

EDUCATION

The cost of dropping out – can we afford it?

The health of our economy never has been so dependent on the quality of our education system.

Two-thirds of new jobs require more than a high school diploma, either in the form of higher education or advanced training, making instruction at the high school level a crucial steppingstone. Schools need to equip students with critical skills necessary to perform jobs in fields that have only just emerged or don't yet exist.

Nevertheless, the hard truth is that our public education system hasn't risen to the challenge. During every school day in America, approximately 7,000 students drop out of high school. That's more than 1.2 million kids per year, one child every 26 seconds.

This dropout rate results in an unavoidable shortage of American workers who are prepared to succeed in today's economy. As a result, our once-secure position as the world's economic leader becomes more tenuous by the day.

But in terms of the overall cost to our communities, state and nation, that's just the beginning.

The cost

Research shows that without a high school diploma, individuals are more likely to spend their lives periodically unemployed, on government assistance, or cycling in and out of the prison system. Additionally, because high school dropouts have significantly lower earnings and longer periods of unemployment, they contribute approximately \$60,000 less than high school graduates in federal and state income taxes in their lifetimes.

These numbers translate into more than \$50 billion lost annually in federal and state income taxes from the 23 million high school dropouts ages 18 to 67.

In Colorado, and particularly Denver, this issue is magnified, as the dropout rate for minority children hovers near 60 percent, and the college readiness rate among students who do manage to earn a high school diploma is a mere 19 percent for Latinos, 23 percent for blacks and 34 percent for all ethnicities.

Each year in Colorado, more than 16,000 students who should graduate from our high



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schools fail to take this critical step into adulthood.

A recent projection concluded that if current state education policies go unchanged, the Colorado work force of 2020 will be less educated than today's work force. As a result, the state's per-capita income won't just stagnate — it

will decline.

This is bad news for Colorado-based companies and an unattractive proposition for companies looking to relocate operations to the Centennial State.

What if?

But what if our education policies did change and our high school graduation rate approached 100 percent? The potential economic benefit would be staggering:

The increase in earnings for the 16,000 kids who don't graduate each year would add almost \$4.6 billion to the nation's economy during a 30-year career.

Colorado would see a lifetime savings of close to \$280 million in health care costs if all students in the 2005-06 class graduated.

Colorado households would have an additional \$830 million in accumulated wealth if all heads of household were high school graduates.

Close to \$5.2 billion would be added to Colorado's economy by 2020 if children of color graduated at the same rate as white children.

Addressing our dropout rate will have a dramatic economic benefit (not to mention a social one) to our communities, state and nation. But how do we address the crisis?

Equitable school choice

Two years ago, businessman-turned-philanthropist Bill Gates delivered a speech to a group of governors, policymakers, CEOs and educators, during which he began to answer this question. However, he first described the state of our current educational model:

"America's high schools are obsolete ... our high schools — even when they're working

exactly as designed — cannot teach our kids what they need to know today. This isn't an accident or a flaw in the system; it is the system."

It was a damning analysis of our one-size-fits-all education system from one of our brightest minds. Gates offered hope, however, proposing several remedies, such as a focus on the new "3 R's" — rigor, relevance and relationships — and the need for what he described as "equitable school choice."

"If we keep the system as it is, millions of children will never get a chance to fulfill their promise because of their zip code, their skin color or the income of their parents," he said. "That is offensive to our values, and it's an insult to who we are."

In the current system, school choice is available only to high-income parents who can afford private schools, or middle-income parents who can afford to move to neighborhoods with successful public schools. Low-income parents have no options.

Equitable school choice — school choice available to all, regardless of race, income or zip code — provides two invaluable returns on investment:

First, providing low-income families with educational choice saves thousands of children from a system that's failing to prepare them for a successful, productive and hope-filled life.

Second, and just as important, school choice represents competition to the public sector, which in the long term will initiate meaningful and lasting reform within the public school system.

The costs — both economic and social — incurred by the current system are simply too high for every possible alternative not to be considered. School choice, especially for those low-income children who have had none, must remain an option; we can't afford for it not to be.

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