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OCTOBER 21, 2008

The High School Dropout's Economic Ripple Effect

Mayors Go Door to Door, Personally Encouraging Students to Stay in the Game for Their Own Good -- and for the Sake of the City

By GARY FIELDS

Article

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Washington -- As the financial meltdown and economic slump hold the national spotlight, another potential crisis is on the horizon: a persistently high dropout rate that educators and mayors across the country say increases the threat to the country's strength and prosperity.



View Full Image Houston Independent School District Houston's Superintendent of Schools Abelardo Saavedra (far left) knocks on a door of a student who needed one class to graduate.

According to one study, only half of the high school students in the nation's 50 largest cities are graduating in four years, with a figure as low as 25% in Detroit. And while concern over dropouts isn't new, the problem now has officials outside of public education worried enough to get directly involved.

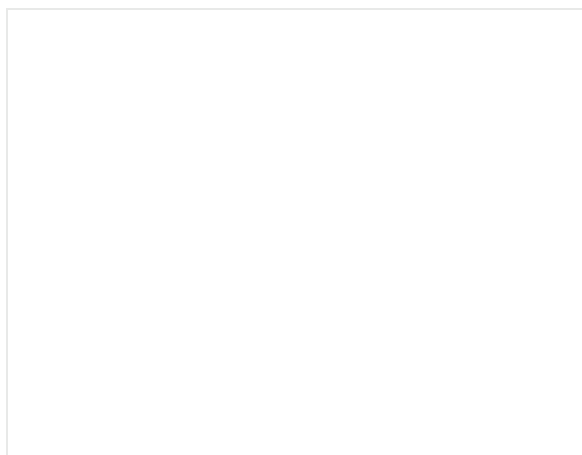
The U.S. Conference of Mayors is focusing its education efforts on dropouts. Mayors in Houston and other Texas cities go door to door to the homes of dropouts, encouraging them to return to school. Atlanta Mayor Shirley Franklin meets on weekends with students

and helps them with life planning. Other cities, like Milwaukee and Kansas City, Mo., have dropout prevention programs.

Some new studies show far fewer students completing high school with diplomas than long believed. "Whereas the conventional wisdom had long placed the graduation rate around 85%, a growing consensus has emerged that only about seven in 10 students are actually successfully finishing high school" in four years, said a study by the Editorial Projects in Education Research Center, a nonprofit group based in Bethesda, Md. It was released this year by America's Promise Alliance, a nonpartisan advocacy group for youth. In the nation's 50 largest cities, the graduation rate was 52%.

The longstanding American dropout problem may be especially thorny now, with a looming recession. Cutting the number of dropouts in half would generate \$45 billion annually in new tax revenue, according to America's Promise -- assuming there are ultimately enough jobs to accommodate the graduates.

Marguerite Kondracke, president and CEO of America's Promise, says there are about 77 million people who are hoping to retire -- circumstances permitting -- and are depending on



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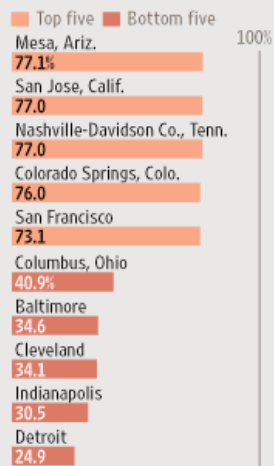
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workers to "fuel our economy and future growth, and the next generation of workers is not prepared for the 21st-century global economy."

Ms. Kondracke calls the dropouts "our next class of nonperforming assets." She says that each year dropouts represent \$320 billion in lost lifetime earning potential. Jay Smink, director of the National Dropout Prevention Center at Clemson University, says the difference in lifetime salary for a dropout and a high school graduate is about \$300,000.

### Falling Behind

Graduation rates in principal school districts among the 50 largest cities



Source: Editorial Projects in Education Research Center

"In a global economy, the single most important issue facing our country is an educated work force," says Houston Mayor Bill White. "Somebody who lacks a high school education will have lifetime earnings that are only about 60% of those of somebody with that education. That's just the impact on personal income. There are the social costs as well."

With other studies also showing increases in the number of students who aren't graduating, public officials are concerned those numbers will mean rising costs for social programs and prisons, as well as lost tax revenue because of the reduced earnings potential of dropouts. Dropouts are disproportionately represented in the criminal justice system, including about 75% of state prison inmates.

"The whole cauldron of social and economic challenges you face are increased, and those problems are laid at the doorstep of city hall, city government, community organizations and churches," says Marc Morial, former mayor of New Orleans and currently president of the National Urban League.

Dropouts rates are a confusing mishmash of data. Studies differ on what graduation means. One study done by the U.S. Department of Education found that dropout rates had

declined, mostly steadily, from 14.6% in 1972 to 9.3% in 2006. Another department study found that only about 74% of the nation's students graduated on time. Department of Education Secretary Margaret Spellings said earlier this year she would seek to ensure that all states begin using the same formula to calculate how many students graduate from high school on time and how many drop out.

Kerri Briggs, an assistant secretary for the department, says some studies count General Educational Development, or GED, certificates, but a GED "is not as helpful in the long run as a regular high school diploma." Ms. Briggs adds that the four-year graduation rate is 80% for whites but only 59% for blacks. "Those are big gaps and they have meaning for kids in their ability to participate in the work force," she says.

Detroit has the lowest four-year graduation rate in the study, at 25%, according to America's Promise. Officials there are revamping the high schools. So far, the school system has started a high school redesign at five sites. Among the steps being taken are better counseling services and efforts to design curricula at schools in particular locations geared to industries in the same area.

"The number of students are falling away at such a large percentage that you can't point to any one factor or any one solution," says Steve Wasko, spokesman for the school system.

Houston has embarked on a wide-ranging plan, including a program called Reach Out to Dropouts, where volunteers, including Mayor White and school superintendent Abelardo

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Saavedra, visit the homes of students who haven't returned to school.

Reach Out has recaptured more than 5,500 dropouts in the city since it started in 2004. This year, it spread to 17 school districts in the state. Last month, local officials and volunteers in those school districts convinced 541 students to sign up for school that day.

The idea came from a kitchen conversation between the mayor and his wife, a local education activist. Mr. White was troubled by the fact that while the private sector could track inventory world-wide, school systems could not track students.

"It seemed to me we weren't valuing these kids," he says. Within weeks, they were walking, tracking the students who had dropped out of eight schools.

On the walks, city and school officials and volunteers, often from the business community, talk about why students quit and what they need to return. In some cases, it is day care.

Airiell Watkins, 17 years old, came back this year after the dogged visits of dropout specialist Craig Zeno and several teachers from her old school.

"It was too complicated balancing school and taking care of myself at the same time," Ms. Watkins says. The girl, now a junior, lived alone most of the time. She quit and worked a variety of jobs, including braiding hair.

Mr. Zeno went to her apartment several times, leaving cards and messages. Finally, he went back with several of her teachers, who promised that she would get help in classes where she was having trouble. Mr. Zeno gave her money out of his own pocket.

Ms. Watkins says the personal visits convinced her to give school another try. "They were saying I was so smart and they didn't know why I wasn't in school, that I was too smart to just drop out," she says. "It got to me, kind of."

Since returning, she has missed only two days, and she participates regularly in class. She says she can't make any promises, but "I'm trying to finish. If I don't, they will come after me again, and I don't want that to happen."

**Write to Gary Fields at [gary.fields@wsj.com](mailto:gary.fields@wsj.com)**

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