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**STATEMENT OF
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**BEFORE THE
SUBCOMMITTEE ON ELEMENTARY, SECONDARY,
AND VOCATIONAL EDUCATION
HOUSE COMMITTEE ON EDUCATION AND LABOR
ON
THE SCHOOL DROPOUT PROBLEM**

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to assist you in your deliberations on H.R. 3042, The Dropout Prevention and Reentry Act of 1985. My testimony will provide summary information on the current state of knowledge on the school dropout problem. This information is from our ongoing review of national youth surveys and the literature which we are performing at the Subcommittee's request. In particular, I will discuss (1) the number of dropouts, (2) the factors related to youth dropping out of school, and (3) the labor market consequences of not finishing high school.

Before I do though, I'd like to describe why we should be concerned with dropouts, given the fact that overall, high school completion has risen dramatically in the past half century--only 38 percent of persons age 25-29 completed high school in 1940, compared with 86 percent in 1984. For blacks the increase in high school completion has been even more striking, rising from 12 percent in 1940 to 79 percent in 1984. But despite this progress there are countervailing factors which cause concern even though graduation rates are increasing. One such factor is that high school students' achievement levels declined during the late 1960s and the 1970s. In addition, the unemployment rate for black youth has risen steadily over a long period of time and continues to do so. For example, in 1972, the unemployment rate for black teenagers was already 35 percent, but continued to rise to 43 percent in April 1986. For their white counterparts, the unemployment rate was much lower--14 percent in 1972 and up only slightly to 16 percent in April 1986.

Not only has this substantial widening of the racial gap in unemployment rates for youth occurred, but there has also been an increase in the gap between black and white youth who even seek work. In April 1986, the labor force participation rate of black youth was 57 percent, while for whites it was 68 percent. Now to come back to dropouts, and this is the crucial point, chronic joblessness is concentrated among poor and minority youth who have dropped out of school.

To summarize what is known and not known about dropouts, I'd like to make five points and then elaborate on each one.

- First, data on the number of school dropouts are inconclusive. National estimates of the rate at which youth drop out of school range from about 13 to 25

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percent. The differences result from factors such as varying definitions, data collection methods and the group of youth studied.

- Second, research findings generally have shown much higher dropout rates for inner city youth, hispanics, blacks, and disadvantaged young people. Among the factors which are good predictors of which young people will drop out are being two or more years behind grade level, being pregnant, and coming from a home where the father dropped out of school.
- During the first several years after youth drop out, sizeable proportions of young dropouts (perhaps as high as 50 percent) return to school or enroll in General Education Development (GED) programs.
- Labor market opportunities are poor for youth who have not completed high school, and they are worse for blacks than for whites, as evidenced by continually worsening unemployment rates for black teenagers and young adults.
- Finally, based on our review of the literature and other literature summaries, it is not generally known "what works" in terms of specific interventions to prevent youth from dropping out of school or to encourage their reentry.

NUMBER OF DROPOUTS

Data on the number of dropouts are inconclusive. Definitions of dropouts vary, and data collection and computing methods differ, as do the populations that are studied. These factors largely account for the wide range of estimates of dropouts. We looked at the two basic sources for dropout statistics--national surveys and school district records. The national surveys provide education progress information from samples of the youth population in contrast to school district administrative records which necessarily lose track of many students who leave the school or geographic area.

We reviewed data from the Bureau of Labor Statistics' Current Population Survey (CPS), a survey of households which is representative of the working age civilian population. School dropouts in that survey are defined as persons who are neither enrolled in school nor high school graduates. (High school completion includes attainment of the GED.) October 1985 CPS data show that 13 percent of 16-24 year olds were dropouts. This equates to 4.3 million dropouts, of whom about 3.5 million were white and about 700,000 were black.

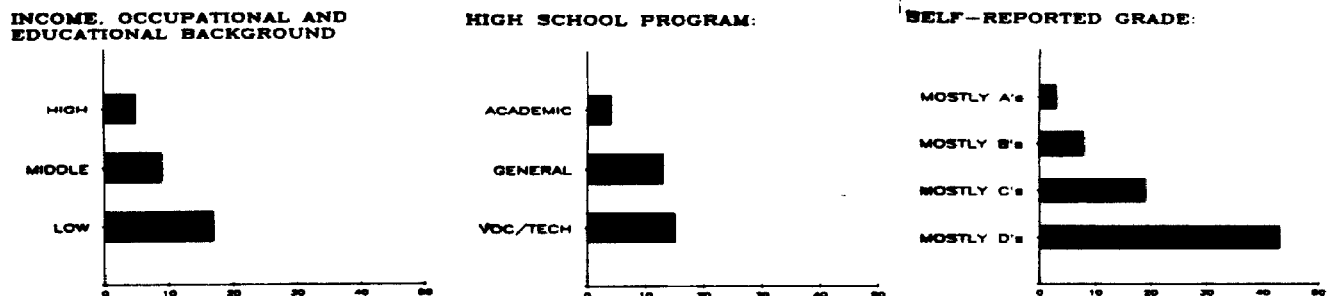
CPS data also show that the dropout rate for youth age 16-24 has remained roughly the same for each of the past ten years, about 13-14 percent, declining from 20 percent in the early 1960's. For white youth, the dropout rate has been about 13 percent for the past decade; while for blacks the dropout rate has declined--from 21 percent in October 1974 to 15 percent in October 1985. (Exhibit A.)

We also reviewed analyses of data from two national longitudinal surveys of youth--High School and Beyond (sponsored by the Department of Education), which has periodically surveyed over 30,000 individuals who were high school sophomores in 1980, and the National Longitudinal Surveys of Labor Market Experience

(sponsored by the Department of Labor), which tracks over 12,000 youth who were 14-21 years old when first interviewed in 1979. These surveys are principal sources of recent data on dropouts.

According to data from High School and Beyond, about 14 percent of 1980 high school sophomores dropped out before their expected graduation in 1982. However, the dropout rate for youth from households with low income, low skill wage earners, and limited educational backgrounds was about three times the rate of those from the high end of the socioeconomic scale (17 percent vs. 5 percent, respectively). (Figure 1.)

FIGURE 1
DROPOUT RATES OF 1980 HIGH SCHOOL SOPHOMORES
(FALL 1982)



SOURCE: SAMUEL S. PENG (HIGH SCHOOL AND BEYOND),
U.S. DEPARTMENT OF EDUCATION

According to data from the National Longitudinal Surveys, among youth age 18 during the period 1979-82, about 15 percent of whites, 17 percent of blacks and 31 percent of hispanics failed to complete high school (or attain a GED certificate). For older youth (age 21), the dropout rates for whites, blacks and hispanics were 12 percent, 23 percent, and 36 percent, respectively, which indicates that fewer blacks and hispanics return and complete school.

As for school system data, individual school districts differ in the procedures which they use to define dropouts and calculate rates. For example, some school districts count as dropouts, students who have moved to other areas and enrolled in other schools; some exclude private school enrollments; others count youth as "in school" who have transferred to "night school" and subsequently dropped out.

School districts may look at the number of youth who entered the fifth grade, compare it to the number graduating 8 years later, and consider the difference to be dropouts. National data based on these widely diverse school district practices, show that in each year for the past decade about one in four youth in the U.S. did not graduate in the year they would have been expected to complete high school. School district data, however, show much larger dropout rates for inner city public schools, including reports of rates of 50 percent or more for some schools.

Thus, the various national surveys cited here provide representative estimates of the extent of the dropout problem among various subgroups, while school district data must be viewed with some skepticism because they cannot have complete information on many students.

FACTORS RELATING TO DROPPING OUT OF SCHOOL

As I indicated earlier, research has shown higher dropout rates for hispanics, blacks, and low-income youth. One study showed that, overall, youth dropouts report the following reasons for leaving school--poor grades, not liking school, marriage or marriage plans, pregnancy, and a preference for work versus school. (See Exhibit B.)

Another study¹ measured the characteristics and circumstances of youth directly to isolate predictors of who is likely to drop out. The following were shown to be important factors in identifying students at risk:

- those who were two or more years behind grade level,
- who were pregnant,
- those from single parent households or where the father had dropped out of school, and
- those with little knowledge of the labor market.

This study also found that youth were more likely to stay in school if they were enrolled in a college preparatory curriculum, were satisfied with school, did not intend to marry within 5 years, expected to attend college, and had more regular religious attendance.

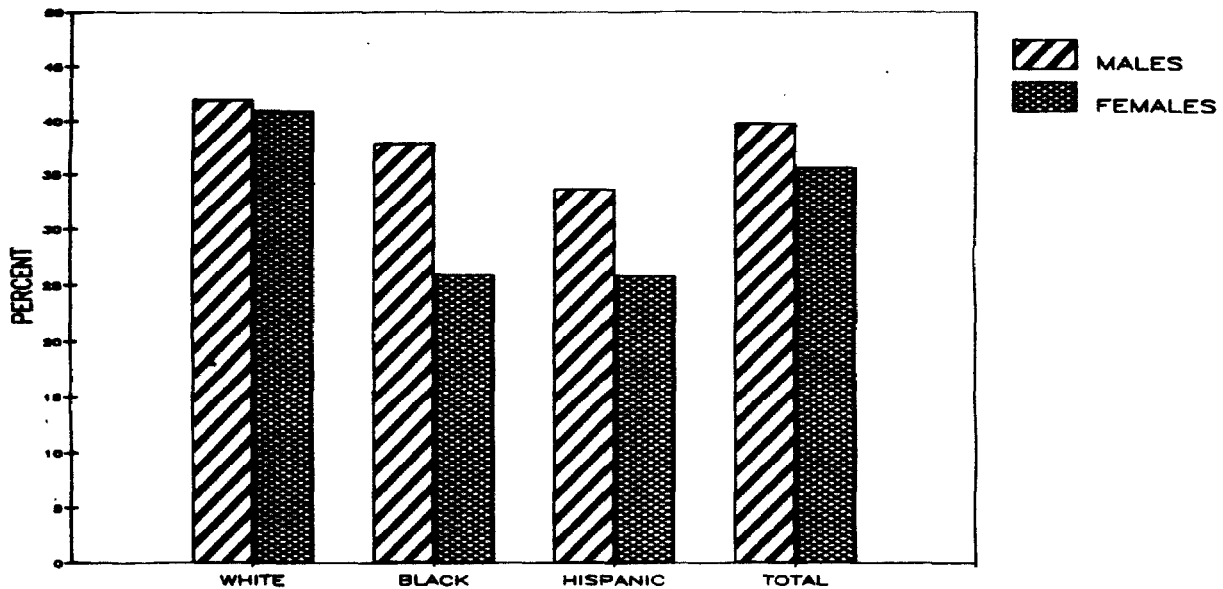
DROPOUTS WHO REENTER SCHOOL

A significant number of dropouts eventually return to school. High School and Beyond survey data show that about half of the sophomores who dropped out of school between 1980 and 1982 had returned to school or were in GED classes by 1984. Of these youth, 38 percent had completed their diploma requirements by 1984. (The others were either still enrolled in school or had dropped out again.) White dropouts were more likely to return and complete school than blacks or hispanics. But black and hispanic males were more likely to return and graduate than their female counterparts.² (Figure 2.)

¹Michael E. Borus and Susan A. Carpenter, "Choices in Education," Chapter 4 in Youth and the Labor Market, Analysis of the National Longitudinal Survey, Michael E. Borus, Editor, The W. E. Upjohn Institute for Employment Research, 1984.

²The difference between the proportions of white and black dropout youth who returned and completed school is largely accounted for by the lower school return and completion rates of young black women.

FIGURE 2
PERCENT OF DROPOUTS WHO RETURNED AND COMPLETED
SCHOOL BY RACE/ETHNICITY AND SEX



SOURCE: ANDREW J. KOLSTAD & JEFFREY A. OWINGS
(HIGH SCHOOL AND BEYOND), U.S. DEPARTMENT OF EDUCATION

These data also show that black and hispanic youth with medium and high scores on a reading, vocabulary, and mathematics achievement test taken when they were sophomores, were more likely to return and complete school than were their white counterparts. (Exhibit C.)

I want to mention, however, that the analysts of this study also pointed out that the 38 percent figure for youth who return and complete school--and the 50 percent estimate for youth who return to school--are not indicative of the experience of younger dropouts, who left school before the middle of the tenth grade. The researchers believe that when these youth drop out they are less likely to return to school.

The National Longitudinal Surveys also allow the isolation of factors associated with dropouts returning to school. For example, those who were expecting to attend college, were never married, younger, or lived in counties with higher per pupil expenditures were more likely to return to school.

LABOR MARKET CONSEQUENCES
OF DROPPING OUT

For youth who drop out, labor market opportunities are poor. According to 1985 CPS data, about one in four dropouts age 16-24 were unemployed, compared with about one in ten high school graduates (who were not enrolled in school). In addition, large proportions of dropouts do not even seek work. For example, 68 percent of the 16-24 year old dropouts were in the labor force (those employed and those without a job and seeking work), in contrast to 87 percent of the graduates (not enrolled in school). Data from the National Longitudinal Surveys showed similar differences in labor market success between dropouts and graduates. They also showed that dropouts who were employed were in less desirable jobs. (Exhibit D.)

The CPS also showed that black dropouts were far less likely to be in the labor force than whites, and that they had much higher unemployment rates. In 1985, fifty three percent of black dropouts were in the labor force, and two-fifths of these were unemployed. In contrast, 71 percent of white dropouts were in the labor force and about one-fourth were unemployed.

Dropouts who were employed were in lower skilled jobs than were graduates. For example, among the employed male dropouts ages 16-24, about two-fifths were working as machine operators, fabricators and laborers, and about one-sixth were in service jobs. Only 8 percent were in higher skilled technical, sales, and administrative support positions. Conversely, about 20 percent of male graduates were in these higher skill jobs.

Similarly, over half of women graduates were in technical, sales and administrative support jobs in contrast to about one-fourth of the dropouts who were much more likely to be working in the lower skill occupations.

PROGRAMS FOR DROPOUTS

The literature we examined showed that many programs are being undertaken which are aimed at dropout prevention, school reentry, remedial education and employment related training. However, with few exceptions, there is little information available on the numbers and characteristics of the persons served or on the effectiveness of the programs. A Congressional Research Service issue brief on high school dropouts, noting this lack of information, suggests that the knowledge gap may be due in part to the difficulty in distinguishing between programs for dropouts and those for disadvantaged youth generally. It also mentions that there are no national data compiled on dropout programs because most programs have been designed for communities. Similarly, a review by the National Academy of Sciences' National Research Council on evaluations of employment and training programs for youth, points out that there is little information on how to prevent youth from dropping out of school, encouraging their reentry, or recruiting and retaining dropouts in "second chance" employment and training programs. It recommends that dropouts be given priority in employment and training programs, and that the dropout issue be given priority in research.

In conclusion, although far higher proportions of youth complete high school today than 20 years ago, the absolute number of dropouts is still very troublesome--particularly among minority youth. And the labor market consequences of dropping out in terms of unemployment are quite severe. What is still not known is "what works" in improving the educational and employment prospects for dropouts. At the Subcommittee's request, we will be surveying school districts over the next year to identify and provide information on interventions which may help to reduce the number of dropouts.

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Mr. Chairman, this concludes my prepared statement. I and my colleagues would be pleased to respond to any questions.

Dropout Rates of Youth Ages 16 to 24 ^a By Race and Sex, for Selected Years

	<u>Dropout Rate (Percent)</u>				
	Total Youth Ages 16-24	Men 16-24	Women 16-24	Whites 16-24	Blacks 16-24
October 1985	13	13	12	12	15
October 1984	13	14	12	13	16
October 1983	14	15	13	13	18
October 1982	14	14	13	13	18
October 1981	14	15	13	13	19
October 1978	14	15	14	13	20
October 1974	14	14	14	13	21 ^b

^a Dropouts are persons who are not enrolled in school and who are not high school graduates.

^b Blacks and other races.

Source: Adapted from unpublished tabulations from the Bureau of Labor Statistics, Current Population Survey, October 1984 and October 1983; and from the following Bureau of Labor Statistics sources: table B-4 and table B-14, Students, Graduates, and Dropouts, October 1980-82, Bulletin 2192; Table A, Table B, and Table K, Students, Graduates, and Dropouts in the Labor Market, October 1978, Special Labor Force Report 223; and Table A, Table B, Table M-1, and Table M-2, Students, Graduates, and Dropouts in the Labor Market, October 1974, Special Labor Force Report 180.

**Reasons for Dropping Out Cited by Dropouts
From 1980 Sophomore Cohort, by Sex**

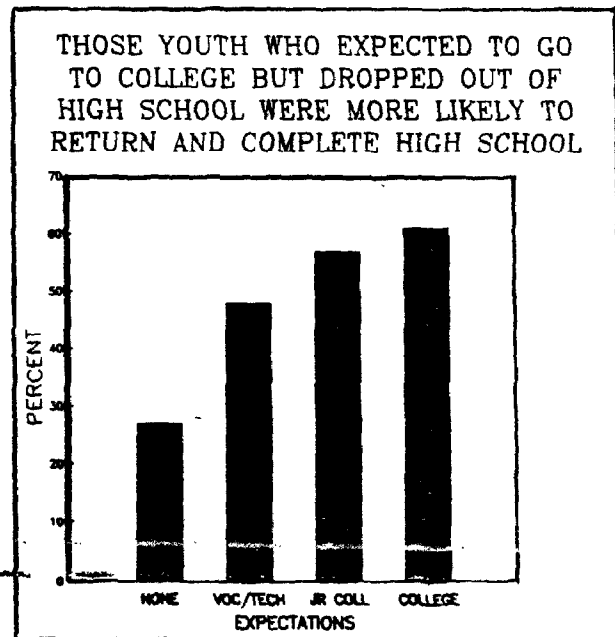
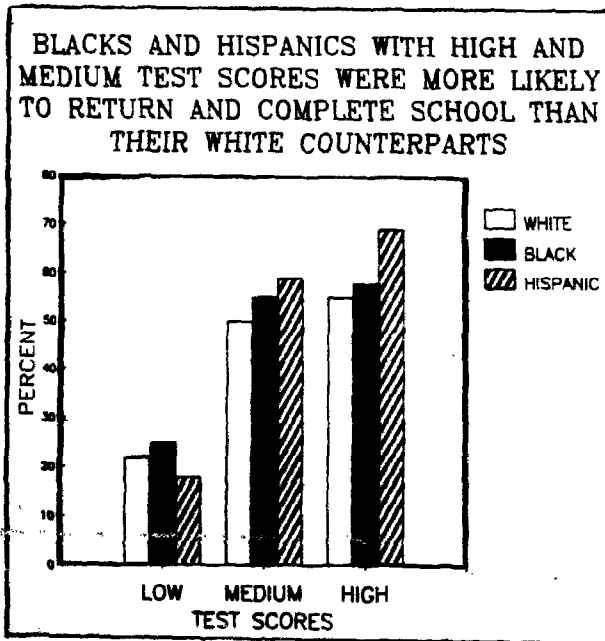
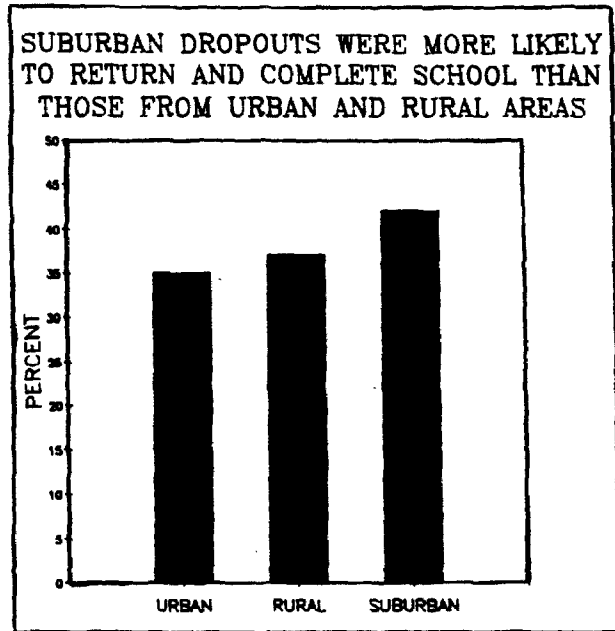
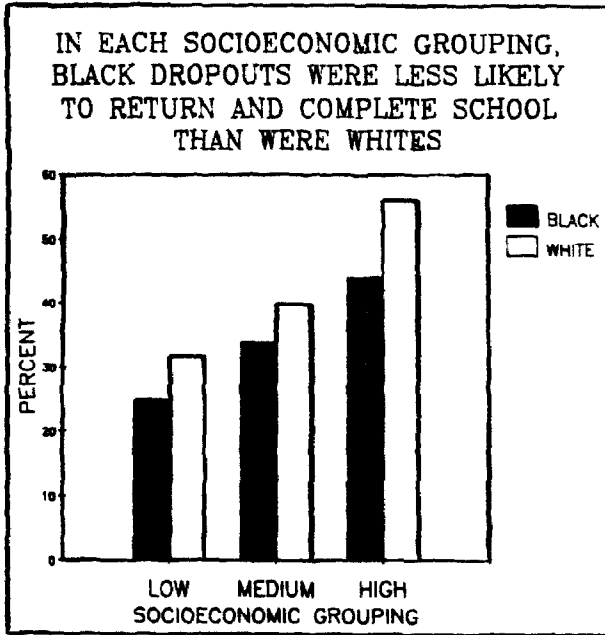
<u>Reasons</u>	<u>Male</u>	<u>Female</u>
	Percent	
School Related		
1. Expelled or suspended	13.0	5.3
2. Had poor grades	35.9	29.7
3. School was not for me	34.8	31.1
4. School ground too dangerous	2.7	1.7
5. Didn't get into desired program	7.5	4.5
6. Couldn't get along with teachers	20.6	9.5
Family Related		
1. Married or planned to get married	6.9	30.7
2. Was pregnant	N/A	23.4
3. Had to support family	13.6	8.3
Peer Related		
1. Friends were dropping out	6.5	2.4
2. Couldn't get along with students	5.4	5.9
Health Related		
Illness or disability	4.6	6.5
Other		
1. Offered job and chose to work	26.9	10.7
2. Wanted to enter military	7.2	.8
3. Moved too far from school	2.2	5.3
4. Wanted to travel	7.0	6.5

Note: Students might report more than one reason.

Universe: A total of 2,289 dropouts from among more than 30,000 sophomores in 1980 from 1,015 high schools throughout the U.S.

Source: High School and Beyond, NCES 93-221b, National Center for Education Statistics, U.S. Department of Education. Cited in Table 8, High School Dropouts: A National Concern by Samuel S. Peng, National Center for Education Statistics, U.S. Department of Education, prepared for the Business Advisory Commission, Education Commission of the States, March 1985.

PERCENT OF DROPOUTS IN 1980 - 1982 WHO RETURNED AND COMPLETED SCHOOL BY 1984



SOURCE: ANDREW J. KOLSTAD & JEFFREY A. OWINGS (HIGH SCHOOL AND BEYOND), U.S. DEPARTMENT OF EDUCATION

Job Characteristics, by High School Completion Status, 1979

Characteristics	Nonenrolled	
	High school graduates	High school dropouts
Opportunities provided by job ^a		
To do a number of different things	74.6	57.3
To deal with people	83.4	72.9
For independent thought or action	73.4	65.3
To do a job from beginning to end	88.3	79.4
To feel that the job itself is very significant or important in the broader scheme of things	76.8	67.7
Characteristics of Job ^b		
The skills you are learning would be valuable in getting a better job	76.1	64.4
The job is dangerous	33.3	41.6
Your are exposed to unhealthy conditions	24.3	30.1
The pay is good	73.8	68.5
The job security is good	82.8	74.8

^a Proportion who felt the job gave a moderate amount, quite a lot or or a maximum amount.

^b Proportion who felt the statement was very or somewhat true.

Universe: A total of about 3,000 youth age 18-22 on interview date in 1979 who were employed and not enrolled in school, from the National Longitudinal Surveys.

Source: Adapted from table 16.6 in Pathways to the Future: A Longitudinal Study of Young Americans Preliminary Report: Youth and the Labor Market--1979 by Michael E. Borus, Joan E. Crowley, Russell W. Rumberger, Richard Santos, and David Shapiro, Center for Human Resource Research, The Ohio State University, January 1980.