The Impact of Dropping Out:  
Summary of Research Findings and References

Massachusetts has unprecedented positive reductions in the state’s dropout rate since the 2006-07 school year. In the 2012-13 school year the annual dropout rate was down to 2.2 percent, equaling a total of 6,248 students who dropped out (compared to the 2006-07 school year rate of 3.8 percent totaling 11,436 students who dropped out). For information about dropout reduction activities in Massachusetts, visit: [http://www.doe.mass.edu/dropout/](http://www.doe.mass.edu/dropout/) and for more information about dropout rates in Massachusetts see: [http://www.doe.mass.edu/infoservices/reports/dropout/](http://www.doe.mass.edu/infoservices/reports/dropout/)

Despite these positive results, there is still more work to be done to decrease the number of students who exit high school prior to graduation. Research demonstrates that adults who drop out of high school are more likely to experience a wide array of adverse employment, economic, health, and social consequences over their lifetime. In addition, there are considerable negative impacts at the community, state, and national levels.

The following is a summary of research findings on the impacts of dropping out, listed by the following categories: personal income and employment, economy, crime, literacy, health, and family formation. Following the summary of findings is a listing of references.

**Personal Income and Employment**

In 2012, people without a high school diploma had a higher rate of unemployment, (12.4%), as compared with people with a diploma, who had a 8.3% unemployment rate (U.S. Bureau of Labor Statistics).

Non-high school graduates earned median income of $480 per week in early 2014; with a high school diploma, median pay jumped to $660 a week. This is a difference of $700-$750 a month in income (U.S. Bureau of Labor Statistics, 2014).

Massachusetts dropouts earn almost $10,000 less per year than high school graduates and $34,000 less than bachelor’s degree holders (Center for Labor Market Studies, 2007).

In 2005, the average Massachusetts dropout earned $456,000 less in a lifetime than the average high school graduate and $1.5 million less than the average bachelor’s degree holder (Center for Labor Market Studies, 2007).
Dropouts are less likely to work as young adults and over the course of their lives (Center for Labor Market Studies, 2007).

55% of Massachusetts’ dropouts ages 16-64 were working in 2005, compared with 73% of high school graduates (Center for Labor Market Studies, 2007).

Annually, dropouts earn far less on average than other educational subgroups (e.g., high school graduates, college graduates). This is due to three factors:

- They are less likely to obtain employment
- Those who are employed work fewer hours annually
- Those who are employed earn lower hourly wages (Center for Labor Market Studies, 2007).

Over the long-term the average dropout earns considerably less over a life-time and spends longer periods of time in poverty (Center for Labor Market Studies, 2007).

Based on 2005 data, dropouts spent an average of 21 years in low income status (or lower), while high school graduates and bachelor’s degree holders spent averages of 11 and 5 years, respectively (Center for Labor Market Studies, 2007).

Male dropouts will earn less over their lifetime than they ever before, as the labor market has changed substantially over the last 30 years. In real dollars, the mean lifetime earnings of male Massachusetts high school dropouts declined by 30% between 1979 and 2005 (Center for Labor Market Studies, 2007).

Students from low-income families have a dropout rate of 10 percent; students from middle income families have a dropout rate of 5.2 percent, and 1.6 percent of students from high-income families drop out. (NCES, 2002).

Between October 2001 and October 2002, approximately 400,000 persons dropped out of high school. The unemployment rate for this group was 29.8 percent – almost 13 percentage points higher than the unemployment rate for recent high school graduates who were not enrolled in college (United States Department of Labor, 2003).

A woman with a high school diploma earns a salary just above the poverty line for a family of three (Alliance for Excellent Education, 2003).

In 2002, the unemployment rate of black adults ages 20-24 with no high school diploma was 32%, compared to 6% for those with a bachelor's degree or higher (Alliance for Excellent Education, 2003).
Economy

High school dropouts cost the government about $275,000 over the course of their working lives whereas an average high school graduate produces a net benefit to government of approximately $180,000. The lifetime fiscal gap between bachelor degree recipients and high school dropouts exceeds $1.1 million (Center for Labor Market Studies, 2007).

A total of 27 percent of Massachusetts dropouts were dependent on cash public assistance of some kind, compared with 14.9 percent of high school graduates and 6.8 percent of Bachelor’s degree holders (Center for Labor Market Studies, 2007).

The estimated tax revenue loss from every male (nationally) between the ages of 25 and 34 years of age who did not complete high school would be approximately $944 billion, with cost increases to public welfare and crime at $24 billion (Thorstensen, 2004).

A cost of $10,038 for after-school programs produces benefits of $89,000 to $129,000 per participant (Alliance for Excellent Education, 2003).
Increasing minority students' participation in college to the same percentage as that of white students would create an additional $231 billion in GDP and at least $80 billion in new tax revenues (Alliance for Excellent Education, 2003).

**Crime**

Dropouts—particularly young men and young Black men—are much more likely to be incarcerated than those with more education (Center for Labor Market Studies, 2007).

A 2005 Massachusetts Department of Corrections report found that 70% of jail or prison inmates lacked a high school diploma or GED, though statewide, dropouts represent 12% of the non-elderly population (Center for Labor Market Studies, 2007).

75% of America's state prison inmates are high school dropouts (Harlow, 2003).

59% of America's federal prison inmates did not complete high school (Harlow, 2003).

High school dropouts are 3.5 times more likely than high school graduates to be arrested in their lifetime (Alliance for Excellent Education, 2003).

A 1 percent increase in high school graduation rates would save approximately $1.4 billion in incarceration costs, or approximately $2,100 per each male high school graduate (Alliance for Excellent Education, 2003).

A one-year increase in average education levels would reduce arrest rates by 11 percent (Alliance for Excellent Education, 2003).

**Literacy**

The cost to taxpayers of adult illiteracy is $224 billion per year (National Reading Panel, 1999).

U.S. companies lose nearly $40 billion annually because of illiteracy (National Reading Panel, 1999).
If literacy levels in the United States were the same as those in Sweden, the U.S. Dross Domestic Product (GDP) would rise by approximately $463 billion and tax revenues would increase by approximately $162 billion (Alliance for Excellent Education, 2003).

For juveniles involved in quality reading instruction programs while in prison, recidivism was reduced by 20 percent or more (Alliance for Excellent Education, 2003).

**Health**

A total of 18 percent of Massachusetts dropouts between the ages of 18-64 reported poor or fair health, compared with 13 percent of high school graduates and 5 percent of bachelor’s degree holders (Center for Labor Market Studies, 2007).

Dropouts, particularly Black and Latino men, have a shorter life expectancy than their better-educated peers (Center for Labor Market Studies, 2007).

Dropouts are substantially more likely to report physical and mental disabilities as adults than those in other educational subgroups. A total of 27 percent of adult high school dropouts reported a disability, compared with 13 percent of high school graduates and 6 percent of bachelor’s degree holders (Center for Labor Market Studies, 2007).

Teen girls in the bottom 20 percent of basic reading and math skills were five times more likely to become mothers over a two-year high school period than teen girls in the top 20 percent (Alliance for Excellent Education, 2003).

The U.S. death rate for those with fewer than 12 years of education is 2.5 times higher than the rate of those with 13 or more years of education (Alliance for Excellent Education, 2003).

**Family Formation**

Dropouts are less likely to participate in family and civic life, which affects the quality of life for them and for their children (Center for Labor Market Studies, 2007).

Male and female students with low academic achievement are twice as likely to become parents by their senior year of high school, compared to students with high academic achievement (Alliance for Excellent Education, 2003).
Dropouts are less likely to marry and more likely to become single parents than any other group (Center for Labor Market Studies, 2007).

The marriage rate for male and female dropouts has declined almost by almost 25 percentage points over 25 years, more than any other group (Center for Labor Market Studies, 2007).

Children of individuals with limited schooling—especially single parent families—are more likely to live in poverty and are more at risk of dropping out of school themselves. These marriage and childbearing trends threaten to accelerate the poverty cycle (Center for Labor Market Studies, 2007).
References


