



## Helping High School Dropouts Improve Their Prospects

*Dan Bloom and Ron Haskins*

Too many adolescents—especially minorities—drop out of high school and then experience high rates of unemployment, incarceration, drug use, and nonmarital births. The high incidence of individual and social costs, combined with rigorous evidence of at least modestly successful program models, makes a solid case for investing public funds in programs and research for disconnected youth. In this brief we outline a proposal for testing, improving, and, where appropriate, expanding existing youth programs, while simultaneously mounting large-scale demonstration projects to test promising new ideas in areas where there are gaps in current programming.

Dropping out of high school has serious long-term consequences not only for individuals but also for society. According to expert estimates, between 3.5 million and 6 million young Americans between the ages of 16 and 24 are school dropouts. Lowering the number of adolescents who fail to finish high school and helping those who drop out get back on track must be a major policy goal for our nation. In this policy brief we focus primarily on how best to provide youngsters who have dropped out of school a second chance, though we also give some attention to dropout

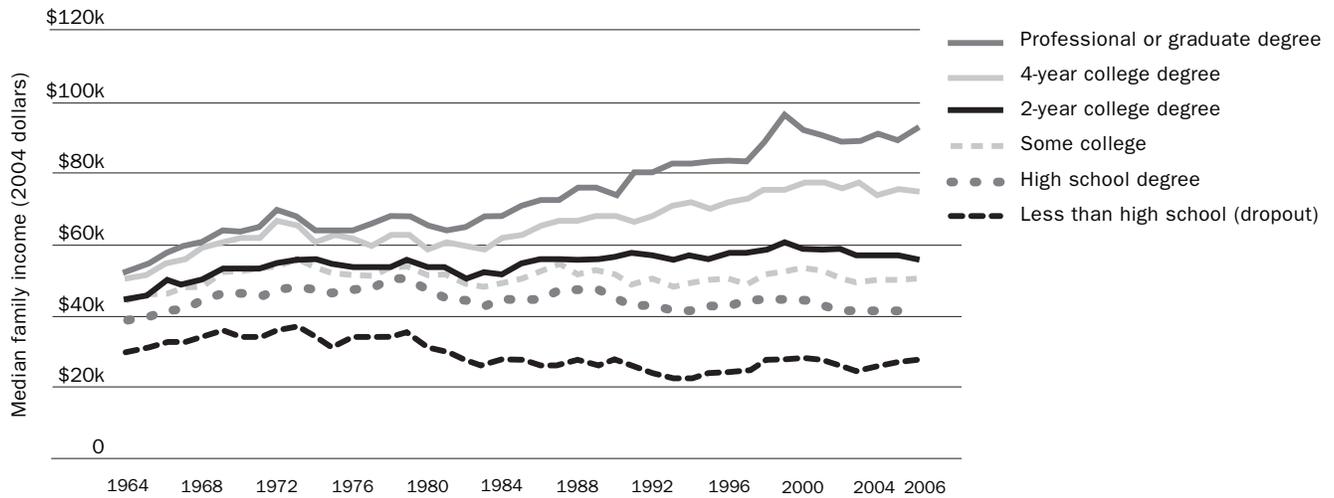
prevention (we do not tackle the topic of high school reform more broadly). Several carefully evaluated program models hold out promise that they can help both young people at risk of dropping out and those who do drop out. These promising programs must be expanded and continually improved, and we offer specific proposals for doing so. U.S. policy must aim to keep as many young Americans as possible in high school until they graduate and to reconnect as many as possible of those who drop out despite educators' best efforts to keep them in school.

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For the full report on Transition to Adulthood, edited by Gordon Berlin, Frank F. Furstenberg Jr., and Mary C. Waters, go to [www.futureofchildren.org](http://www.futureofchildren.org).

Just how costly is school dropout? Americans who do not graduate from high school pay a heavy price personally. Although correlation is not causation, the links between leaving school before graduating and having poor life outcomes are striking. Perhaps the most important correlation is that between dropping out and low income. Based on Census Bureau data (from 1965 to 2005), figure 1 compares the median family income of adults who dropped out of high school with that of adults who completed various levels of education. Two points are notable. First, in 2005, school dropouts earned \$15,700 less than adults

**Figure 1. Median Family Income of Adults Ages 30–39 with Various Levels of Educational Achievement, 1965–2005**



Note: All men and women ages 30–39, including those with no personal income, are included in these estimates.

Source: Brookings tabulations of data from the annual Social and Economic Supplement to the CPS, 1965–2006.

Returns to education have been growing, particularly over the past twenty-five years. While median family income for adults with a college degree or higher continues to grow, median family income for those with less education has stagnated and even declined.

with a high school degree and well over \$35,000 less than those with a two-year degree. Over a forty-five-year career the earnings difference between a dropout and someone with only a high school degree can amount to more than \$700,000. Considered from a broader social perspective, the income-education pattern illustrated by figure 1 shows that school dropouts contribute substantially to the problem of income inequality that is now a growing concern of researchers and policy makers.

Dropping out of school is also linked with many other negative outcomes such as increased chances of unemployment or completely dropping out of the workforce, lower rates of marriage, increased incidence of divorce and births outside marriage, increased involvement with the welfare and legal systems, and even poor health. All these outcomes are costly not only to dropouts personally, but also to society. Prison costs, for example, are among the most rapidly growing items in nearly every state budget, and more than two-thirds of state prison inmates are school dropouts, though many obtain a General Educational Development (GED) credential while in prison. Similarly, in 2006, 67 percent of all births to young dropouts were outside marriage, compared with 10 percent of births for women with a master's degree. Because families with children born outside marriage are five or six times more likely to

live in poverty than married-couple families, it follows that they are also more likely to be on welfare. In both these examples, dropping out is linked with social problems that impose large public costs on the nation.

### Programs for Dropouts

A variety of programs are already in place, both locally and nationwide, to serve dropouts who seek to continue their education. In fact, national data show that two-thirds of high school dropouts eventually earn either a high school diploma or, much more commonly, a GED credential—though the share is much lower for young adults from low-income families. Many young dropouts resume their education by enrolling in GED preparation programs operated by schools, community colleges, or community-based organizations, while others enroll in special youth programs that embrace a more comprehensive approach to preparing them for adult life. The best known of these “second-chance” programs are relatively large national programs or networks like the Job Corps, the National Guard Youth Challenge program, Service and Conservation Corps, and YouthBuild. Most receive direct federal funding. Each has a distinct approach, typically emphasizing some combination of education, training, community service, leadership development, subsidized employment, and other activities. The Job Corps and Challenge programs

are residential: young people leave their homes and live at the program site for a number of months. Other youth programs are run locally by community-based organizations, churches, or other organizations. Some cities are also trying to weave together disparate programs into more coherent youth “systems” that provide clear paths for dropouts to reconnect with a more promising future and receive the kinds of support they want or need. All these programs are important, but many experts maintain that not nearly enough services are available to offer help to all of the out-of-school youth who need it.

Local school districts, particularly those in large cities, are also taking steps to identify at-risk students and prevent them from dropping out in the first place. These efforts range from broad-based school reforms to specialized school-based programs like Career Academies (schools-within-schools built around a career theme) to district-wide “multiple pathways” initiatives that establish new, flexible education options for young people who are struggling in a regular school environment (for example, schools that allow students to earn the specific credits they need or that offer classes on schedules that allow students to meet other responsibilities). Here again, some programs are residential.

Not so long ago, second-chance programs that helped dropouts earn the GED credential were fairly clearly differentiated from traditional high schools. Today the second-chance landscape is far more varied. It ranges from multiple-pathways initiatives, which offer a wider range of high school options for struggling students, to community-based programs with experience serving dropouts that now operate charter schools or alternative high schools. For example, YouthBuild, known for serving dropouts and targeting the GED, now includes many diploma-granting schools.

Although second-chance programs once viewed the GED credential as the ultimate goal, they now aim increasingly to help former dropouts move on to postsecondary education. The Gateway to College program, developed at Portland (Oregon) Community College and now operating in twenty-three other community colleges across the country, gives high school dropouts a chance to attend high school and college simultaneously. In addition, the Bill and Melinda Gates Foundation has given grants

to YouthBuild and other community-based youth employment programs to help them build pathways to postsecondary education for their participants. These college-focused efforts appear to be growing, though they are likely to serve a subset of dropouts with stronger academic skills.

## What Works?

Although several of these programs have been carefully evaluated, most of those that target high school dropouts have never been formally studied. Indeed, because the programs are often run by small community-based organizations, the most rigorous evaluation methods are probably not feasible or appropriate in many cases. The result is a gap between the strongly held views of practitioners who believe they know what constitutes “best practice” in youth programming and the knowledge base that researchers build from rigorous evaluations.

The accompanying table on page 4 describes eleven rigorous evaluations of employment- or education-focused programs serving high school dropouts that have been conducted over the past thirty years (a few of the programs served both dropouts and in-school youth). The table focuses on major studies that assigned eligible youth randomly, through a lottery-like process, into either a program group that had access to the program being studied or a control group that did not.

Overall, the evaluations tell a mixed story. In several, young people in the program group were substantially more likely than their control group counterparts to earn a GED or another credential. For example, in the Job Corps evaluation, 42 percent of the program group earned a GED within four years after entering the study, compared with 27 percent of the control group. Similarly, interim results from the National Guard Youth Challenge evaluation show that about 61 percent of the program group but only 36 percent of the control group earned a GED or diploma within twenty-one months after enrolling. The JOBSTART and New Chance studies had similar findings.

Some of the programs also generated significant increases in employment or earnings in the short term. For example, in the National Supported Work Demonstration, which provided subsidized jobs to young dropouts, the difference in employment rates between the program and control groups was as high as 68 percentage points early in the follow-up period.

**Table 1. Selected Rigorous Evaluations of Programs for High School Dropouts**

Evaluation and dates	Model and target group	Summary of results
National Supported Work Demonstration 1976–81	Paid work experience, with graduated stress, for high school dropouts	Large increases in employment initially, but no lasting impacts
Youth Incentive Entitlement Pilot Projects 1977–81	Guaranteed part-time and summer jobs, conditioned on school attendance, for low-income teens in selected cities or neighborhoods	Large, short-term increases in employment; no impacts on school outcomes
American Conservation and Youth Service Corps 1993–96	Paid work experience in community service projects, education and supports, for out-of-school youth	Increases in employment, decreases in arrests, particularly for black males; short follow up
JOBSTART 1985–93	Education, training, and supports for dropouts with low reading levels	Increases in GED receipt; few impacts on labor market outcomes (except in one site)
National Job Training Partnership Act 1987–94	Education, training, job placement, and on-the-job training for disadvantaged youth	No earnings impacts overall; possible negative impacts for some subgroups
New Chance 1989–92	Wide range of education, employment, and family services for young mothers with no high school diploma	Increases in GED receipt; no impacts on labor market outcomes
Center for Employment Training 1995–99	Education and vocational training for disadvantaged youth	Few gains in employment and earnings overall
Job Corps 1994–2003	Education and training in a residential setting for disadvantaged youth	Gains in earnings and employment in years 3–4; gains faded after year 4. Stronger results for older participants
National Guard Youth Challenge 2005–present	Education, service, and other components in a quasi-military residential program for young high school dropouts	Interim results: large increases in high school diploma or GED receipt, smaller gains in employment, college enrollment
Teenage Parent Demonstration 1987–91	Mandatory, education, training, and employment services for teen parents on welfare	Increases in high school graduation in one of three programs; increases in employment and earnings
Ohio Learning, Earning, and Parenting Program 1989–97	Financial incentives and sanctions based on school attendance for teen parents on welfare	Increases in GED receipt; some earnings gains for initially enrolled teens

Source: See Dan Bloom, “Programs and Policies to Assist High School Dropouts in the Transition to Adulthood,” *Future of Children*, vol. 20, no. 1 (2010), p. 95, table 1.

Similarly, the Youth Entitlement project, which guaranteed part-time and summer jobs to all disadvantaged young people in certain geographic areas who agreed to attend school, employed 76,000 youth and virtually erased the large gap in unemployment rates for white and black youth in their areas. The Conservation and Youth Service Corps also provided subsidized jobs and generated some statistically significant increases in employment, particularly for African American males, over a relatively short follow-up period. The Job Corps program did not rely on subsidized jobs but still managed to increase employment and earnings in the third and fourth years of the study period—and even longer for older participants (aged 20 to 24 at enrollment).

The gains in credentials and short-term earnings are notable, but none of the studies that followed participants for more than a couple of years found lasting improvements in economic outcomes. Some of the studies did not report or collect long-term data or are still ongoing. In other cases, early effects faded over time. For example, the Job Corps evaluation found that increases in employment and earnings faded by

year five and did not reappear during the rest of a ten-year study period (though, as noted, earnings gains persisted for study participants who were aged 20 to 24 when they enrolled).

Although these findings do not support the common perception that “nothing works” for high school dropouts, the evaluations do show that many of the positive effects produced by the programs were modest or relatively short-lived. Moreover, the studies suggest that even some of the relatively successful programs may have difficulty meeting a strict benefit-cost test. The authors of the Job Corps evaluation concluded that the benefits produced by the program probably exceeded its costs (about \$16,500 per participant) for older participants, but not for the full study sample.

One important study is not included in the table because it targeted in-school youth, but its findings are relevant to our focus on dropouts nonetheless. A random-assignment evaluation of Career Academies, a high school-based model, found that it produced statistically significant increases in earnings over an eight-year follow-up period. Men in the program

group earned about \$30,000 more than their control group counterparts over the eight years even though they were no more likely to graduate from high school or go to college. The researchers suggest that the program's use of "career awareness and development activities," including job shadowing and work-based learning activities, may have contributed to the earnings gains.

Perhaps most interesting, the Career Academies also produced significant effects on several adult transition milestones. At the end of the follow-up period, program group members were more likely to be living independently with children and a spouse or partner, and young men in the program group were more likely to be married and to be custodial parents. These findings suggest that improving young people's economic prospects may ease their transition into other adult roles.

### What Next?

As we have suggested, the individual and social costs of ignoring high school dropouts—or of focusing attention and resources only on those who show up in the criminal justice and welfare systems—are enormous. Thus, the argument for investing more public funds in services, systems, and research aimed at helping these young people is strong, even during a period when public resources will be severely constrained. It is clearly necessary to improve and expand prevention-oriented programs in the schools, beginning as early as preschool, but it is also imperative to provide strong second-chance programs for out-of-school youth.

The challenge, as noted, is that the knowledge base on the effectiveness of second-chance programs is still thin. Relatively few programs have been rigorously tested, and even fewer have produced unambiguously positive results. The paucity of conclusive evidence makes it hard to know how to direct resources and magnifies the importance of ensuring that all new initiatives provide for rigorous evaluation of their outcomes. Although states and localities will deliver or manage most of the services for these youth, the federal government should play a key role by funding programs, promoting innovation, and identifying and disseminating evidence about what works to reduce the number of dropouts and to recover those who do drop out. Because the evidence is limited, we think it appropriate to recommend a two-part agenda

that would simultaneously seek to provide services to greater numbers of disadvantaged young people and to build the knowledge base about what works.

The first part of the agenda would focus on assessing, improving, and expanding existing youth programs. The national programs and networks mentioned earlier serve thousands of youth each year and have a relatively well-developed infrastructure to support and disseminate program improvement efforts. The first step, already well under way, is to rigorously evaluate these programs. An evaluation of the Job Corps was recently completed, studies of ChalleNGe and the Service and Conservation Corps are under way, and an evaluation of YouthBuild is planned. The goal of these studies should not be to deliver an "up or down" verdict on the programs, but rather to identify their strengths and limitations so they can be improved and, where warranted, expanded to serve more young people.

At the same time, private funders, most notably the Edna McConnell Clark Foundation, have been working to identify other promising youth-serving organizations, accumulate rigorous evidence on their effectiveness and, where appropriate, build their capacity to serve more young people. The new Social Innovation Fund (operated by the Corporation for National and Community Service) will play a similar role, though it will not focus solely on youth.

The second part of our recommended agenda would create a series of large-scale, federally funded demonstration projects to test new ideas for providing dropouts with a second chance. These projects would be large enough to serve thousands of young people and would be designed as careful evaluations. The experiences of the Youth Employment and Demonstration Projects Act—which funded more than \$600 million in youth-focused demonstration projects in the late 1970s—could provide valuable lessons on the design of a new initiative.

Because high school dropouts are a diverse group, the demonstration projects should target different segments of the dropout population and test different program models. For example, one demonstration should target dropouts who have relatively strong academic skills and qualify for GED preparation programs. Nearly half a million people pass the GED exam each year, most of them under age 25.

Yet evidence suggests that individuals with a GED do not fare as well in the labor market as those with a high school diploma, in part because GED recipients typically get little or no postsecondary education or training. This finding argues for models that transform traditional, stand-alone GED test preparation programs by developing stronger linkages to postsecondary academic or occupational courses. A number of approaches are currently being tested around the country, ranging from models that introduce career themes into GED preparation coursework to models that fully integrate basic academic and occupational skills training in the same program (an approach used in Washington State's highly touted Integrated Basic Education and Skills Training, or I-BEST, program). A demonstration should fund and test a variety of these models across the country.

At the other end of the spectrum are the many dropouts who have very poor reading and math skills and do not come close to qualifying for GED preparation programs. Performance-driven youth programs that seek to help dropouts pass the GED may be reluctant to enroll such students because they are unlikely to meet the key performance goal of achieving a GED. Ironically, the efforts mentioned earlier to build links between youth programs and postsecondary education may unintentionally exacerbate this problem. A demonstration project should test new models for teaching young adults with very poor basic skills, perhaps in combination with paid work or financial incentives to encourage persistence. These young people may not be able to complete high school or obtain postsecondary education in the short term, but other program models may be able to help them prepare for relatively well-paying "middle skill" jobs that do not necessarily require a postsecondary degree. The Youth Development Institute in New York City has been designing and mounting programs specifically targeting youth with low reading skills who are not ready for GED preparation programs.

Similarly, demonstrations should be considered for other target groups, using different approaches. One such approach is school-conditioned work. Even before the current recession, employment rates for teens and young adults had been dropping precipitously. Program models that offer young people temporary paid jobs on the condition that they also continue in

education or training could be useful both in motivating disaffected high school students and in engaging dropouts. A demonstration modeled on the 1970s Youth Entitlement Project should test such models in several cities. A second such model is residential education. Today about 150 residential education programs operate nationwide, mostly for low-income youth. Though not necessarily targeted to dropouts, these models—like ChalleNGe and the Job Corps—offer opportunities for disadvantaged young people to leave risky environments and obtain the kinds of supports available to their higher-income peers. At this point, little is known about the effectiveness of these programs, so a demonstration could simultaneously fund and test them. Yet another approach is known as youth engagement. Some of the most disadvantaged and disconnected young people are unlikely to volunteer for youth programs—though they may end up in public systems like juvenile justice, foster care, or child support enforcement. A demonstration project to engage these disconnected youth should fund and carefully study strategies based on paid work, community service, or financial incentives. The lessons from such research would be extremely valuable to youth programs everywhere.

## Conclusion

Policy makers frequently face situations in which they have modest evidence showing that a few programs can effectively prevent or reduce a social problem. The best policy in these circumstances is to gradually expand the most promising programs while carefully evaluating the results and modifying the programs if the results are unsatisfactory. School dropout is widely acknowledged to be one of the nation's most serious social problems, one that imposes large costs on society and hampers the economic well-being of millions of youth. In our view, good studies have provided evidence that several programs show promise for engaging students who leave school and helping them continue their education. By gradually expanding these programs while evaluating their effects on youth, policy makers can help a significant fraction of dropouts while simultaneously improving program effectiveness. An expand-evaluate-improve strategy prevents wasteful spending on questionable large-scale implementation while gradually increasing the number of youth in increasingly effective interventions.

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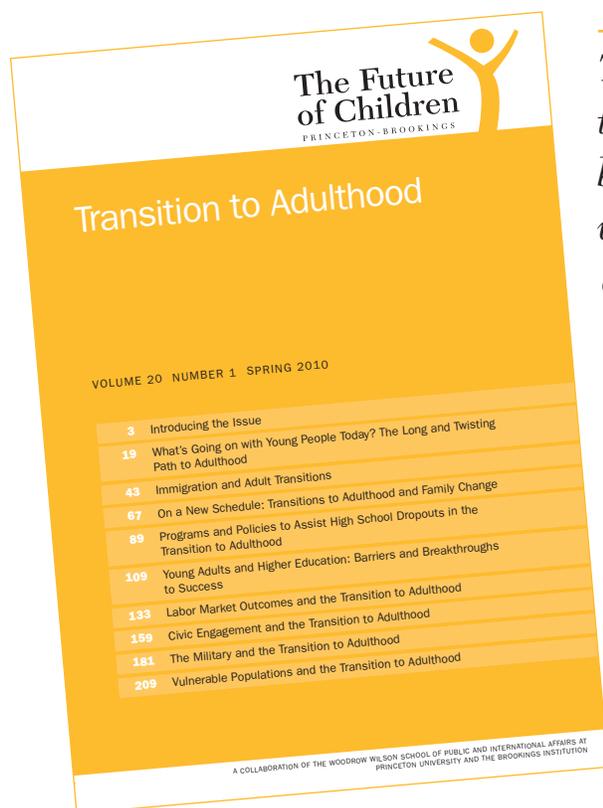
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