



From Dropouts to Fully Functioning Adults

What's Missing in Our Efforts to Fix America's Public Educational System

Steve Rothchild

In 2011, *U.S. News* reported that 72 percent of American public high school students from the class of 2008 had actually graduated on time, within four years.

Seventy-two percent. In other words, “nearly 3 out of every 10 students in America’s public schools still fail to earn a diploma,” according to Education Week, the organization that conducted the study. This means “1.2 million students falling through the cracks of the high school pipeline every year” because they don’t have the academic performance, resilience, persistence, or accountability that they need to graduate. And the numbers skew wildly based on ethnicity, race and socioeconomic status. Black and Hispanic students each graduate at rates around 57 percent, while their white and Asian counterparts graduate at 78 and 80 percent, respectively.

Young people pay a high price for not graduating high school. Drop-outs earn substantially less than their friends who have diplomas—when they’re employed. Their unemployment rates are higher than the rest of the population, the recession is tougher on them, and their risk of going to jail is higher, too.

The rest of America also pays a high price for this awful situation: in lost talent, in lost taxes, the costs of social services we provide, and the costs of crime. And we can't even say that the whole world is in the same boat. We rank 8th from the bottom in a comparison of high school graduation rates among the 30 member countries of the Organization for Economic Cooperation and Development.

But we don't have to accept this travesty. We can teach young people the attitudes and skills they need to succeed in school and in life. And we can make it worthwhile for schools to make the effort.

In addressing the issue of low graduation rates, current approaches generally miss two critical factors:

- **Personal empowerment (also known as Social and Emotional Learning):**
rigorous training in the values and interpersonal behaviors that enable people to achieve their long-term positive goals.
- **Incentives that accurately reflect the outcomes that society expects from education.**
The Alliance for Excellent Education estimates that if current graduation trends continue, "13 million students will drop out of school during the next decade at a cost to the nation of more than \$3 trillion."

Surely that kind of a cost makes it worthwhile to take action in new and innovative ways.

Empowerment: The Skills to Persist and Succeed

I found out about the necessity for personal empowerment training the hard way.

In the 1990s, I founded an organization called Twin Cities RISE! to combat concentrated poverty in Minneapolis and St. Paul. TC RISE! addresses poverty by training, mentoring and placing people in jobs where they earn a living wage. When someone has held a living wage job for a full two years, we count them as a success for our program.

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In our first few years, a bewildering number of people dropped out—during the program and even after working for a while in the jobs we’d found for them. Even after they’d mastered the job training and the academics. Even though they’d absorbed the “soft” skills needed on the job (showing up on time, dressing appropriately, not getting into arguments, etc.).

People practiced these things for a while, but then something would happen and they'd drop out. Why? We talked to participants. We talked to psychologists.

We came to realize that, in spite of all our good work, participants needed a far more rigorous set of tools to enable them to persist and succeed through life's ups and downs. Especially because most of them came from backgrounds that had taught them, as one participant put it, "you're going to get screwed, no matter what you do."

We developed Personal Empowerment training and mentoring, based on current work in the fields of emotional intelligence and cognitive behavioral therapy. The work of Dr. Steven Stosny was particularly helpful.

Personal Empowerment builds a new, positive belief system and teaches people the self-management skills to cope with life's many situations. At the heart of empowerment are three values:

- You are lovable, valuable, and important.
- You can change your behavior.
- Your behavior can change how your life goes—for the better.

Yes, we want these values to change a participant's belief system. But the strength of empowerment—its ability to change lives—comes by practicing specific self-awareness and self-regulation skills that express those beliefs. These skills enable participants to:

- Perceive more options for their behavior.
- Choose the option most likely to optimize their long-term self-interest.
- Implement that choice.

These attitudes and skills require practice—and more practice—given the years of negative experiences our participants bring with them. Many are ex-cons and former substance abusers. We provide participants with weekly classes and coaching throughout a participant's training and mentoring through the first two years on the job. Learning empowerment is the single most important determinant of success. When TC RISE! implemented empowerment training, our drop-out rate went down and the long term success of participants went up. That's what we'd like to see in American schools.

Empowerment Training in Public Schools and Universities

TC RISE!'s empowerment training has been adapted and implemented in the St. Paul public schools. Currently it's used primarily with kids whose behavioral problems make it impossible for them to take classes with their more mainstream peers.

Schools have an educational incentive, of course, for helping these kids acquire the skills they need to learn with others. But there's a financial incentive as well, since special education resources use funds that can't be spent on mainstream education.

The financial incentive is even clearer at the university level, where a dropout represents lost income and recruitment costs. Students at the University of Dubuque as well as Hobart and William Smith colleges receive versions of our empowerment training, and it's required for all freshmen at Dubuque.

And of course, we're not the only ones pursuing this path. There's great work being done across the country with Social and Emotional Learning (SEL). SEL is required for all school districts in Illinois, for example.

Hundreds of thousands of young people across the United States have received SEL training. The Collaborative for Academic, Social and Emotional Learning (CASEL), the lead organization in the United States for SEL programs, defines SEL this way:

Social and Emotional learning is the process through which children and adults acquire the knowledge, attitudes and skills to:

- Recognize and manage their emotions.
- Set and achieve positive goals.
- Demonstrate caring and concern for others.
- Establish and maintain positive relationships.
- Make responsible decisions.
- Handle interpersonal situations effectively.

Their website, www.casel.org, is rich in information about SEL programs and their outcomes, as established by research.

The Benefits of Empowerment for Students

At TC RISE!, we know that personal empowerment training improves our graduation and success rates. But how does it do in the schools?

Persistence data is hard to come by. So far, most of the research on empowerment has focused on the benefit to academic performance. The news there is very good: In the public schools, CASEL reports that SEL improves academic performance of school kids by at least 11 percent.

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There are a few studies that evaluate return on investment, which is crucial since SEL programs can cost thousands of dollars per student. These studies cite benefits not only in educational outcomes (e.g., test scores and graduation rates), but also reduced crime, lower substance abuse, and decreased teen suicide attempts. Three studies reported a return ranging from \$3.00–28.00 per dollar spent on the program.

So why aren't we doing this everywhere? Why don't schools invest in such a positive investment?

Rewarding Schools for the Outcomes They Achieve

The way we currently reward public schools is inconsistent with our societal goals. If you want to achieve more graduates who are able to thrive in the world of work, you have to focus on exactly that goal. You have to reward that outcome.

Think about inputs, outputs and *outcomes*, in terms of a production system. Inputs are just that—what you put into the system. Outputs are what is achieved while the inputs are progressing through the system, including, perhaps, what comes out the other end. But *outcomes* are what you really want to achieve in the real world.

In our public school system, the first thing we reward the schools for is the number of kids that are sitting in chairs in the classroom over a specific number of days. That's an *input*. Necessary but miles away from being sufficient.

Next we reward performance on standardized exams. Such metrics may be useful markers of progress, but they're *outputs*, not *outcomes*. Our ultimate goal isn't producing students who excel at passing exams; it's productive graduates who function well in the world of work or post-secondary school. To achieve our outcome, we should be rewarding schools that create that outcome: We should be compensating schools based on the outcomes they achieve.

Creating Economic Value from Social Benefit

You may be thinking, how on earth would we do that? Public high schools aren't for-profit companies where the economic value they create is reported in an annual report.

As I describe in detail in my book, *The Non Nonprofit*, every improvement in social good has economic value—economic value that, in this case, specifically benefits students or program participants, state or federal government and other stakeholders. In most cases, we can identify not only who is receiving economic value, but also by how much, the specific dollar value of that social benefit. That analysis provides nonprofit leaders or school administrators with a powerful tool for managing their organizations and for financing social initiatives.

The principle behind calculating the financial value of a social benefit is pretty simple: An organization creates economic value when it increases revenue and/or eliminates costs. These benefits typically accrue over time. The three components—increased revenue, decreased cost, and time—hold true whether the organization operates as a for-profit or a nonprofit. Economic benefit also accrues to government when tax receipts increase, entitlement costs decrease and direct costs like incarceration are reduced.

So What Does that Look Like for Public Schools?

Poor high school graduation rates costs society plenty. In comparison to high school graduates, those who drop out:

- Earn less (\$9464 per year, according to The Bureau of Labor Statistics)—which means they pay less income tax.
- Have reduced income and job opportunities in the long term—again, paying less income tax.
- Experience greater unemployment—costing taxpayers for support services.
- Have greater rates of incarceration (incurring costs associated with the criminal justice and prison systems).
- Require more government assistance.

Economists can quantify all of these costs—as well as identify who benefits from improving our graduation trends.

Rewarding Schools for Graduating Students Who Function Well

So we need to find mechanisms for changing the reward system that schools operate under.

What if we paid schools for each graduate who fulfilled certain competency requirements?

What if we made the size of the payment relative to the benefits that society receives?

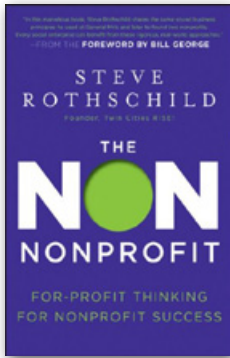
The schools that achieve the best outcomes will grow and prosper while schools with lesser outcomes will have the incentive to change and have a meaningful target to shoot at.

Schools, the students they serve and society will all benefit.

“The way we currently reward public schools is inconsistent with our societal goals.”

With empowerment training and rational financial incentives, America has the power to get our kids through high school and into productive adult lives. **What are we waiting for?** 🇺🇸

Info



BUY THE BOOK | Get more details or buy a copy of [The Non Nonprofit](#).

ABOUT THE AUTHOR | Steve Rothchild is the founder and board chair of Twin Cities RISE! He was also its CEO for its first nine years. He founded Invest in Outcomes, which developed the human capital performance bond, a new financial instrument to fund nonprofits. He launched Yoplait yogurt in the United States, was the company's first president, and later became executive vice president of General Mills. Twin Cities RISE!, an anti-poverty program for low-income adults living in generational poverty, trains under- and unemployed adults for jobs and connects them with employers who pay a living wage.

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