of failing to graduate. They offer an alternative, expedited path for students to obtain a high school diploma, serving as a lifeline for those who need flexibility and a different academic environment to reach graduate status.

The curriculum of accelerated schools allows students to earn high school credits at a faster pace and provides them with extra resources such as individualized instruction, social services, and career development. In the 2009-2010 school year, accelerated schools served over 2,100 students in Philadelphia.

The Re-Engagement Center

The Re-Engagement Center was founded in 2008 to function as a central location that provides youth and their families with “onestop” access to information and placement services leading to re-enrollment in a high school diploma or GED program.

Young people between the ages of 15 and 21 who have disconnected from school can receive referrals to an education program that best fits their needs.

The Center also connects students to comprehensive resources, such as childcare and employment, which support successful educational outcomes.

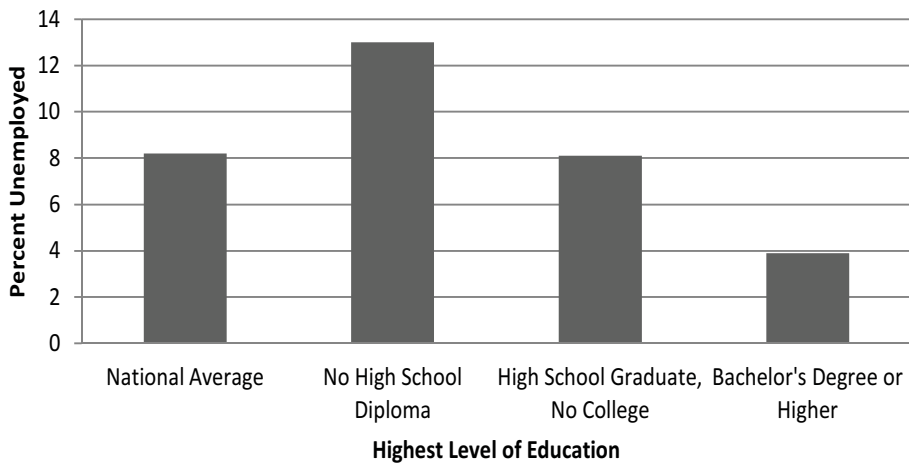
Students will also receive transitional support to help make a successful re-entry to school with the ultimate goal of earning a high school diploma or GED.

Adults older than 21 looking to earn a high school diploma or GED can also use the referral services of the Center.

In its first year, the Re-engagement Center served over 2,300 students, demonstrating the critical need and motivation of this population.

To date, the Re-Engagement Center has served over 10,000 students.

Unemployment Rate by Educational Attainment, May 2012



Programs at Risk, Costs to Society

Despite the successes of accelerated schools and the Re-Engagement Center, last year's state budget cuts put these programs at risk, along with other educational opportunities for students.

For example, the second Re-Engagement Center located in the Kensington area no longer exists. When the accelerated schools were threatened with elimination, a strong campaign by students and advocates helped to stave off closure, but the number of student seats was reduced from 2,280 to 1,887.

The cost of not investing in programs to keep students in school far outweighs any initial savings from budget cuts. Students who do not make it to graduation impose great social and financial costs that hurt individuals and communities alike.

Increasing the graduation rate will benefit society. If the 1,887 students currently in the accelerated schools attain a high school diploma, they will generate \$377.4 million in increased tax revenue.¹⁰ The benefits of increasing the graduation rate, like most educational outcomes, are not limited to the education sector. Even in a time of budget cuts, investments in education should be seen as a critical need for the vitality of communities.

Our Recommendations

1. Invest in education at every level:

- a. Early Childhood: For every dollar invested in early childhood education now, we can expect to save \$7-16 in future expenses.
- b. Basic Education: K-12 education is the bedrock of strong communities. Equity and access to quality education programs will reduce negative educational outcomes.

2. Make increasing the graduation rate a priority even in a time of financial uncertainty:

- a. Promote policies that effectively serve the out-of-school population.
- b. Keep students who have dropped out or are at risk of dropping out at the forefront of policy decisions.

Endnotes

1 Re-engaging High School Dropouts as a Growth Strategy for PA. Operation Restart. July 2011.

2 Balfanz, Robert, John M. Bridgeland, Mary Bruce, and Joanna H. Fox. Building a Grad Nation: Progress and Challenge in Ending the High School Dropout Epidemic. America's Promise Alliance, March 2012.

3 Balfanz, Robert, John M. Bridgeland, Mary Bruce, and Joanna H. Fox. Building a Grad Nation: Progress and Challenge in Ending the High School Dropout Epidemic. America's Promise Alliance, March 2012.

4 Herold, Benjamin. "A 'collapsed' Job Market for Dropouts." The Notebook [Philadelphia] Feb. 2012. The Notebook. <http://thenotebook.org/february-2012/124481/collapsed-job-market-dropouts>

5 Levin, Henry, Clive Belfield, Peter Muennig, and Cecilia Rouse. The Costs and Benefits of an Excellent Education for All of America's Children. Teachers College, Columbia University, January 2007.

6 Balfanz, Robert, John M. Bridgeland, Mary Bruce, and Joanna H. Fox. Building a Grad Nation: Progress and Challenge in Ending the High School Dropout Epidemic. America's Promise Alliance, March 2012.

7 Balfanz, Robert, John M. Bridgeland, Mary Bruce, and Joanna H. Fox. Building a Grad Nation: Progress and Challenge in Ending the High School Dropout Epidemic. America's Promise Alliance, March 2012.

8 Balfanz, Robert, John M. Bridgeland, Mary Bruce, and Joanna H. Fox. Building a Grad Nation: Progress and Challenge in Ending the High School Dropout Epidemic. America's Promise Alliance, March 2012.

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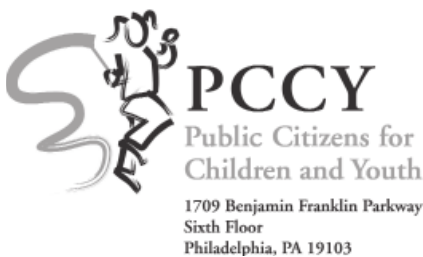
10 Levin, Henry, Clive Belfield, Peter Muennig, and Cecilia Rouse. The Costs and Benefits of an Excellent Education for All of America's Children. Teachers College, Columbia University, January 2007.



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About PCCY: Founded in 1980, Public Citizens for Children and Youth (PCCY) serves as the region's leading child advocacy organization and works to improve the lives and life chances of its children. Through thoughtful and informed advocacy, community education, targeted service projects and budget analysis, PCCY seeks to watch out and speak out for children and families.



PCCY undertakes specific and focused projects in areas affecting the healthy growth and development of children, including child care, public education, child health, juvenile justice and child welfare.

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