

EXECUTIVE SUMMARY
CONSEQUENCES OF DROPPING OUT OF HIGH SCHOOL: JOBLESSNESS & JAILING
FOR HIGH SCHOOL DROPOUTS & THE HIGH COST FOR TAXPAYERS
22% DAILY JAILING RATE FOR YOUNG BLACK MEN WHO DROP OUT OF HIGH SCHOOL
Prepared by the Center for Labor Market Studies
Northeastern University, Boston, Massachusetts
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DROPOUTS TO INMATES

A disturbing number of the young men and women crowding America's jails are high school dropouts, suggesting that the destructive path to prison begins when these young adults leave school often before they officially drop out.

This pipeline to prison is disproportionately filled by young Black men ages 16 to 24. On any given day, **nearly 23 percent of all young Black men who have dropped out of high school are in jail, prison, or a juvenile institute.** In other words, approximately 23 of every 100 young Black male dropouts are in jail compared to only 6 to 7 of every 100 Asian, Hispanic or White male dropouts.

While young Black men are most affected, this crisis cuts across racial and ethnic lines. **Male dropouts of all races were 47 times more likely to be incarcerated than their peers of a similar age who had graduated from a four-year college or university.**

These startling statistics have profound policy implications in a nation facing the parallel challenges of overcrowded prisons and a dire need to raise its high school graduation rates, especially in our cities. Dropouts just cannot make it here anymore. We can invest in incarceration or we can invest in programs to keep these young people in school and in new pathways to high school graduation and successful careers for those who have already left.

Earlier this year, the Alternative Schools Network (ASN) in Chicago commissioned Professor Andrew Sum and the Center for Labor Market Studies (CLMS) at Northeastern University in Boston, Mass. to prepare a report, **Left Behind in America: The Nation's Dropout Crisis** that vividly outlined the magnitude of the problem. **That groundbreaking report found nearly 6.2 million young people ages 16 to 24, disproportionately male, Black, and Hispanic have dropped out of high school and live in America today.** The report was released at a forum held at the National Press Club in Washington D.C. featuring national and regional leaders including the Assistant to U.S. Education Secretary Arne Duncan.

This new report, **Consequences of Dropping Out of High School: Joblessness and Jailing for High School Dropouts and the High Cost for Taxpayers – 22% Daily Jailing Rate for Young Black Men Who Drop Out of High School** outlines the consequences that these young people face after leaving high school. The report demonstrates that incarceration is just one of the high costs these young adults, American taxpayers and our society as a whole are paying by not doing more to solve the dropout crisis.

Again, commissioned by the ASN, and conducted by Dr. Sum and the CLMS at Northeastern University in Boston, Mass, this report is being released by a national coalition of education, advocacy, and social service groups including: the National Urban League, the National Education Association, Youth Build, The Corps Network, Chicago Department of Family and Support Services, City of Los Angeles Workforce Investment Board, Chicago Urban League, Illinois Council on Re-Enrolling Students Who Dropped Out of School, Los Angeles Conservation Corps, and Soledad Enrichment Action, Los Angeles.

DROPOUTS EXPERIENCE HIGHER LEVELS OF JOBLESSNESS & LOW WEEKLY AND ANNUAL EARNINGS

- **More than half - 54 percent - of the nation's dropouts ages 16 to 24 were jobless on average during 2008. Black dropouts experienced the highest jobless rates at 69 percent followed by Asians at 57 percent and Whites at 54 percent.** Hispanic dropouts had the lowest jobless rates at 47 percent, reflecting the higher employment rate of young Hispanic immigrants. **In sharp contrast, only about 13 percent of young adults with a college degree were jobless on average in the same time period.**
- **40 percent of all dropouts in the country were jobless for the entire year.**
- Without a high school diploma, you cannot earn enough money to make ends meet and certainly not enough to reach the American dream of raising a family and buying a home. **The mean annual earnings of the nation's young people under 25 with a bachelor's or advanced degree was \$24,797 in 2007, three times higher than the mean earnings for dropouts of \$8,358 (including zero earners).**
- The limited earnings potential of dropouts means many never leave their parents or relatives' homes to form independent households. Nearly 37 of every 100 dropouts live in poor or near-poor families.
- **Over \$292,000 is the cost incurred by taxpayers for each dropout over their lifetime** in terms of lost earnings and therefore lower taxes paid and higher spending for social costs including incarceration, healthcare, and welfare.

DROPOUTS MORE LIKELY TO BE SINGLE MOTHERS

Nearly 38 percent of young female dropouts ages 16 to 24 were mothers, the highest percentage compared to their peers still enrolled in high school or college or with high school or college degrees. **Young high school dropouts were nearly 9 times as likely to have become single mothers as their counterparts with undergraduate college degrees.**

All of these disparities have only been aggravated by current economic conditions. They make it very difficult for dropouts to change the course of their lives and finance and engage in future levels of schooling and training.

There is an alternative.

A national re-enrollment strategy should become a fundamental element of America's national education agenda in the U.S. Department of Education Race to the Top program and reauthorization of the No Child Left Behind program.

PRIMARY RECOMMENDATION: A FEDERAL & STATE RE-ENROLLMENT PROGRAM

Each re-enrolled student who obtains a diploma would save taxpayers over \$292,000 through lower spending on social costs, such as incarceration, health care and welfare, and through increased federal state, and local tax receipts as well as higher home ownership rates and more property taxes. Dropouts are also the least likely to vote in all federal and state elections and the least likely to volunteer their time.

By contrast, adults with high school diplomas and additional education contribute major fiscal benefits to the country over their lifetime. The combined fiscal benefits – including the payment of payroll, federal, and state income taxes – could amount to more than \$292,000 for each high school graduate. Such a public fiscal benefit more than outweighs the estimated cost of enrolling a student who has dropped out.

An immediate way to accomplish this would be to implement the proposed Hope & Opportunity Pathways through Education (HOPE USA) Initiative to re-enroll 480,000 dropouts every year.

HOPE USA is a \$2 billion federal matching incentive grant program to spur state and local school districts to establish programs that would re-enroll dropouts in comprehensive programs to assist them in earning a high school diploma. It is jointly proposed by the National Education Association, National Urban League, National Council La Raza, Youth Build, the Corps Network, Los Angeles Conservation Corps, Soledad Enrichment Action, Los Angeles, Chicago Department of Family and Support Services, Illinois State Council on Re-Enrolling Students Who Dropped Out of School, the Chicago Urban League and the Alternative Schools Network.

The initiatives would include small schools (80-150 students) led by experienced principals and teachers that focus on real-world learning. They would also feature summer and after-school components with year-round employment programs.

ADDITIONAL RECOMMENDATIONS

- Emphasize and provide significant funding for re-enrollment of students who have dropped out of school as part of the Obama administration's Race to the Top initiative and the revised No Child Left Behind legislation.
- Expand year round and summer employment for jobless youth with a \$5 billion initiative.

CONCLUSION

These reports are part of an ongoing public education campaign effort to create public understanding and build the "will" to create programs and funding that supports our nation's most valuable asset – our youth, and those of them that are most vulnerable – our children who are out of school and on the street. It is part of our national promise to leave no child left behind.