



BRIEF ANALYSIS

School Choice and Hispanic Dropouts

by Madison Jones and Renee Bou-Waked

In 2005, more than one-fifth (22.4 percent) of Hispanics 16 through 24 years of age were dropouts, according to the National Center for Education Statistics (NCES). This means they were not enrolled in school, and had not graduated from high school or passed General Educational Development (GED) tests. These dropout numbers do not accurately measure the performance of U.S. schools in educating Hispanic students because they include immigrants educated abroad. However, even after adjusting for the portion of Hispanic dropouts who never attended U.S. schools, the dropout rate for Hispanic students is higher than for other major ethnic groups in America.

The failure of such a large proportion of Hispanics to complete a basic level of education is a serious concern, particularly considering the positive economic benefits of earning a high school diploma. According to Census data:

- The lifelong earning potential for a high school graduate is about 1.8 times that of a high school dropout.
- On average, a high school graduate earns \$9,000 more annually than a person who did not complete that level of education.

While most of the benefits of a high school education accrue to the individual, dropouts impose significant lifetime costs on society. High school dropouts cost the United States more than \$260 billion in lost wages, lost taxes and lost productivity over their lifetimes, according to U.S. Department of Education Secretary Margaret Spellings. They are also 3.5 times more likely than high school graduates to be incarcerated.

Fortunately, there is a proven way to increase the success rate for Hispanic students: school choice.

Evaluating the Hispanic Dropout Rate. As Figure 1 shows, the dropout rate for young adult Hispanics is more than double the comparable dropout rate of blacks (10.4 percent) and three times the rate of white non-Hispanics (6 percent). However, the 22.4 percent Hispanic dropout rate includes both native-born and immigrant Hispanics. This is important because the dropout rate is much higher for immigrants than for native-born students. Using 2005 survey data, the NCES estimates:

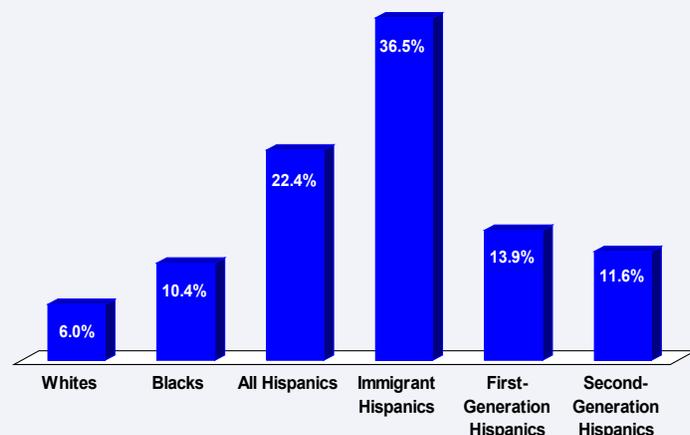
- More than one-third (36.5 percent) of Hispanics ages 16 to 24 who were born outside the United States were dropouts.
- By contrast, only 13.9 percent of first-generation Hispanic Americans (native-born children of immigrants) were dropouts, and only 11.6 percent of second-generation American Hispanics were dropouts.

Furthermore, a high percentage of Hispanics who immigrate as older adolescents or young adults have already dropped out of the education system in their home countries, and they never attend American schools. Using 2000 census data, the Pew Hispanic Center estimated that about one-fifth of Hispanic immigrants ages 18 to 24 received all of their education abroad, and about four-fifths of these foreign-educated immigrants were dropouts. The inclusion of this group raises the overall Hispanic dropout rate by more than one-third.

These numbers indicate that Hispanics who are educated entirely in the United States have much lower dropout rates than those who immigrate. But the dropout rates of American-educated Hispanics are still higher than for other ethnic groups.

Why Do Hispanic Students Drop Out? A factor contributing to a higher dropout rate for immigrant His-

FIGURE 1
Dropouts
(16 to 24 year olds)



Source: National Center for Education Statistics, 2007.

panics (whether or not they were educated in American schools) is a lack of English language proficiency. Unlike most white and African American dropouts, many Hispanic dropouts are not proficient English speakers. According to the Pew Hispanic Center, among 16 to 19 year olds in 2000 [see Figure II]:

- An estimated 59 percent of Hispanics who did not speak English well were dropouts.
- Only 16 percent of Hispanic youths who spoke English well were dropouts.
- But among Hispanics in homes where English was the only language spoken, only 13 percent were dropouts in 2000.

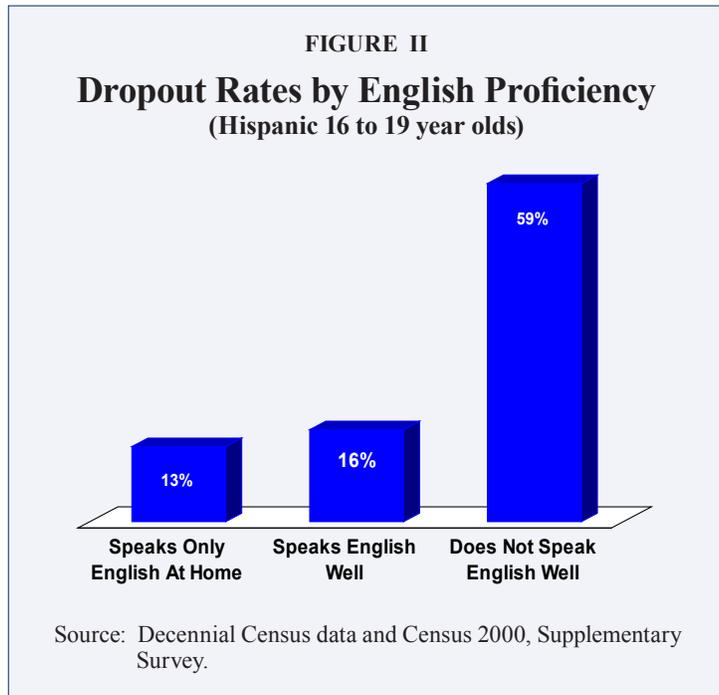
By the second generation, the vast majority of Hispanics are proficient in English. However, the dropout rate of English-proficient Hispanics is still higher than other ethnic groups, even after accounting for language and immigration factors. Census data do not reveal the reason for this ethnic difference in dropout rates, but regardless of the cause there is an effective way to improve prospects of students of any ethnicity in the public education system.

Reducing the Hispanic Dropout Rate. What can be done to lower the dropout rate for Hispanics? School choice would greatly increase opportunities for Hispanics to excel by requiring public schools to compete for students. Charter schools, for example, are publicly funded schools that are free of many of the regulations imposed on traditional public schools. Charter schools characteristically serve a disproportionate number of minority students who have had limited academic success in public schools. Unlike most public schools, charter schools do not have a local residency requirement. According to the Center for Education Reform, students attending charter schools are beginning to perform better academically than their peers in the public school system:

- Hispanic students have a greater chance of being proficient in math and reading if they attend a charter school.
- Students' test scores at charter schools are "rising sharply" and beginning to outperform underprivileged students in public schools.

Furthermore, in Texas, students in grades 6 through 9 attending charter schools performed better on state reading and mathematics tests than comparable students in traditional public schools.

If traditional public schools had the same open enrollment policies as charter schools, a student could attend any public school the student chooses that has classroom space available, regardless of school attendance boundaries. An NCPA analysis of test scores of sixth-grade students taking the Texas Assessment of Academic



Skills (TAAS) in 2003 shows how this policy change would improve student performance. The NCPA found that public schools in Texas tend to excel at educating some subpopulations of students better than others. For example:

- Carpenter Elementary in south Dallas ranked first in Dallas for teaching Hispanics but was only 89th in the area at teaching black students.
- On the other hand, Field Elementary in the northwest section of Dallas placed a dismal 49th in educating Hispanics, but ranked 2nd in the area for teaching black children.

Open-enrollment would allow students at schools that do not serve them well to transfer to schools that do. With school choice, schools that perform exceptionally well with one subgroup of students could specialize. This could include, for example, programs geared toward English-language acquisition by Spanish-speaking students, or other minorities, low-income and disadvantaged students, or low-or-high achievers.

Schools that catered to certain populations better than others would be more likely to retain Hispanic students who might otherwise drop out. If they competed with other schools through open-enrollment policies, they would have a comparative advantage in Hispanic education that would improve academic achievement and attract even more under-performing students.

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