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Dropping out of High School Among African Americans in Benton Harbor, Michigan: a Study of its Economic Implications

Dahlia E. Pottinger

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Andrews University
School of Education

DROPPING OUT OF HIGH SCHOOL AMONG AFRICAN AMERICANS IN BENTON HARBOR, MICHIGAN: A STUDY OF ITS ECONOMIC IMPLICATIONS

A Dissertation
Presented in Partial Fulfillment
of the Requirements for the Degree
Doctor of Philosophy

by
Dahlia E. Pottinger

June 1997
Dropping Out of High School Among African Americans in Benton Harbor, Michigan: A Study of Its Economic Implications

A dissertation presented in partial fulfillment of the requirements for the degree Doctor of Education

by

Dahlia E Pottinger

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ABSTRACT

DROPPING OUT OF HIGH SCHOOL AMONG AFRICAN AMERICANS IN BENTON HARBOR, MICHIGAN: A STUDY OF ITS ECONOMIC IMPLICATIONS

by

Dahlia E. Pottinger

Chair: Bernard M. Lall
Problem
This study examined the economic implications of dropping out of high school for African Americans in Benton Harbor, Michigan.

Methods
The methodology used in this study is a documentary one. Sources relating to the economic implications of dropping out of high school among African Americans were studied. The United States 1990 Census of Population, the National Center for Education Statistics, and local publications provided data for the research.
Results

Dropping out of high school has definite economic implications for dropouts in Benton Harbor. The estimated number of African American dropouts as of 1990 was a total of 3,578. Since one dropout loses in excess of $200,000 over a lifetime (Catterall, 1986), the estimated income loss of Benton Harbor dropouts during their lifetime is $200,000 multiplied by 3,578. This is approximately $715.6 million. The community suffers economic loss because of the multiplier effect which conceptualizes the chain effect of money spent.

There is no single factor that explains Benton Harbor students' decision to drop out. Truancy, lack of students' interest, "a revolving superintendency syndrome," very low MEAP scores, poverty, single parent-female headed families, and high number of welfare recipients, are related to the dropout problem.

While students are dropping out, local businesses need workers with proficiencies in reading, writing, computation, and the ability to work with others to contribute to their economic success. Benton Harbor High School recognizes the economic implications of linking education to work and attempts to prepare its students for the job market through hands on courses at the Benton Harbor Technical Center. The private and social costs of dropping out are complex and difficult to estimate.

Conclusion

Dropping out of high school has economic implications for the Benton Harbor High School dropout, the community and the nation. It translates into
loss of personal income over a lifetime, difficulty of transition into the job market, unemployment, accessibility mainly to minimum wage jobs, a disparity in income and work-related benefits, a dependency on welfare, among others. Teaching economics to secondary students, with emphasis on staying in school and successfully graduating, can educate students regarding the financial benefits of staying in school.
To Donovan, my husband who saw in me seventeen years ago the academic volition to excel. He has given me an inestimable amount of love and caring support.

To two very talented and wonderful sons, Don Andrew, our first, and Darren Anthony, our second. Both boys have cheerfully endured the challenge of my intense years of work and study as a full-time public school teacher and doctoral student.
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x
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Above all, I offer all praise to Divine Providence for His continued intervention and care during the tedious hours of the writing of my dissertation.
CHAPTER I

INTRODUCTION

Background

The problem of high-school dropouts in the United States of America is not a new phenomenon. The press, many parents, politicians, television talk shows, and various sectors of the business world have expressed concern about this "disgraceful, costly and perplexing problem" that confronts America as it gears up to enter a new century (Balch, 1989). The nation's human resources depend critically on young people who finish high school and engage themselves in post-secondary education and training (Haggstrom, Blaschke, & Shavelson, 1991).

President Bill Clinton's concern regarding high-school dropouts was expressed to a group of educators in the following statement: "I think it is clear what our course should be. Every student ought to finish high school" (National Center for Education Statistics, 1992a, p. 1). During the 1980s, 10 million youth dropped out of high school before graduation and as a result, most of them face a less than rosy future. Another 28 million finished high school and started to sort themselves into educational programs and career paths (Haggstrom et al., 1991).
The economic future of a community, to a large extent, lies in its youth. It is disturbing to parents, teachers, citizens, and politicians to conceptualize the waste of human potential that is associated with dropping out of public school education, an education that is provided at great expense (Morley, 1991, p. 5).

The Benton Harbor area, like many other communities in the United States, has a dropout problem (Engler, 1993; Census of Population, 1990). Some Benton Harbor teens limit their economic options by not completing their high school education while local businesses complain about the inadequacy of the area's human resources. There are not enough local qualified persons to fill the technical job needs of the Benton Harbor and St. Joseph twin cities area (Eliasohn, 1996). This concern has to be addressed because it is so costly in nature. Successfully finishing high school provides a bedrock for possible future economic, civic, and educational success.

** Dropout Problem Among African Americans in Benton Harbor, Michigan**

Benton Harbor is located in Berrien County, Southwestern Michigan, on the St. Joseph River, near Lake Michigan. The area was settled in the mid-1880s and incorporated as a city in 1891. Benton Harbor and its twin city, St. Joseph, forms the trade and manufacturing hub for the surrounding area.

Benton Harbor has a population of 12,818, according to the 1990 Census of Population and Housing. Benton Harbor City falls under the Berrien County Metropolitan Statistical Area (MSA). The other geographical divisions include
Benton Charter township, Benton Heights, and Fair Plain. Table 1 presents select demographic data on these four Benton Harbor areas.

**TABLE 1**

<table>
<thead>
<tr>
<th></th>
<th>Population</th>
<th>Black</th>
<th>White</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benton Charter Township</td>
<td>17,163</td>
<td>7,355</td>
<td>9,489</td>
</tr>
<tr>
<td>Benton Harbor City</td>
<td>12,818</td>
<td>11,817</td>
<td>930</td>
</tr>
<tr>
<td>Benton Heights CDP</td>
<td>5,465</td>
<td>3,123</td>
<td>2,287</td>
</tr>
<tr>
<td>Fair Plain CDP</td>
<td>8,051</td>
<td>2,632</td>
<td>5,261</td>
</tr>
</tbody>
</table>


The area's population is mainly African American. Benton Harbor is described as inner city. An inner city is the central portion of a city, comprising its business district and the areas of housing and industry that immediately surround it. The area was once a thriving location but has experienced a downturn in its economy. Maragh (1988) suggests that in 1960 Benton Harbor was a growing community with over 500 operating businesses, but in the early 1970s the city experienced a severe economic recession, attributed to the decline in the city's automobile and other manufacturing industries. This resulted in Caucasians moving from the area and more African Americans moving in to take advantage of reduced rent and real estate prices (p. 16).
The area has improved in some ways, but has not yet regained the economic status of bygone years.

Benton Harbor Area Schools serve the educational needs of the city of Benton Harbor, Benton Township, Saint Joseph, Sodus, Hagar, and Pipestone Townships in Berrien County, Michigan (Rutter, 1991). This constitutes a 56 square mile district. The school district is spread over 44 square miles.

The Benton Harbor Area Schools enroll approximately 7,433 students in Grades K-12 (Engler, 1993) and also conduct an adult education program. The 1996 un audited fourth Friday count, however, reveals declining enrollment numbers of 6,130 students. That figure is down from 6,792 a year ago (Bonnette, 1996). The student population represents a racial-ethnic mix of approximately 80% African Americans, 19% Caucasians, and 1% persons of other ethnicity. The school district has participated in 15 years of a court-supervised desegregation program that involves student interchanges with the Coloma and Eau Claire School Districts.

Over the years, Benton Harbor Area Schools have not graduated a significant number of its students from Benton Harbor High. The area’s dropout problem is reflected in the 1990 Census, the local publications, state aid for at-risk students among others. The dropout numbers for the area are a definite cause for concern. Each year varying numbers of students who enroll in the Benton Harbor High School do not graduate with their class 4 years later. Table 2 indicates the educational attainment levels and dropout numbers as reported in the 1990 Census of Population and Housing for Benton Harbor City.
The data presented in Table 2 are by no means exhaustive and are based on sampling variability. They indicate the educational attainment of Benton Harbor population.

TABLE 2
EDUCATIONAL ATTAINMENT FOR BENTON HARBOR CITY
UNIVERSE: PERSONS 25 YEARS AND OVER

<table>
<thead>
<tr>
<th>Attainment Level</th>
<th>Universe</th>
<th>White</th>
<th>Black</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 9th grade</td>
<td>1,270</td>
<td>98</td>
<td>1,161</td>
</tr>
<tr>
<td>9th to 12th grade, no diploma</td>
<td>1,880</td>
<td>169</td>
<td>1,705</td>
</tr>
<tr>
<td>High-school graduate (includes equivalent)</td>
<td>1,451</td>
<td>199</td>
<td>1,252</td>
</tr>
<tr>
<td>Some college, no degree</td>
<td>993</td>
<td>159</td>
<td>857</td>
</tr>
<tr>
<td>Associate degree</td>
<td>197</td>
<td>37</td>
<td>160</td>
</tr>
<tr>
<td>B.A. degree</td>
<td>132</td>
<td>33</td>
<td>94</td>
</tr>
<tr>
<td>Graduate or professional degree</td>
<td>65</td>
<td>19</td>
<td>46</td>
</tr>
</tbody>
</table>


African Americans and Caucasians were polled in the 1990 Census. The data report various African American educational achievements from the high-school diploma level to the graduate level. This educational attainment is commendable. African Americans are receiving their high-school diploma, bachelor’s and graduate degrees. On the other hand, the data record a dropout problem in Benton Harbor City. The Michigan Employment Securities data suggest that there were an approximate total of 3,578 African Americans who did not complete high school.
With a mostly African American population over 80%, the dropout numbers seem higher among this group. Additional data from the Michigan Employment Securities Commission (MESC) indicate that Caucasian students also drop out of school in Benton Harbor. Table 3 presents the data on the total number of high-school dropouts in Benton Harbor from 1980 to 1990, a period of 10 years.

**TABLE 3**

NUMBER OF HIGH SCHOOL DROPOUTS BETWEEN 1980 AND 1990, BENTON HARBOR CITY

<table>
<thead>
<tr>
<th>Race</th>
<th>Number of Dropouts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whites</td>
<td>300</td>
</tr>
<tr>
<td>Blacks</td>
<td>3,578</td>
</tr>
<tr>
<td>American Indian, Eskimo</td>
<td>11</td>
</tr>
<tr>
<td>Asian, Pacific Islander</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
</tr>
</tbody>
</table>


Table 3 data reveal that as of 1990 a total of approximately 300 Caucasian dropouts have been recorded for Benton Harbor. The Caucasian population for Benton Harbor City is a comparatively small one. The 1990 Census states that there are 930 Caucasians and 11,817 African Americans in the city of Benton Harbor. These numbers are approximations, but they provide a numerical base with which to work. The state of Michigan, Department of Education, responded to my enquiry for dropout data for Caucasians in the Benton Harbor area by stating that the Department
of Education does not keep dropout figures by race (Walsh, July 24, 1996, personal communication).

The problem of high-school dropouts is not a new one. In 1991, for example, Benton Harbor Area Schools reportedly had a dropout rate of 12% (Rutter, 1991). In his 1993 Michigan School Report, however, Governor John Engler reported a one year dropout rate of 13.9% for the Benton Harbor Area Schools (Engler, 1993).

Data issued from the state of Michigan, Department of Education, present the enrollment and graduation figures for Benton Harbor High for 1990-1995. These data support the position that a dropout problem exists in Benton Harbor. Table 4 presents the data.

TABLE 4
BENTON HARBOR HIGH FRESHMAN ENROLLMENT AND GRADUATES
1990-1996

<table>
<thead>
<tr>
<th>Year</th>
<th>Freshman Enrollment</th>
<th>Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990-1991</td>
<td>597</td>
<td>214</td>
</tr>
<tr>
<td>1991-1992</td>
<td>583</td>
<td>231</td>
</tr>
<tr>
<td>1992-1993</td>
<td>568</td>
<td>231</td>
</tr>
<tr>
<td>1993-1994</td>
<td>596</td>
<td>231</td>
</tr>
<tr>
<td>1994-1995</td>
<td>619</td>
<td>176</td>
</tr>
<tr>
<td>1995-1996</td>
<td>587</td>
<td>167</td>
</tr>
</tbody>
</table>

Note. From: Ki-Suck Chung, (1997, June 19), state of Michigan, Department of Education, Lansing, MI & Benton Harbor Area Schools (see Appendix I).
The data presented in Table 4 provide the enrollment and graduation numbers for Benton Harbor High School. From 1990-1996 an average of 208 persons have graduated from Benton Harbor High. Table 4 also presents the freshman student enrollment for 1990-1996 for Benton Harbor High School. Over 500 students enroll each year but all do not graduate 4 years later.

A study of Table 4 reveal that the graduation percentages from 1990 through 1996 range from a high of 38.7% to a low of 29.4%. Nationally, over 80% of young adults graduate (U. S. Department of Education, 1994b). These graduation numbers raise a series of questions. Two such questions include: What factors account for the disparity between the freshmen enrollment numbers and graduation numbers later? What are the economic implications of dropping out?

Benton Harbor Area Schools have attempted to stop the dropping out of its students by instituting various programs such as: "Catch a Falling Star," "Operation Graduation," the school breakfast program, and intervention specialists, among others. The problem still persists, however, and requires additional attention. The need to study the dropout problem is urgent because at-risk high-school students are seriously affected by its economic implications. Glasgow (1981) points out that maintaining a dropout underclass is clearly expensive, both monetarily and socially, because all of the maintenance systems are financed by tax dollars from all strata of society, especially middle-income earners, who pay an inequitably large share of the cost (p. 13). When secondary students drop out of school, they have an opportunity to obtain their high-school diploma or General Certificate Diploma (GED) through the community's adult
education program. The adult education program in the Benton Harbor area received approximately $500,000.00 in State school aid for 1995-1996 (Walsh, July 24, 1996, personal communication, Appendix I). This expenditure is funded by the local community, the state and the federal government.

A high-school diploma is usually viewed as certification that a student has met the minimum requirements to enter the American job market, to pursue a college education, to enter the military services, or to enter vocational training (Haggstrom et al., 1991). Failure to receive this important document most definitely has its associated outcomes. Dropping out of high-school impacts various entities, which include: the individual dropout, spouse, offspring, the local community, the state and federal governments.

An inadequate education has economic implications. Markey (1988) observes that of the youths entering the job market, 4 million dropouts are expected to face the greatest difficulties. This may mean periods of unsteady employment and minimum-wage pay for work done. Insufficient earnings, of necessity, have to be supplemented by public expenditure from the country's overburdened and dwindling social welfare dollars, or from private sources. Dropping out of high-school also yields a growing pool of undereducated Americans who may have to depend on social security alone for a somewhat minimal standard of living during retirement (Aley, 1995). The full dependency on social security income does not seem like a wise decision as some Americans predict the dwindling of those dollars, year after year.
While dropouts frequently experience unemployment, some Benton Harbor businesses face the problem of not having enough qualified high-school graduates for the available jobs. In the findings of the Skills, Wage and Benefits Survey Report (1995) for the Berrien, Cass and Van Buren Counties, the analysis was made that over 90% of the companies that were surveyed believed that their growth will be hindered because of a lack of an educated and skilled work force (p. 5). In a school board meeting held on January 10, 1995, the Mayor of Benton Harbor, Emma Hull, and the Cornerstone Alliance (the economic development arm of the city of Benton Harbor) recognized and voiced the need to retrain many Benton Harbor youth because so many of them do not have the basic job skills that local companies require. In addition, such persons seem unsuccessful in passing entry-level exams. The Mayor and the Cornerstone Alliance further revealed that local Benton Harbor companies and businesses had turned down contracts because they could not keep up with the urgent demand of training personnel.

With Benton Harbor companies looking for employees to work and local citizens looking for entry-level jobs, there may evolve solutions that could address this apparent shortage of local qualified workers. Also, the United States needs to improve the quality of its workforce to become more competitive in the international market, declares Becker (1989). This calls for an investment in human capital. Hahn (1987) declares that the high-school dropout rate threatens the nation's productivity and represents a waste of young lives.
Benton Harbor Area Schools secondary education needs are served by the Benton Harbor High School, Martin Luther King Junior High, Fair Plain Junior High, the McCord Renaissance Center, the Benton Harbor Tech Center, and the Adult Education program. Table 5 presents the 1996-1997 figures of enrollment for the Benton Harbor High School and the city's three junior high-schools. These figures give an idea of the number of students who are potential graduates of the Benton Harbor High School. Each of the three junior high-schools has an enrollment of over two hundred students and is a feeder for the Benton Harbor High School.

**TABLE 5**


<table>
<thead>
<tr>
<th>School</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benton Harbor High School</td>
<td>1279</td>
</tr>
<tr>
<td>Fair Plain Junior High</td>
<td>274</td>
</tr>
<tr>
<td>Martin Luther King Junior High School</td>
<td>273</td>
</tr>
<tr>
<td>McCord Renaissance Center</td>
<td>273</td>
</tr>
</tbody>
</table>

Michigan's Governor Engler (1993), in the publication of his first report card for the schools in Michigan, cited a 13.9% dropout rate for the Benton Harbor Area Schools and a graduation rate of 58.0% for the year 1993 (Appendix E). The disparity in both percentages was not accounted for in the report. It could be that some students transferred to other school districts. The disparity between 58.0 and 1.9
suggests the presence of incomplete data. Insufficient data is a problem that generally plagues the dropout field. Walsh (1996) maintains that follow-up data on re-enrollment are very difficult to obtain. The data presented in Engler’s (1993) report indicate that Benton Harbor had the highest dropout rate in the Berrien County Intermediate School District for the year 1993.

The Benton Harbor Area Schools have tried to address the dropout concern in different ways. The 1992-1993 school year, for example, witnessed the district adopting dropout reduction as one of its district wide dropout goals. The Benton Harbor School Board’s plan to reduce the dropout rate by 5% was adopted on September 8, 1992. In the 1995-1996 school year, the School Board also aimed at reducing the dropout rate by 3% and increasing graduation by 10% (District Goals 1995-1996). There needs to be ongoing evaluations to measure whether the goals have been realized.

The Berrien County Intermediate School District (BCISD), under whose umbrella the Benton Harbor Area School District falls, has also tried repeatedly and continuously to address the dropout problem. The BCISD received a grant of $91,800 to implement "Dropstop," a dropout prevention strategy matching the at-risk graders with a mentor (Adkin, Vingelen, & Bergan, 1994, p. 2). This mentoring program continues to operate in the Benton Harbor schools, providing positive support to students who are prone to dropping out of school.

This dissertation focuses on the economic implications that almost inevitably result to the African American student in Benton Harbor when he or she does not
complete a high-school education and is not equipped with the skills to enter the workforce, or to further his or her education.

Rationale

In a search of Dissertation Abstracts of the years 1861 to 1996, no study was found that specifically explores the economic implications of dropping out of school among African American students. Many papers have been written on the dropout problem, but they have focused on causes of dropping out and definitions of dropouts, among other approaches. Such studies have generally been inclusive of all races. There is a need for further research on the economic implications that result from African American high-school students dropping out. This study becomes even more relevant and required when it is understood that adult education as known in Michigan and in Benton Harbor has been threatened by Governor John Engler's proposed budget cuts. The trimming of the state's budget becomes necessary as tax dollars become scarce. If funding for local adult education programs is cut, it will become more difficult for high-school dropouts to receive their high-school diploma or its equivalency, the GED.

School districts locally and nationally could benefit from continuous data and research regarding the dropout phenomenon. The founding of the National Dropout Prevention Network at Clemson University, South Carolina, demonstrates the intensity of the dropout problem as educators conduct ongoing research on the problem. The activities of this national body also indicate the need to disseminate dropout research.
and education to various publics across the United States. This research could result in improving the teaching of economics of education in the Career Path approach. Additionally, the study becomes more relevant within the context of Michigan Department of Education’s moves toward fostering a connection between secondary education and the world of work.

A study of the economic implications of dropping out is relevant to Benton Harbor City since a significant percentage of its local population is reportedly on some form of public assistance. If this cycle of dependency is not halted, then government and taxpayers will continue to pump millions of dollars into providing amenities for able-bodied men and women who can work. Additionally, some local businesses express their manpower needs and a willingness to work with the Michigan Governor's Job Commission in job training and placement of local area residents. In fact, with Michigan's Intermediate School Districts buzzing with preparation for implementing Michigan's School-to-Work Initiative, the pursuit of this study seemed appropriate.

Furthermore, a study of the economic implications of dropping out on African Americans in Benton Harbor is needed as one considers the Republican and Democratic agenda for balancing the budget. This agenda proposes to reduce the national deficit by significantly trimming welfare expenditure. In fact, the 1996 Federal Welfare Reform Bill Legislation severely restricts future social services benefits, Aid to Families with Dependent Children (AFDC), and food stamps. In 1995, a bill was introduced in the Michigan House to deny teen mothers Aid to Families with Dependent Children (AFDC) benefits unless they have a high-school education or are
working toward one. With these developments, present welfare benefits will be significantly reduced. Young Americans of all ethnicities need to realize this and educate themselves adequately to survive in their local job markets.

Statement of the Problem

Every year, a perplexing number of African American students leave the Benton Harbor Area Schools without completing their education and this has economic implications. Dropping out of school exposes many teenagers to a lifestyle that may be characterized by poverty, dependency on welfare, unemployment, low wages with reduced potential for promotion, and a lack of tertiary education. Unemployed dropouts are mostly users of goods and services, instead of producers. Some of these persons who are living in an economically deprived environment could become involved in a life of illegal activities. Therefore, the problem appears to be a serious one and cannot be overlooked.

Purpose of the Study

The purpose of the study is to show that dropping out of high-school among African Americans in Benton Harbor, Michigan, is a serious matter. What are the economic implications of dropping out?

Substantial numbers of students drop out before graduation. Many never return to the educational system. Dropouts have become the concern of families, teachers, politicians, administrators, and policy makers for a number of reasons. High-school dropouts may be setting themselves up to endure economic and social
disadvantages for the better part of their lives. The cost of dropping out cannot be ignored. To the nation as a whole, dropping out and becoming financially dependent on the welfare system appear to be a liability that burdens tax payers with higher welfare expenditures, lost tax revenues, and increased crime and prevention costs. The intangible price tag to individuals and society is also substantial.

This study recognizes the need for further study on the economic disadvantages that African American dropouts face when they leave schools without receiving their passport to minimum job entry, that is, their high-school diplomas. This early exodus of African American high-school students can be halted. Certainly these potentially productive teenagers can be directed into a successful path of individual and economic productivity.

The purpose of this study was to conduct a documentary study of the economic implications of dropping out on African American youth in Benton Harbor, Michigan.

**Significance of the Study**

This study is significant in the following respects. It underscores the need for the African American high-school student to remain in school and successfully complete his or her program of study. It describes the economic loss that results to students of color who do not complete their secondary education. This is a loss to the individual, the dropout's family, the local community, and the nation. The study suggests the urgent need for a paradigm shift in the thinking and structuring of public
education—one that assists all minority children to succeed. The study recognizes the role of businesses, the local community of churches, families, welfare agencies, and students in a partnership with a shared vision to win the dropout fight. It may be used to inform the Benton Harbor Area Schools and Michigan Department of Education as they grapple with the following concerns: how to reduce the dropout numbers, and how to raise the economic awareness of secondary students as they prepare for the world of work.

Research Questions

I have taught for 17 years. During this time, I have worked with inner-city students and have witnessed their many successes, but I have also been saddened by their personal and family problems, frustration, sense of hopelessness, and poor academic achievement. As a result of this concern for the waste of human potential, year after year, as students drop out of school the following questions emerge:

1. What are the factors associated with dropping out of high-school, among at-risk African Americans?

2. What skills are local businesses and services looking for in Benton Harbor high-school students?

3. Is there a pay differential between high-school graduates and high-school dropouts?

4. Does the secondary school curriculum prepare students adequately for the job market?
5. What are the private and social costs of dropping out of high-school among African American school leavers in Benton Harbor, Michigan?

**Definition of Terms**

The following terms are defined as used in this study:

*At-risk:* Indicates students who are potential dropouts due to their ethnicity, socioeconomic background, school experiences, learning limitations, home situations, and lifestyle.

*Dropout:* A pupil who leaves school, for any reason except death, before graduation or the completion of a program of study without transferring to another school. The use of the term dropout is by no means assigning blame to the student for not staying in school.

*Economic:* That which is related to the production, distribution, and consumption of goods and services.

*Economic Implications:* The consequences that dropping out of high-school sets into motion. These relate to financial remuneration for work done. The term also connotes one's ability to make financially sound decisions regarding the purchase and sale of goods, services, and long-term investments.

*Economic Planning:* The process of consciously and systematically organizing economic and technical information into an internally consistent, conceptual framework to achieve a particular economic outcome.
Economic Waste: The loss of earned personal income or the consistently lower wages received by the dropout because of insufficient education and job training. The term conjures up the continuous lifetime loss of government revenue through lost taxes, and the millions of dollars that are related expenditures for welfare costs. This financial loss extends to the community, businesses, and society in general.

Graduates: High-school students who have completed the requirements for their high-school diploma program and have graduated. It also refers to those students who have completed the Graduate Education Development high-school equivalency program (GED).

High School: High school includes Grades 7-12. High-school may sometimes be used interchangeably with the term secondary school. Grades 7 and 8 are also referred to as junior high schools.

Human Capital: The stock of productive human capabilities. Such investments in human capital include expenditures on education, on-the-job training, and health and nutrition. These expenditures increase future productive capacity at the expense of current consumption.

Income: The amount of money received from participating in the labor market. Income describes earnings from paid employment.

Mentoring: The process of providing a caring and supporting environment for potential dropouts, in an ongoing attempt to keep them in school while they
experience success. A mentor can be an adult male or female who gives love and direction to a mentee in a reciprocal relationship.

*Paradigm Shift:* Denotes a change in the way people view the world, including the institutional practices in economic, political, and social systems. Paradigms can be described as mental models that assist individuals with putting opportunities and problems into perspective (Sage & Burrello, 1994).

*Resources:* Refer to labor, capital, land, and entrepreneurial ability.

**Delimitations of the Study**

This investigation focused on economic implications that are associated with dropping out of high-school specifically among African Americans in Benton Harbor, Michigan. These include unemployment, reduced income, and a loss of foregone income, among others. It did not attempt to investigate the economic implications on any other ethnic groups, although they may apply.

The dissertation attempts to highlight the reality that dropping out of high school carries an economic price tag. These costs can be described as an economic loss to the individual and the larger society. Dropping out also leads to additional government expenditures that are directly or indirectly related to insufficient education.

This dissertation did not engage in the ongoing dropout definition debate. It recognized the Herculean task ahead in all areas of dropout prevention and research, and highlights from documentary sources the serious economic loss that results from
dropping out of high school. A dropout is deficient in job skills that equip him or her to gain an entry-level position in the job market. The study sought to remain within the parameters of the monetary and other related economic costs that are correlated to dropping out of school in the Benton Harbor area. The study largely derived its data on economic implications of dropping out from various dropout studies and statistical data from U.S. Government sources. It recognized the need for studies that systematically measure and predict accurate dollar figures that are attached to the economic waste that accrues from an inadequate high-school education among African Americans. It did not attempt to develop a statistical measurement to determine economic implications. It did, however, utilize data presented in documentary and other types of studies that are relevant to this topic.

**Basic Assumptions**

The following assumptions are made in this dissertation:

1. Every high-school student in the United States of America, regardless of race, religion or sex, should complete his/her high-school education.

2. At-risk, African American youth who are not getting the education and experience they need for economic survival are being severely handicapped.

3. The United States of America has a role in the global economy and is dependent on the contributions of all its citizens.

4. Successfully completing high-school is a basic prerequisite for admission to college and a large section of the American workforce.
5. Not all students will take advantage of the traditional 4-year high-school education in a formal setting.

6. Some students who drop out of high-school do return to alternative settings to complete their high school education.

7. Dropping out of high school severely reduces a person's chance of finding a decent-paying job with benefits. This ultimately affects the overall quality of life.

8. Dropping out of high school results in additional expenditure of taxpayers' money on social programs, public welfare, the fight against crime, and other related social ills.

9. Dropout prevention at any level will call for the unification of the efforts of schools, businesses, community agencies, churches, families, and parents to deter potential dropout. A caring, supportive environment will encourage success.

10. At-risk African American secondary students can be taught the economic implications of staying in school. This can be a strategy for increasing the numbers of high-school graduates. A better understanding of the value of money and personal finances could reduce the number of students who leave school prematurely.

Organization of the Study

This study is organized into five chapters. Chapter 1 contains the introduction, the background to the problem, a statement of the problem, the purpose of the study, definition of terms, delimitations of the study, basic assumptions, and organization of the study.
Chapter 2 presents a general review of the related literature on the economic implications of dropping out of high-school.

Chapter 3 contains a description of the research methodology used in the study. Chapter 4 presents the findings. Chapter 5 contains the summary, conclusions and recommendations arising from the study.
CHAPTER II

A REVIEW OF THE LITERATURE

Introduction

This chapter reviews related literature that provided the setting for the development of this study. Various documentary sources were studied that contributed to a theoretical and practical perspective regarding the economic implications that dropping out of high school has on the early school leaver.

In the search for sources dealing with the economic implications of dropping out of high-school in Benton Harbor, some sparseness was encountered at the local library. Current data bases, books, and magazines were scoured. Other local sources provided valuable insights regarding businesses in the Benton Harbor and St. Joseph areas. These include publications by the Cornerstone Alliance, local newspapers, pamphlets, and publications from local Benton Harbor business places and the area schools.

Benton Harbor is a city with a population of approximately 12,818 persons. Despite its numerous social and economic problems, it has not attracted much research. When demographic and economic indicators are studied, it is noted that Benton Harbor possesses characteristics that are similar to large American cities.
These include demographic and socioeconomic indicators such as: a concentration of minorities, low income, depressed living conditions, a dependency on public assistance, and high rates of crime. With this in mind, national sources were consulted in order to provide support to the Benton Harbor literature. The challenge to obtain literature on Benton Harbor underscores the need for more study and research to be conducted. Additional Benton Harbor data were obtained from state agencies.

**Philosophical Approach**

The philosophical attitude that influenced this study rests on the proposition that human beings enhance their capabilities as producers and consumers by investing in themselves. Schooling is the largest investment in human capital (Schultz, 1963). With such a large expenditure to develop human capital, it becomes imperative that students succeed at school and transfer their acquired skills to roles of citizenship and work in the larger society. Dropping out of school affects this process.

The most important determinant of the amount invested in human capital may well be the profitability or rate of return (Becker, 1964). But, the effect on earnings of a change in the rate of return has been difficult to distinguish from a change in the amount invested. Becker (1964) further explains that because investment in human capital usually extends over a long and variable time period, the amount invested cannot be determined from a specific "investment period" (p. 37). Hence the difficulty of charting exactly how much is invested in the high-school education of a student and, even more difficult, the exact return on this education over a lifetime. Recognizing
that difficulty, however, does not mean that investing in education results in no positive economic advantages. Becker (1964) further points out that a relatively large percentage of younger persons are engaged in the following activities. They are either attending school, receiving job training, or changing jobs and location in order to expand their knowledge of economic, political, and social opportunities. Young people have a greater incentive to invest because they can collect their return over more years (p. 50). The returns are not restricted to monetary ones, insists Becker (1964). They are divided into monetary and psychic components (p. 37).

The orientation provided by the human capital approach emphasizes the investment component of educational decisions, and considers schooling to be of value because the skills acquired make people more productive than the uneducated (Kolstad & Owings, 1986, p. 57). Additionally, the human capital perspective focuses attention on the economic life cycle. This cycle is one in which a rational individual continues to buy more schooling until the marginal cost of the additional investment equals the marginal return, and then the person enters the labor market to obtain the return for which the investment was made (p. 57). The human capital approach is not centered on the problem of dropping out of high school, but focuses on the correlation between school and work. This perspective proves useful in comprehending the economic rationality behind the decision to leave high-school early. Kolstad and Owings (1986) have also suggested that the decision to leave school should depend on the balance between the expected wage premium attributed to the
completion of high school and the expected opportunity cost of staying in school (p. 58).

Additionally, the belief that each child can learn regardless of ethnic origin is a pivotal position in this study. According to Bloom (1981), most students (over 90%) can master what "we have to teach them" (p. 153). It is my firm belief that learning will result if each African American child is allowed the following: enough time on task; adequate resources; and an abundance of positive experiences, both at school and at home. To achieve success at school, the African American child needs connectors—teachers with whom the student can trust to provide a bond, plus a successful school experience (Morris, 1994). Education must give the student the opportunity and the skills to integrate academic learning with personal meaning and purpose (Miller, 1992). In the following quotation, Montessori (1976) explains that

human development is the result of an unconscious creative activity of the individual, and that process is only possible in association with others. It is only in the community that man's potentialities can be realized. . . . Children need more than adults' love and protection to perform this double task of adaptation and construction. They need their active help. (p. 6)

Another philosophical posture is derived from the raison d'être of teaching an economic education. An economic education presents to young minds a very successful and useful mode of conceptualizing basic issues and for making individual and social decisions (Miller, 1988, p. 3). The teaching of economics seems natural, then, as its objective is to nurture critical thinking skills and sound economic knowledge. This knowledge enables students to become effective, active citizens.
Each student, of necessity, should be exposed to an economic education if he or she will participate intelligently in the acquisition, growth, maximization and transferral of economic resources. America needs to prepare its young people for employment and productive citizenship. For far too long, some American children have not developed the skills that they need to become economically self-sufficient.

Organization of the Review

The high-school dropout problem in the United States of America among African Americans, Caucasians, Hispanics, and other races cannot be wished away. In recent years, many Americans seem to have embraced the notion that the nation is at risk. The urgency is communicated through various media and seems recurrent throughout the dropout literature. Irvine (1990), for example, claims that the nation is at risk because the fastest growing sector of the school population, African Americans and other minority groups, are being continuously excluded from the benefits of an education. These educational benefits lead to individual economic independence—a quality that this country will ultimately depend upon for its strength and survival. Morris (1994), however, adds another perspective when he concedes that we live in a time of much uncertainty, a time of flagging confidence and mounting problems. The search for purpose in life as well as in education continues with little evidence of resolution. At the same time we live in an atmosphere of promise and excitement. (p. 3)

This chapter, then, is organized around a review of select literature related to the economic implications that are associated with not completing high school. It gives a definition, a brief history of the dropout problem in the United States of...
America, and some factors that influence the decision to leave high-school prematurely. A summary statement on the findings of the review of literature concludes the chapter.

Definitions of the High-School Dropout

There appears to be a lack of consensus among researchers and school districts across the nation on exactly who is a dropout (Hammack, 1987). This difficulty arises because "there is no standard definition of who is a dropout or how to calculate a dropout rate" (Center on Evaluation Development & Research, 1987, p. 159).

Regarding the term dropout, Good (1973) writes that it most often designates an elementary school pupil who has been in membership during regular school term and who withdraws or is dropped from membership for any reason except death or transfer to another school before graduating from secondary school (grade 12) or before completing an equivalent program of studies, such an individual is considered a dropout whether his dropping out occurs before or after he has passed the compulsory school attendance age and, where applicable, whether or not he has completed a minimum required amount of school work. (p. 89)

Rowntree (1981) in his definition of dropout explains that a person becomes a dropout by failing to complete a course of study (or by extension, some other obligation). Morrow (1987) points out that various definitions for dropout are used and these usually list common reasons for students' withdrawal from school. The challenge of defining a dropout continues to hinder dropout research. In a study done by Hammack (1987), the conclusion was drawn that there is no single or standard
definition of the term dropout as utilized by the large school systems of Boston, Los Angeles, Miami, New York, San Diego, and Chicago that were surveyed (p. 16).

The Institute for Educational Leadership (1987) points out that the United States Government Accounting Office uses the all-inclusive definition adopted by the Current Population Survey to count dropouts. The Current Population Survey polls a national sample of households representative of the working-age civilian population, and defines dropouts as "persons neither enrolled in school nor high-school graduates" (p. 11). This definition does not exclude certain special circumstances like temporary absence due to pregnancy. In a search for a definition of the term dropout, the Benton Harbor Area Schools Board Policy was consulted. It yielded the following statement:

Although students are required by law to attend school only until they reach the age 16, the Board is convinced that it is in the best interest of all students and the community for students to remain in school until they receive a high-school diploma. Employability and civic responsibility are greatly enhanced by acquiring such a diploma. (Benton Harbor Area Schools, 1987).

The foregoing statement is not a definition of a dropout, but it publicizes the board’s position that recommends that all students remain in school until graduation. The statement indicates that the potential for finding work and one’s role as a citizen are improved significantly by getting a high-school diploma.

Dropout, in this study, is a descriptive term for students who leave high school before graduation, who are not enrolled in any other school district, and who do not return to complete their education. Dropouts are people who have not received their
high-school diploma or their General Education Diploma (GED). It should be noted that although dropout rates probably provide a barometer of how the nation's youth are doing, they alone do not give a complete profile. A student's decision to leave school prematurely does not have to be a lifelong decision.

The indecisiveness regarding the definition of a dropout in the dropout studies, and in school districts all across America, renders it almost impossible to obtain accurate figures on high-school dropouts. The dropout definitional problem, however, has not deterred the U.S. Department of Education from advancing its study on the perplexing dropout situation. The U. S. Department of Education (1993b) maintains that there are a variety of ways to define and calculate dropout rates. Each type of dropout rate measures a different facet of dropping out (p. 3). The National Center for Education Statistics uses three types of dropout rates, namely: the event rate, the status rate, and the cohort rate. The event rate measures the proportion of students who drop out in a single year without finishing high-school. The status rate measures the proportion of students who have not completed high-school and are not enrolled at one point in time, regardless of the time they dropped out. The third dropout rate, the cohort rate, tracks a single group (or cohort) of students over a specified period of time (U. S. Department of Education, 1993b, p. 3).

Kronick and Hargis (1990) cited in Duttweiler and Smink (1994) classify dropouts into four groups:

1. Quiet dropouts: students who go unnoticed until they drop out, usually the result of chronic failure;
2. Pushouts who experience chronic failure and react to it in such disruptive ways that they are literally pushed out of schools;
3. Higher achieving dropouts who may be bored with school, or who may drop out because of high mobility or illness; and
4. In-school dropout those who remain in school in spite of continued poor performance and failure. (p. 5)

Morrow (1987) suggests that in order to standardize the practice in the analysis of the school dropout, schools should do the following:

1. Define dropout as any student who previously enrolled in a school is no longer actively enrolled as indicated by fifteen days of consecutive absence. The student does not qualify for graduation and no formal request has been received for transfer to another state licensed school.
2. Compute a state and cohort dropout rate each year.
3. Gather district level data, computerize it and store it.
4. Have state-level tracking systems and incentives for accurate reporting. (pp. 48-50)

An array of researchers still grapple with the dropout definitional problem. Morris (1994) describes what he calls the "classic dropout." That person, he elaborates, will most likely be a member of a racial, ethnic, or language minority group and from a family where education may not have an important place. Additionally, the student will be facing academic difficulties, including the possibility of repeating a grade, and will usually be experiencing boredom and frustration with school. Morrow (1987) further states that the process of dropping out will include a number of tardies and absences, disruptive classroom behavior, and a deterioration of academic performance. This classic dropout finally quits showing up at school one day (p. 5). The term dropout has been used to designate a variety of early school leavers: pushouts, disaffiliated, educational moralities, capable dropouts, and stop outs, among others (Morrow, 1987). The field continues to be enmeshed in confusion (Hammack,

**Identification of Potential Dropouts**

In order to address the high-school dropout problem, it is important that field and lay persons be aware of some indicators that precede dropping out. In the mid-60s, however, Cervantes (1965) wrote that dropouts were not confined to America's slums, but they “interpenetrated” the total class structure. He argues that whether Americans live in rich areas or slums, dropouts have originated in their own homes, in their own neighborhoods, and in their own schools (p. 5). Today, a potential dropout has been designated as being most likely a member of a racial, ethnic, or language minority group and experiencing academic problems and frustration, among others (Asamen, 1989; Fine, 1991; Irvine, 1990; Waggoner, 1991).

Being a member of a minority group and being poor significantly increases the risk that a person may drop out of school. Some African Americans, like Hispanics, fall into this group. In fact, Wehlage, Rutter, and Turnbaugh (1987) argue that students from low socioeconomic backgrounds have the highest dropout rate. They further add that among ethnic groups, Hispanics have the highest rate followed by African Americans and then Caucasians. They suggest that low socioeconomic status coupled with minority group status are strong predictors of dropping out. They enumerate other demographic factors that influence dropping out among at-risk
children, namely, single-parent families, large families, and families that live in cities or in the rural southern United States. Additionally, students’ low expectations of receiving a good education or good grades frequently account for their dropping out. Poor grades tie in with disciplinary problems at school, of which truancy is number 1 (p. 155). The foregoing predictors were drawn from an examination of the data from the High School and Beyond (HSB) study.

In spite of these predictors, the scenario for African Americans does not appear totally bleak. Between 1972 and 1992, the high-school persistence rate for African Americans in the United States increased from 91 to 95%. For African American males, the rate increased from 90 to 97% over the same period (National Center for Education Statistics, 1994c, p. 32).

Ekstrom, Goertz, Pollack, and Rock (1987) concur with Wehlage et al. (1987) regarding the position that not completing high-school is related to background, achievement, attitudes, and individual behaviors. They further state that the two background characteristics that seemed most closely related to dropping out are socioeconomic status (SES) and race. Students of lower socioeconomic status have been repeatedly shown to exhibit higher incidences of dropout rates than students of high socioeconomic background (Pallas, 1984; Rumberger, 1983). The high-school persistence rate for students from high income families is reportedly 10% higher than the rate for students from low income families. The disparity in persistence rates between high and middle income families is small, about 3% (U. S. Department of Education, 1994d, p. 32).
Newton (1986) conducted a study on 95 Larkin High School students to develop a prediction model for the early identification of at-risk students. His findings pointed to a significant relationship that existed between 22 variables and attrition. These prediction variables include: participation in extracurricular activities, behavior problems reported by school personnel, truancy, absenteeism during elementary school, number of court appearances resulting from police-reported delinquent referrals, consumption of controlled substances, incidence of broken homes, parents' years of formal education, reading test scores, and frequency of church attendance, among others.

At any given point in the educational pipeline, African American students do not fare as well. They are at an educational disadvantage relative to Caucasian children for a number of reasons. These include: lower average of parental education, a greater likelihood of living with one parent, fewer resources in their communities as a result of income-based residential segregation, and the greater likelihood of experiencing poverty (Soloranzo, 1992, pp. 30-31). In 1992, a reported 46% of African American children, in contrast to 16% of Caucasian children lived in an income level below the poverty line (U.S. Department of Commerce, Bureau of Census, 1992). Certain indicators expose African Americans to the possibility of not completing high-school. They include the following:

1. African American children start elementary school with less preschool experience than Caucasian children.
2. Gaps in academic achievement of African American students appear as early as age 9 and persist till age 17. These achievements are in reading, math, and science.

3. At age 13, African American children are more likely than Caucasian children to be below the modal grade level for their age.

4. Students who repeat grades seem at a greater risk of dropping out.


Powell-Cope and Eggert (1994) in their study of psychosocial risk and protective factors have concluded that youth at risk for potentially dropping out have significantly greater risk factors and fewer protective factors in the domains of personal resources, peer influences, family influences, and school environmental factors (p. 47). No single indicator determines a potential dropout and, according to Engel (1994), the following seem associated with the decision to leave school prematurely: (1) student failure; (2) teacher failure; (3) family failure; (4) community failure; (5) the media; and (6) gang threat (pp. 20-22).

Various factors are associated with dropping out of high school. They include being a member of a minority group, family background, being in a single parent family, socioeconomic status, a student’s perception of school, among others.
Brief Select History of the Dropout Problem in the United States

The reality of high-school dropout in America is certainly not a novel phenomenon, for all its current urgency. Schreiber (1967) maintains that dropping out might be an inevitable fact of the educational process as long as "successful" high-school graduation is not compulsory (p. 1). In his study on the causes and cures of dropping out, Cervantes (1965) alleges that for several centuries America has boasted to other countries:

"Give me... your poor, Your huddled masses... The wretched refuse of your teeming shore." Today the United States is itself creating its own "wretched refuse," its own disadvantaged minority, within the "golden door" of its own "teeming shore." (p. 1)

Cervantes (1965) observes that it seems quite plausible that today's high-school dropouts will face more obstacles overcoming their poverty than dropouts in the past. In fact, he expresses the idea that a high-school diploma is a signature that puts upon each recipient not only a sign of academic accreditation and social approval but what he describes as "economic solvency." Cervantes (1965) further emphasized his position when he maintained that, within a decade, this segment of social outcasts (high-school dropouts) would begin to increase in proportions that would parallel the Roman Empire, Spartacan slave, and European proletarian conditions of eras ago. It is this lack of a high-school diploma accreditation that is segregating a section of our population from "full social and economic benefits" (pp. 1 & 4).

Dropping out of high school was not viewed as a serious problem in the early part of the 20th century. At the turn of the century, for example, not more than 6 or 7
of every 100 ninth-grade students graduated 4 years later. By 1930, the number had risen to one half. It is the problem, not the fact of dropouts, that is new and contemporary (Schreiber, 1967, p. 2). In the past, a dropout was not looked upon with disfavor, because some 90% of the working population were persons whose secondary education was incomplete (Strom, 1964). Finding a job was not so difficult as today.

The education of African Americans before 1865 was almost unheard of except in isolated situations. Providing African Americans with education was against some state laws. In fact, Asamen (1989) supported the position that "to deny Afro-American children an education acted to maintain enslavement, and in consequence, dehumanized the Negroid race" (p. 10). After emancipation of slaves in the United States, however, many African Americans pursued schooling as a way to improve their status. Interestingly, Tidwell (1989) declares that minority groups have viewed education as the vehicle to obtain entry into the mainstream of American society. Formal schooling and education have been long revered as the way to share in the American dream. Tidwell (1989) remarks that even when other opportunities are not available because of class, ethnicity or economic barriers, a good education continues to be one avenue for success that in open to minority in the United States (p. 153). African Americans faced many restrictions however. Obstacles and inequities existed in school funding in the era of Plessy v. Ferguson, 1865 to 1950 (Asamen, 1989). African American children attended separate schools from Caucasian children and their evaluations indicated that they had received inferior education.
From 1950, a number of changes occurred. Glasgow (1981) remarks that during the 1950s and 1960s, the magic recipe for success and mobility was education (p. 53). It was the road for the poor and lower class to achieve upward mobility. Unfortunately, education proved an utter failure for many poor African Americans (p. 53). Racial discrimination persisted then, but some African Americans began to speak out against the inequitable treatment in society. Segregation in the school was legally challenged and "separate but equal" was determined unconstitutional in the renowned 1954 case Brown v. Board of Education of Topeka. Asamen (1989) points out that achievement tests evaluated African American children and chronicled their lag behind Caucasian students. This led to tracking, ability groups, and an over-representation of African Americans in special education groups. The passing of the Civil Rights Act of 1964, however, gave additional impetus to African Americans in their struggle for equal educational opportunities. Today, some of the educational inequities in American society have begun to disappear (Waggoner, 1991, p. 5).

The situation does not appear bleak when the educational attainment of Americans is studied. In 1940, for example, young Caucasian adults were said to be more than three times as likely than African Americans in their age group to graduate from high-school; their rate was 41% as compared to 12% for African Americans. The proportion of Americans finishing 12 years of schooling has risen dramatically over time. In 1940, only a quarter of the population aged 25 and older had graduated from high-school. A generation later, in 1970, more than half the population had graduated. In 1988, more than three-quarters of the adults in America had completed
at least 12 years of schooling (Waggoner, 1991, p. 5). In one of its latest research reports, The U. S. Department of Education (1995a) presented data indicating that 16-24-year-olds who enrolled in Grades 10-12 in 1992 were enrolled again or had graduated. Four percent were not enrolled in school in 1993, even though they had not completed high school (p. 36).

**Educational Progress of African American Students**

African Americans have made significant educational progress over the years. More African Americans have graduated from high school and college today than any other time in history. Fewer African Americans students are dropping out of high school before graduating. Overall, the differences between dropout rates for African Americans and Caucasians have also narrowed. This is encouraging for two reasons. Firstly, schools provide young people with the opportunity to explore their interests and develop their talents. Secondly, staying in school is an important indication that a young person is learning to be a productive member of the American society and is less likely to experience poverty and unemployment (U.S. Department of Education, 1994).

There exists, however, an abundance of room for improvement in the educational achievement of African Americans. One area of less-than-cheerful news, which still displays a glimmer of hope, is the academic achievement of minority students. The gap in achievement between Caucasians on one hand and African Americans and Hispanics, on the other is described as very large (U.S. Department of
Education, 1994). As early as 9 years of age, for example, there are differences in the academic performance of African American and Caucasian students. The achievement gap narrowed in the 1970s and 1980s.

In 1992, however, African American 9-year-olds were 33 scale points behind Caucasians in reading, compared to 44 scale points behind in 1971; 27 scale points behind Caucasians in mathematics, compared to 35 points in 1973; and 39 scale points in science, compared to 57 points behind in 1970. The Black-White achievement gaps for 13-year-olds show similar patterns (The U.S. Department of Education, 1994).

In reading, the data suggest that African American children are reading two years below their Caucasian peers, a deficiency that unfortunately, follows the student to high-school. When students are tested at the end of high school, the scores show a narrowing gap between the achievements of Caucasians and African Americans in the areas of reading, mathematics and science. The disparity, however, although present, has not widened. Table 6 presents national proficiency scores of African Americans and Caucasians from 1971 to 1992 in the areas of reading, mathematics, and science. The numbers reflect a gap between the scores of the two races compared. Schools must offer quality instruction and provide the necessary resources for students to achieve higher performance standards. Localities should support the education operation in a manner that will allow students to achieve at high levels. Students and their parents, however, must assume their roles in order to achieve success (National Education Goals Panel, 1994). Parents need to be aware of the influences of student absenteeism from school, the amount of television that students watch, and reading
more than 10 pages daily for school and homework. Additionally, Parents should ensure the presence of more than three types of reading materials in the home.

TABLE 6

AVERAGE PROFICIENCY SCORES

<table>
<thead>
<tr>
<th>Year</th>
<th>White Age 9</th>
<th>Age 13</th>
<th>Age 17</th>
<th>Black Age 9</th>
<th>Age 13</th>
<th>Age 17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reading</td>
<td></td>
<td></td>
<td>Mathematics</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1971</td>
<td>214</td>
<td>261</td>
<td>291</td>
<td>170</td>
<td>222</td>
<td>239</td>
</tr>
<tr>
<td>1980</td>
<td>221</td>
<td>264</td>
<td>293</td>
<td>189</td>
<td>233</td>
<td>243</td>
</tr>
<tr>
<td>1992</td>
<td>218</td>
<td>266</td>
<td>297</td>
<td>184</td>
<td>238</td>
<td>261</td>
</tr>
<tr>
<td>1973</td>
<td>225</td>
<td>274</td>
<td>310</td>
<td>190</td>
<td>228</td>
<td>270</td>
</tr>
<tr>
<td>1982</td>
<td>224</td>
<td>274</td>
<td>304</td>
<td>195</td>
<td>240</td>
<td>272</td>
</tr>
<tr>
<td>1992</td>
<td>235</td>
<td>279</td>
<td>312</td>
<td>208</td>
<td>250</td>
<td>286</td>
</tr>
<tr>
<td>1970</td>
<td>236</td>
<td>263</td>
<td>312</td>
<td>179</td>
<td>215</td>
<td>258</td>
</tr>
<tr>
<td>1973</td>
<td>231</td>
<td>259</td>
<td>304</td>
<td>177</td>
<td>205</td>
<td>250</td>
</tr>
<tr>
<td>1982</td>
<td>229</td>
<td>257</td>
<td>293</td>
<td>187</td>
<td>217</td>
<td>235</td>
</tr>
<tr>
<td>1992</td>
<td>239</td>
<td>267</td>
<td>304</td>
<td>200</td>
<td>224</td>
<td>256</td>
</tr>
</tbody>
</table>


There should also be the active presence of two parents in the home (National Education Goals Panel, 1994, p. 34).
The combination of the factors mentioned above accounted for the variation in states' NEAP mathematics scores (National Education Goals Panel, 1994, p. 34). Other notable factors in considering the educational progress of African Americans include the following: fewer African American students are dropping out of school than a decade ago; African American students, like Caucasian students, do have their parents involved in their schooling; both African American and Caucasian high-school students are following a more rigorous curriculum than a decade ago. Additionally, the educational aspiration of both ethnic group of students are similar but African Americans are less likely than Caucasians to make an immediate transition from high school to college (U.S. Department of Education, 1994).

**Economic Implications Associated With Dropping Out**

A high-school diploma is viewed as certification that a student has met the minimum requirements to enter the American job market, to pursue a college degree, enter the military services, or enter vocational training (Haggstrom et al., 1991). Failure to receive this important document most definitely has its associated outcomes. Dropping out of a secondary education program certainly impacts the individual dropout, the family, the local community, and the state and federal governments in economic ways.

Dropping out of high school may mean less earnings. Whereas employed youth become a net gain to a community, unemployed youth become a net loss (Duttweiler & Smink, 1994, p. 5). Persons who do not complete their high-school
education receive less money over their lifetime in comparison to persons with more education. Estimates of lost lifetime earnings exceed $200,000 per individual dropout and $200 billion for each school class across the United States (Catterall, 1986, p. 9). Income appears to be highly correlated with years of education according to Belton (1994). Workers who did not graduate from college have seen their earnings plunge 30% the past 15 years, after taking inflation into account. Earnings of high-school dropouts fell 38%. During the same period, the earnings of college-educated workers rose 2%. The article suggested that graduates (males), working full time, earn a median income of $480 each week, whereas females earn approximately $337. With a bachelor's degree (B.A.), a male earns $736 per week and a female $545. A professional/ doctoral degree male median weekly full time income is approximately $1,000; a female of the same level is $811. These figures indicate a relationship between higher levels of education and increased income. The citations refer to Caucasian males and females. The income for African Americans would be lower for both groups (Belton, 1994, p. 9).

One of the most frequently asked questions about educational attainment seems to be: What is a given level of education worth in economic terms, over a person's lifetime? The answer to this question, suggest Kominski and Adams (1994) can be arrived at in various ways, taking into consideration, for example, the length of an individual's working years and changes that may occur in the economy over time, such as inflation or recessions. The authors suggest that persons who do not obtain a high-school diploma earn far less. The following numbers were derived from using the
1992 mean earnings as a base for their calculations. The computation done by Kominski and Adams (1994) reveals that the high-school dropout may earn approximately $608,810 over his or her lifetime, while the high-school graduate may earn a projected $820,870. As the educational level increases in their study, the lifetime income rises. Persons with doctoral degrees will have a projected lifetime income of $2,142,440. Those who obtain a professional degree seem likely to earn about $3 million over their lifetime (p. x).

The American job market has changed over time. Twenty or more years ago, for example, a high-school dropout could get a good-paying factory job, but that is no longer guaranteed. Jobs available to dropouts are usually low-paying jobs with few opportunities for advancement, fewer benefits and a diminished sense of personal security. The urgency to complete a high-school education is articulated by former U.S. Senator Nancy Kassebaum when she insists:

The need to keep young people in school cannot be emphasized too strongly. Failure to receive a high-school diploma spells tragedy for the individual dropout, who operates at a permanent disadvantage in job prospects and lifetime earnings. It is a tragedy as well for our Nation, which loses productive capacity we so badly need from all our workers. (cited in U. S. Department of Education, 1993a, p. 1)

Educational planners, administrators, faculty, parents and students should work toward creating an environment that supports greater high-school completion.

Public education is a large economic entity. Almost any text on educational administration addresses the question of school financing. (See for example: Candoli, Hack, Ray, & Stollar, 1984; Morphet, Johns, & Reller, 1982.) Some estimates put
America's public education at $127 billion, an expenditure of approximately $4,263 for each of America's 50 million school children. There is little doubt then that education is a business; it is an investment in human resources.

Corporations have the biggest stake in the success or failure of education in America, declares Groennings (1993). Corporations need people to produce and consume their products (p. 15). Groennings (1993) goes on to say that corporations like American Express do not earn any money from poor or uneducated people, nor do many other businesses. Corporate America experiences the pinch of the economic effect of insufficiently educated workers, paying out nearly $20 billion per year for inadequately educated workers—a large percentage for bilingual training, and another large part for remedial education. Additionally, American firms are paying $20 billion to $25 billion a year for on-the-job errors (Groennings, 1993, p. 15).

The economic consequences associated with dropping out of school can be divided into market factors and non-market factors. Both occur to the individual and to the rest of society. The returns on education are said to be monetary, personal, social, cultural, and, more broadly, economic (U.S. Department of Education, 1993, p. 80). Employed youth become a "net gain" to a community, while unemployed youth become a "net loss" (Duttweiler & Smink, 1994, p. 4).

Dropping out of school can and does affect the earning power of the dropout. Orr (1987) discusses the limited employment options and differences in salary and cumulative lifetime earnings. For the dropout of the high-school class of 1981, the potential lifetime earnings loss total $228 billion; the lost tax revenue from these
earnings are about $68.4 billion. The anticipated lifetime income of secondary school dropouts were about a third lower than those of high-school graduates.

Education is an investment in human skills. Like all investments, it carries a cost and a return. The cost to the student is quite low, for it includes mainly the expected earnings of a 16- to 19-year-old who has not completed high school (U. S. Department of Education, 1993a, p. 81). Many high-school dropouts find it hard to find jobs, or if they do find them, many are in the service industries that pay minimum wages and give little or no benefits. As might be expected, a correlation exists between years of education and median weekly wage. Jobs requiring a college education pay an average of $566 per week versus $391 for skilled jobs, and $282 for unskilled jobs. Although 34% of America’s jobs require no more than an eighth-grade level of education combined with physical stamina, driving ability, or a pleasant personality, dropping out of high-school certainly forces the African American student into a job market with fewer options (National Center on Education and the Economy [NCEE], 1991, p. 5).

A high-school diploma, however, is not as important to some employers as many people may think. The NCEE (1991) asked employers whether they gave preference to high-school graduates in hiring or compensation versus non-graduates. A surprising 76% did not give such preference in hiring, and only 12% gave higher pay to high-school graduates than dropouts (p. 3).

Table 7 presents labor market implications that are related to dropping out of high school.
TABLE 7
LABOR MARKET IMPLICATIONS RELATED TO DROPPING OUT OF HIGH SCHOOL

<table>
<thead>
<tr>
<th>DROPOUT</th>
<th>COMMUNITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less income received</td>
<td>Less income tax paid</td>
</tr>
<tr>
<td>Difficulty making transition from school to work.</td>
<td>May result in unemployment</td>
</tr>
<tr>
<td>Difficulty finding steady jobs</td>
<td>May result in dependency on public assistance</td>
</tr>
<tr>
<td>May get minimum wage</td>
<td>Less money to spend in economy</td>
</tr>
<tr>
<td>Little or no job benefits</td>
<td>May receive no health packages and job benefits</td>
</tr>
<tr>
<td>Lower level of personal health</td>
<td>More burden on fewer taxpayers for health related benefits</td>
</tr>
<tr>
<td>Less likely to participate in the political process</td>
<td>Decreased voting in elections</td>
</tr>
<tr>
<td>More likely to commit offenses</td>
<td>Higher costs associated with crime prevention and detection</td>
</tr>
<tr>
<td>Less understanding of economics</td>
<td>Inability to make sound financial decisions</td>
</tr>
</tbody>
</table>

Among the returns related to the labor market is better employment opportunities, jobs that are less sensitive to general economic conditions, better opportunities to receive employer-provided training and, of course, higher earnings (U.S. Department of Education, 1994d, p. 92).

Among African Americans and Caucasians, those with more education have better earnings and employment outcomes. In 1991, for example, only a quarter of African Americans who dropped out of high school were employed. Among recent Black high-school graduates who were not enrolled in college, about one third were employed (U.S. Department of Education, 1994d, p. 13). Among those who work full-time, Pallas (1986) categorically declares that such people who do not graduate from high-school earn less money than high-school graduates. He complains that the comparisons of foregone income underestimates the cost of not finishing high-school and notes that high-school graduates who attend college earn even more annually and over their working lives than high-school graduates with no further training. Pallas (1986) warns, however, that not all the differences in earnings of non-completers and terminal high-school graduates can be credited solely to the presence of a high-school diploma (p. 30).

A significant number of non-market factors are associated with dropping out. These include lower non-wage benefits at work, lower level of personal health, and decreased opportunity for mobility and training. Other factors include lower return on investment portfolio, less educated children, decreased financial security, and less

Additional non-market consequences associated with not completing a secondary education appear in the literature. One of these is voting. Education plays a vital role in preparing individuals for active participation in the political, economic, and social lives of their communities. There is said to be a strong positive relationship between voting and educational attainment. As educational attainment increases, so does voting participation (U.S. Department of Education, 1994d, p. 93). African American students who drop out of school may be ill-prepared for assuming their civic responsibility of participating in the electoral process.

Another economic implication that accrues from dropping out can also be viewed in the light of additional expenditures that the U.S. government has to continuously undertake in assisting low-income or no-income teens and adults in taking care of certain necessities of life. Levin (1972) found that the annual costs of added welfare and unemployment services attributed to dropping out might be $3 billion. The U.S. government has spent more than $19 billion in 1987 in payments for income maintenance, health care, and nutrition to support families begun by teenagers. For example, babies born to teenage mothers are at a high risk of low birth weight. Initial hospital care for low birth weight infants averages $20,000. Total lifetime costs for low birth weight infants are claimed to average $400,000 (Berrien County Intermediate School District [ISD], 1996a).
Education affects a person's health status by providing information about health issues and preventative care. Persons with more education are more likely to engage in healthy lifestyles and visit the doctor more regularly. Good health has social and financial consequences for the individual and for the community, as the community carries a huge price tag for health-care provision and lost productivity (U.S. Department of Education, 1993a, p. 93). Persons with more education would be more likely to be covered by either private health insurance or Medicare (U.S. Department of Education, 1993a). African American high-school dropouts jeopardize their health when they leave school prematurely.

Dropping out of school has further economic implications. Children born to dropouts may be born into a life of poverty, and they are likely to stay poor. In 1990, for example, the proportion of children living in poverty was higher (20%) than it was in 1970 (15%). Moreover, poverty rates were highest for minority children--44% of all African American children and almost 38% of all Hispanic children lived in poverty in 1990 (OERI, 1993, cited in Duttweiler & Smink, 1994, p. 4). Many African American children, unfortunately, are poor. In 1992, African American children were almost three times as likely as Caucasians to live in poverty. The poverty rate for Hispanic children was much higher than for Caucasians but lower than for African Americans. The news does not sound encouraging for African Americans. The data indicate that the percentage of African American children living in female-headed households has increased significantly (U.S. Department of Commerce, 1992b). These
children, raised in poor families, will earn less. Their economic plight begins before they were born and may most likely continue through a large part of their lifetime.

Dropouts comprise 50% of welfare recipients, two-thirds of the prison population, and 80% of unwed teenage mothers in the United States (Berrien County ISD, 1996a). The article continues: "A society that can so waste its youth is indeed frittering away its future, and the longer we wait to pay the bill, the higher the toll" (p. 4).

Dropouts and Crime

Various authors identify a correlation between dropping out of school and crime (Becker & Landes, 1974; Ehrlich, 1974; Snyder & Sickmund, 1995). A person who drops out of school is much more likely to commit a crime. Research reveals 82% of America's prisoners are high-school dropouts (Duttweiler & Smink, 1994, p. 5). Youth who are not in school and not in the labor force are at high risk for delinquency, crime, and diminished success (Snyder & Sickmund, 1995, p. 16). The foregoing researchers further point out that in 1990, more than 680,000 youth, 16 to 19 years old, were idle during this critical period of their development. Hahn (1987) expresses his concern at the dropout problem stating that dropping out "represents a terrible waste of young lives" (p. 5). Minorities are especially affected and are often cited in the crime statistics.

The press abounds with detailed statistics on the serious crime-related concerns that face the African American male. Richardson (1992) cites the U.S. Department of
Justice and the U.S. Department of Health and Human Service Statistics in stating that one in every five African American males is arrested before his 19th birthday, and that during 1989 there were more African American males in prison than in college.

Compared with other juveniles, African American youths are more likely to be victims of violent crimes. Table 8 presents select 1991 data on violent crime.

**TABLE 8**

VIOLENT VICTIMIZATIONS PER 1,000

<table>
<thead>
<tr>
<th>Race/ethnicity of victim</th>
<th>Ages 12-17</th>
<th>Ages 18-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>71</td>
<td>82</td>
</tr>
<tr>
<td>White (not Hispanic)</td>
<td>69</td>
<td>84</td>
</tr>
<tr>
<td>White Hispanic</td>
<td>69</td>
<td>56</td>
</tr>
<tr>
<td>Black</td>
<td>84</td>
<td>99</td>
</tr>
<tr>
<td>Other</td>
<td>42</td>
<td>66</td>
</tr>
</tbody>
</table>


Black males have the highest homicide victimization rate of any race/sex group. Although slightly more than half of the juveniles killed between 1976 and 1991 were White, in terms of rate per 100,000 juveniles, however, African Americans were four times more likely to be homicide victims. The financial and emotional cost of dealing with crime seems inestimable. Indeed, staying in school and getting an education is an effective way to reduce juvenile-related crime and expenditures.
Of course, some young people drop out of their secondary education and find themselves incarcerated. Interestingly, some dropouts achieve educational success in prison that they were unable to achieve when they were free (Stephens & Repa, 1992). Many return to school within prison to acquire a GED. If keeping students in school can decrease crime and suffering, then every effort must be made by teachers, schools, officials, and government agencies to encourage potential dropouts to stay in school. That scenario seems a more acceptable one than dropping out and then attending school 5 or 10 years later within prison walls at exorbitant taxpayers' expense (Stephen & Repa, 1992, p. 430). An additional $3 million dollars is an estimated cost that Levin (1972) estimated for dropout-related criminal activity.

Response of Select Businesses to Dropout Problem

Businesses across the United States have expressed their concern regarding the high-school dropout problem. In fact, many young people do not see a clear connection between what they are supposed to learn in class and what they will need to succeed in a career (National Center on Education and the Economy, 1990). The report suggests that children are tomorrow's labor force or tomorrow's social problems, and it is in the best interest to give the next generation a look at what work is all about. Companies need prepared workers who will adapt to the ever-changing needs of the marketplace (Orr, 1992). They also need students who possess basic skills in reading, writing, comprehension, and math. The ability to get along with others is also an important asset.
Having a high-school diploma represents the acquisition of certain basic skills that should allow an individual to function in the world of work. Yet, it appears that a "mismatch" exists between the needs of employers and the skills of available workers (Fiske, 1991). American companies spend an estimated $20 billion a year on remedial education—not to mention the billions spent by colleges and universities on remedial education programs (Fiske, 1991). These programs attempt to teach what should have been learned before. Without a high-school diploma, the non-graduate is labeled a dropout and many opportunities are closed to him or her (Farmer & Payne, 1992).

As taxpayers, businesses are as responsible for the public schools, as much as individual citizens are (Orr, 1992). To better assume that responsibility, businesses need to make educational improvement an integral part of their long-term strategy. Orr (1992) further enumerates the following points on the role of business in education:

1. **We must make education a part of our business.**

2. **We must build partnerships between business and educators.** Educators should be considered a part of our businesses and treated as consultants or vendors with whom we have a long-term relationship.

3. **Businesses must evaluate, define, and monitor their own employment needs.**

   (p. 10)

   Businesses must relate to schools their manpower needs and the skills they will need in the workplace. Orr (1992) believes that many businesses have been so busy restructuring that they have forgotten to inform educators of changes in their
employment needs. He candidly admits that "many of today's education problems are of our own making," and concludes that the business world cannot expect educators to understand its needs if it does not make educators a part of its businesses (p. 10).

In order to encourage students to stay in school and prepare for their education, some corporate volunteers have headed into the classrooms to talk about their jobs and mentor to students (Deutschman, 1992). He adds that companies such as Grand Metropolitan, Kroger, and others are devising programs in conjunction with educators and parents. These programs offer students job training and job-readiness skills. Maine and Oregon are cited as creating apprenticeship programs for the non-college bound, while educators consider part-time work for children as preparation for the jobs they will eventually hold (pp. 86-89).

Businesses all over the United States see the importance of keeping students in school and assisting them to graduate. Rich's of Atlanta is an example. Sportswear is on the second floor at Rich's department store in downtown Atlanta, Georgia. Furniture is on the fourth floor, but reading, writing, and arithmetic are on the sixth floor (Stout, 1991). About 100 teenagers go to school at Rich's Academy, a public school on the top floor of Rich's department store. Rich's Academy has operated for 9 years and the teachers, employed by the Atlanta school system, instruct students in math, science, history, and English. The store provides the space, some funding, employees who serve as mentors and tutors, and part-time jobs for students under a work-for-credit program (Stout, 1991). Rich's Academy is credited with graduating two-thirds of the students who enter.
Some members of the business community in Benton Harbor, Michigan, are aware of the serious reality of the dropout problem in their public schools. They realize the economic wastage that results in their community when unemployment is high although work is available. "Operation Graduation," a program designed to assist students in completing high-school, is an example of one dropout-prevention program in which some local Benton Harbor businesses have participated. The benefits to the employer included no payroll costs. It provided meaningful work experience, and increased the students' self-esteem (Benton Harbor Area Schools, 1996). In their Junior Achievement series, Whirlpool of Benton Harbor has united its efforts with the Benton Harbor Area Schools to teach at-risk, potential dropout students the economics of staying in school. Whirlpool provides funding for this worthwhile program in which local business people take time from their jobs to go into selected schools to teach students the economic value of staying in school.

Public/Private Ventures is a nationally known not-for-profit organization that designs, manages, and assesses social policy initiatives designed to help increase the skills, opportunities, and self-sufficiency of disadvantaged youth. Public/Private Ventures (P/PV) works with schools, employment and training organizations, national and local agencies, community-based organizations, and juvenile justice institutions to find more effective approaches to the education, training, and employment of young people, especially those from poor communities.
Summary

The philosophical attitude that influenced this study rested on the proposition that human beings enhance their capabilities as producers and consumers by investing in themselves. Every student needs to know for himself or herself the value of an education. He or she should be taught that acquiring an education is a process of socialization that prepares the individual to function in society.

The dropout definition problem still persists, and there appears confusion among various states on how to count and define high-school dropout. Dropping out has always been an American public school problem since the 1900s. What seems different today is the nation's resolve to attack and solve this perplexing problem.

Black school students leave school for various reasons. These include: feelings of alienation, seeking employment, having disciplinary problems at school, experiencing poor academic performance, and not having support from home, to name a few.

Dropping out of school carries economic implications. The individual loses income, and has to work at lower-paying jobs with fewer benefits and little prospect for promotion. Each year's dropout will, over a lifetime, cost America about $260 million in lost earnings and foregone taxes. Researchers base the costs of dropping out on observed differences between school dropouts and of high-school graduates. From this approach, both society and the dropout incur costs when education is inadequate.
In addition to economic implications, an array of social costs has been linked to dropping out of school. Dropouts often receive welfare and unemployment subsidies. They are more prone to become involved in criminal activities and, consequently, get caught up in the judiciary process, a mechanism that carries an enormous expenditure to the paying public. Increased costs for health care are also associated with inadequate education. Various businesses and organizations have responded to the dropout problem in their communities by becoming involved with schools in different activities aimed at helping students to remain in school.
CHAPTER III

METHODOLOGY

Introduction

This chapter presents the type of research, the description of the population, and the method used in researching the study. This chapter also outlines the steps in the research, review, and analysis of the data.

Type of Research

This study is a documentary one. Data regarding the economic implications of not completing a high-school education were studied. Creswell (1994) voices the concern that "whether certain 'problems' are better suited for documentary or quantitative studies is open to debate" (p. 10). He further suggests that the nature of the problem is an important factor in choosing an approach and continues:

For quantitative studies, the problem evolves from the literature, so a substantial body of literature exists on which the researcher can build. Variables are known, and theories may exist that need to be tested and verified. For documentary studies, the research problem needs to be explored because little information exists on the topic. (p. 10)

In the study of dropping out of high-school among African Americans and its possible economic implications on the individual Benton Harbor high-school dropout, there is little local literature. Although there has been much research exploring the
high-school dropout problem, there is still a lot of work left to be done on the economic implications associated with dropping out among African Americans. The problem cannot be wished away. It needs further exploration.

The documentary approach was chosen to collect relevant data on the economic implications of dropping out of school in Benton Harbor. According to Creswell (1994), in many documentary studies a theory base does not guide the study because the studies available are "inadequate, incomplete, or simply missing." (p. 10). Fawcett and Downs (1992) concur with Creswell (1994) when they remark that the choice of a research design depends on the question asked. They suggest that the question asked depends on the present state of knowledge as expressed in theory and, if little is known about the phenomenon to be investigated, descriptive theory-generating research is required (pp. 10-11).

The systematic study of the economic implications of inadequate education among African American high-school dropouts is limited. A number of national articles, when discussing the financial costs of dropping out, frequently cite Catterall's (1986) research. Others rely on Levin's (1972) report to the U.S. Government Select Committee. Hence, there is a need for building a national and local body of literature on the economic implications that are associated with an inadequate high-school education. Some dropout research literature has been around since the early 20th century and has steadily grown. However, a wave of educational reform began in America after the publication of A Nation at Risk by the U. S. National Commission on Educational Excellence (1983). This resulted in the prolific production of
publications, dissertations, newspaper and journal articles, and research studies on dropping out of high school. A selection of these publications was examined in the quest to determine what has been documented regarding the economic implications of not completing a secondary education among the at-risk African American population.

Simple quantitative/mathematical procedures were utilized in the research. According to Denzin and Lincoln (1994), "documentary research may also incorporate quantitative methods into the design to answer a particular question" (p. 225). In working with the 1990 census data, for example, it was necessary to do some simple calculations involving ratios, percentages, and projections of foregone earnings.

In order to predict an estimated lifetime income for the high-school dropout in Benton Harbor, the procedure utilized by the U.S. Department of Commerce (1994) was studied.

Using 1992 data, the Economics and Statistics Administration estimated the earnings that would accrue to persons over a typical work life. A typical work life was defined as a 40-year period, from ages 25-64. The researchers started with high-school dropouts and took the mean earnings figure for persons of this age group who were ages 25 to 34 and multiplied it by 10. The same thing was done for persons 35-44, 45, and 55-64. The four 10-year totals were added up. The result was an estimated lifetime income for high-school dropouts. The process was repeated for each of the other seven educational levels. These estimates illustrate a significant disparity of earnings between each educational level (U. S. Bureau of the Census, 1994; Kominski & Adams, 1994). The procedure was done using available mean income
from the Michigan Employment Securities Commission (MESC) census database for Benton Harbor City population.

The breakout for each educational level was not present in the 1990 census data nor was it available from the MESC database, however. The available data were the mean earnings data for each age level in Benton Harbor. Estimated earnings were calculated from the average household income for the age groups presented in Table 10. The lifetime income of certain households in Benton Harbor were estimated by using the data in Table 10. These groupings of estimated household income are not individual dropout dollar figures but are important to the study because they illustrate that the loss of income to the community is greater because of the multiplier effect.

**TABLE 9**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Average Household Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-24</td>
<td>$9,099</td>
</tr>
<tr>
<td>25-34</td>
<td>$12,693</td>
</tr>
<tr>
<td>35-44</td>
<td>$19,060</td>
</tr>
<tr>
<td>45-54</td>
<td>$16,979</td>
</tr>
<tr>
<td>55-64</td>
<td>$16,882</td>
</tr>
</tbody>
</table>

*Note.* From Average Household Income by Age Group, Benton Harbor City, by J. Billig, June 28, 1996, Jackson, MI: Department of Labor, MESC (Appendix I).
administration. The reasons for the unwillingness are not clear, but the area has received negative press over the years. In order to obtain data relating to the Benton Harbor population, alternate sources were tapped. The research was facilitated by data provided by the state Department of Education, at the state capital, Lansing. A personal visit to the Department of Education afforded interviews, and yielded reports, and information that assisted the research.

1990 African American Dropout Number

In order to obtain an estimate of the number of African American dropouts in Benton Harbor from a reliable source, the 1990 census Summary Tape File 3A (STFSA) Social Characteristics for the City of Benton Harbor was studied. MESC economic analyst, Joe Billig, explained the procedure used to estimate the number of African American dropouts as of 1990 (Appendix I).

The Census Bureau does not use the term dropouts when publishing their data. Nor do they identify the age group of 16 years. Analyst Billig (1997) explains that he had to examine various 1990 census tables to "piece together the data" to meet my request for the number of African American dropouts.

The first table used was the "Educational attainment of Black persons age 25 years and over." This table reported 2,866 African Americans persons over the age of 25 living in Benton Harbor who had less than a 12th grade education and no high-school diploma. The assumption was made that they dropped out of school.
The second table used was the “Educational attainment of Blacks ages 16 to 19 years.” This table indicated that there were 188 persons in this age group that did not have a diploma and were not enrolled in school. Again, the assumption was made that these were high-school dropouts.

There was a slight problem in determining the number of dropouts for the 20 to 24 years age groups (Appendix I). There was no available published data on this group. Therefore, economic analyst Billig applied the dropout rate of 16- to 19-year-olds to the number of African American persons ages 20 to 24. From this he estimated that there were 524 African American persons ages 20 to 24 who did not have a diploma and were not enrolled in school.

Then the totals for these three age groups were summed. It is as follows: 2,866 + 188 + 524, yielded a total of 3,578 African Americans over the age of 16 who were high-school dropouts. This is the procedure that Economist Joe Billig of MESC used to obtain an estimated total of 3,578 African American dropouts at the time of the 1990 census data collection.

Unfortunately, data relating to the number of African American dropouts that was requested are not available from the tables in the 1980 census. The few tables that the MESC possesses do not deal with educational attainment (Appendix I).
Kinds of Documents

A variety of documents were examined in the process of determining the economic implications of not completing a high-school education. First, searches of various databases such as ERIC, Econlit, Dissertation Abstracts, OCLC, and the Expanded Academic Index were conducted. These sources yielded a wealth of dropout literature. The documents included government publications, doctoral dissertations, various research papers, and others.

Government documents included publications put out by any arm of the United States government through its official printing office or commissioned by U.S. government funding. The documents included publications from the National Center for Education Statistics (NCES), The Department of Labor, the Bureau of Justice, and the U.S. Department of Education. Documents from Michigan Department of Education also proved useful. The data were heavily drawn from government research and publications. These were usually the most up-to-date sources available.

In addition, the National Dropout Prevention Center (Clemson University) FOCUS database provided valuable assistance. Membership in the National Dropout Prevention Network, the national organization of professionals interested in dropout prevention, ensured the acquisition of some of the latest research and publications in the dropout field.

Public brochures from the Berrien County Intermediate School District (ISD) were perused for any data on the Berrien County school population, and Benton Harbor in particular. Attendance at the ISD’s annual professional M & M Day (Lake
Michigan College) for the past 4 years yielded valuable insights into the area's dropout problem. I also searched for and utilized a number of internal documents, school handbooks, graduation brochures, school board minutes, and anything in print with relevance to the dropout topic from the local Benton Harbor community. The local Benton Harbor library was also searched for relevant economic and historical data. The area's local newspaper provided current data and perspectives. Site visits to the Junior Achievement Office in St. Joseph, the Cornerstone Alliance in Benton Harbor, the Benton Harbor High School, Junior Achievement classes at King Junior High, and public school board meetings yielded additional discussions and data.

Letters

Various businesses and philanthropic organizations are seriously involved in a partnership with secondary grades with a view to mentoring and staying by potential dropouts until graduation. Some of the local businesses also provide a transition, a kind of bridge between school and the real work-a-day world for potential at-risk dropouts. With knowledge that businesses and foundations are involved in dropout-prevention efforts, letters were mailed to over 50 organizations that deal with the economics of education in the United States. These letters requested research papers and any publication or articles relating to the dropping out of high-school among African Americans. Letters were also mailed and faxed to Dr. Kevin Murphy Professor Emeritus of Economics at the University of Chicago, Illinois. The letters sought any assistance that he could provide from his many years of research in the
economics of education. Dr. Murphy returned a detailed bibliography of his economic research publications. Various articles and publications were received in response to my letters.

Summary

A documentary approach was used in this study in an attempt to determine the economic implications of dropping out of high school among African American students in Benton Harbor, Michigan. This methodology was informed by Creswell (1994).

Many studies are available regarding a wide range of topics on the high-school dropout problem, and have been increasing since the 1983 publication of *A Nation at Risk*. More research needs to be targeted specifically towards the systematic study of the economic implications of dropping out on at-risk, inner-city, African American populations.

There was some difficulty in obtaining data from the Benton Harbor Area Schools and that influenced the methodology employed. In order to secure data from Benton Harbor Area Schools, my chairperson and I paid a visit to Assistant Superintendent Payton. He indicated his enthusiasm to work with us. Some time later, Dr. Payton accepted the principalship at Kalamazoo Central. A new superintendent was hired, but he was not cooperative (see letter in Appendix I). Dr. Lall and I still tried our best to gather Benton Harbor data from local sources and individuals. This difficulty was overcome by obtaining data from: the State
Department of Education during a personal visit to Lansing, the Michigan Employment Securities Commission, and from local agencies, among others.

Documentary and statistical sources provided data for researching the economic implications of dropping out of high school. Government research and publications were utilized. The 1990 census data provided an important statistical database. Other documents included dissertations, books, magazines, business publications, state publications, and local school material. Over 50 letters were sent out, and a number of replies were received. Site visits to the probate office at the St. Joseph courthouse, Junior Achievement office, and local businesses also yielded information and data.
CHAPTER IV

FINDINGS

Introduction

In the attempt to explore the economic implications that are associated with dropping out of school among African Americans, I looked at various documents. These included the 1990 Census of Population and Housing (1990), statistical briefs, and research data commissioned by the federal government and disseminated by the United States Government Printing Office. Although the dropout problem has stimulated renewed interest and continuous research, more studies need to be done that seek to determine the economic implications of dropping out among people of color. Levin's (1972) research, The Costs to the Nation of Inadequate Education, for example, is one of the seminal studies on this topic, but that was presented to the U.S. States Senate Select Committee on Equal Educational Opportunity well over 2 decades ago.

Dropping out of school can have a devastating financial impact on a young person's life. Dropouts often have little or no philosophy of sound financial planning, experience higher unemployment rates, and seem generally destined to work in lower paying jobs. Such pay determines the quality and quantity of goods and services that a
person may purchase. Estimates of lost lifetime earnings and unrealized tax revenue that exceed $200,000 per individual dropout and $200 billion for each school class across the United States have been projected (Catterall, 1986, p. 9). In addition, billions more will be spent for welfare, medical aid programs and expenses in the criminal justice systems (Duttweiler & Smink, 1994, p. 5).

The total number of African American dropouts for Benton Harbor as of the 1990 census is an estimated 3,578 persons. These approximate dropout numbers were obtained from the Michigan Employment Securities Commission’s economic analyst, Joe Billig (see Table 3). These data were the total number of dropouts as of the time of the census collection. Since national data substantiates that one dropout costs in excess of $200,000 (Catterall, 1986), then one can project the cost of Benton Harbor dropouts as of 1990.

Since there were about 3,578 persons who indicated that they had not finished school in the city of Benton Harbor, and the cost of dropping out is in excess of $200,000, then, the total life time lost earnings can be estimated as a $200,000 multiplied by 3,578. This computation results in a conservative estimate of $715.6 million. This is a significant loss to the community and the dropouts.

Not only does the individual dropout lose but society also experiences financial loss tied to reduced revenue, increased expenditures, and insufficient preparation for the responsibilities of citizenship. The high-school dropout possesses inadequate job skills, so he or she initially is viewed as contributing less to output. Dropouts also earn less, so they generate fewer tax receipts. Additionally, many
ultimately appear more frequently in the welfare queue for public assistance and unemployment subsidies.

The quest for determining actual costs directly resulting from dropping out of high-school seems almost a Herculean task, since hardly any one educational institution or body consistently keeps such records and charts on that type of detailed information, over time. The best estimates seem to be numbers derived from approximations of earnings obtained from national census data. The definitional problem plays havoc too, as the non-existence of a common definition translates into inaccuracies or absence of vital dropout information.

Working with the knowledge of the above constraints, statistical data were obtained from various U.S. government publications, state and local agencies, and schools. Findings from documentary and statistical sources are presented in this chapter. Dropout studies were explored with five research questions in mind. In my attempt to obtain dropout data in Benton Harbor, I experienced difficulty in getting official access to the population under study. This difficulty, however, seemed to fuel an increased motivation in me to undertake this study. To ignore the problem or refuse to research it, would not cause it to disappear.

Owing to the inability to directly work with the student population records in Benton Harbor, a presentation of select findings derived from the United States dropout literature and available Benton Harbor data, was attempted and some extrapolation done for the Benton Harbor population. Data on Benton Harbor were obtained from the state of Michigan, Department of Education, the Michigan
Employment Securities Commission, the Benton Harbor Cornerstone Alliance, public school board meetings, and publications from the school administrative center, among other local documents. The questions raised in the study will be stated, and the findings obtained are presented.

**Benton Harbor City Economic Profile**

Benton Harbor is strategically located on Interstate 94 between two major cities, Chicago (I-94 W) and Detroit (I-94E). The city's economy is built on its manufacturing, service, and retail trades. Restaurants, government, and education also contribute to the local economy. Of 53 companies polled in a recent Berrien, Cass, and Van Buren counties survey, 32 companies identified themselves as being in the manufacturing business. The companies had yearly sales of $100,000 to over $25,000,000 dollars (Skills, Wage and Benefits Survey Report, 1995, p. 3).

Benton Harbor's 12,818 population experiences various economic and social concerns. For example, about half the city's residents receive some form of public assistance (Fisk & Dalgeish, 1996). A significant number of households are single parent and female-headed families. There are 2,013 female householder families listed in the 1990 census for Benton Harbor City. Of these 1,416 are below the poverty level (U. S. Bureau of Census, 1990). In addition, Benton Harbor has the highest per capita violence rate in the state of Michigan. Low income, unemployment, and depressed housing are factors that influence the number of students who graduate from Benton Harbor High.
Over 25% of freshmen do not graduate with their class at Benton Harbor High. In 1991, for example, 524 freshmen enrolled. Four years later, only 231 seniors graduated. In 1992, 496 freshmen enrolled. In 1996, only 167 graduated. Dropping out of school is a serious problem among African Americans in Benton Harbor. An inadequate education has economic implications to the Benton Harbor dropout and these are presented in this chapter.

Research Questions

Research Question 1

Research Question 1 asked: What are the factors associated with dropping out of high-school among African Americans?

No Single Dropout Factor

In researching high-school dropout literature, certain recurrent factors emerged that are associated with prematurely leaving school. There appears to be no single factor that totally explains a young person's decision not to complete his or her education. Indeed, dropping out seems a complex issue that is still being grappled with by various persons in the field of education and politics. Not completing high-school, however, appears to be strongly associated in the dropout literature with a person's socioeconomic background, family support systems, ethnicity, parental education, school climate, and academic performance, among others. The findings from a select number of studies that address the reasons for dropping out of school are presented. Factors that relate to dropping out in Benton Harbor are also presented.
Studies Relating to the Causes of Dropping Out

Rumberger's Study

One of the studies which undertook that task of examining the factors that are associated with dropping out is that of Rumberger (1983). In this research, he explored the extent of the high-school dropout problem in 1979, and identified the reasons that high-school students gave for leaving school prematurely, and highlighted some underlying factors that might have propelled them to such a decision. He declared that he paid particular attention to differences by sex, race, and family background. Data for his research came from a national sample of youth between the ages of 14 to 21 (p. 199).

Rumberger's (1983) multivariate model yielded certain findings from which he derived the following conclusions. He declared that the reasons that dropouts gave for leaving school were many, and that females in his study reportedly left school prematurely because of pregnancy and marriage. It seemed that family background strongly influenced the population's tendency to drop out of school and accounted for almost all the racial differences in dropout rates. Other factors relating to dropping out, he concluded, included ability and aspirations (p. 199).

High School and Beyond Study

Ekstrom, Goertz, Pollack, and Rock (1987) analyzed the High School and Beyond (HSB) data, identifying “salient characteristics” of the dropout population. In
answering the question, who dropped out of school, they reported that students who later dropped out of school were significantly different in their sophomore year from those who chose to stay in school. These differences included: background, educational achievement and other school-related behaviors, out-of-school activities, educational aspirations, and attitudes toward self and society. Additionally, 30% of dropouts in their HSB sample analysis reported leaving school during or before the end of 10th grade, 44% on, during or before finishing 11th grade, and 26% during 12th grade (pp. 52-54). From the findings presented, different reasons emerged explaining a student's decision to leave school prematurely.

Socioeconomic status (SES) repeatedly appears in the literature as closely related to dropping out. Ekstrom et al. (1987) observed that dropouts in the HSB study were from disproportionately low SES families and racial ethnic/minority groups. Nearly 25% of African American students had dropped out. The researchers also detailed other characteristics that they found when they compared persisters and dropouts.

Findings From Ekstrom et al.'s Study

Ekstrom et al. (1987) reported that, in contrast, dropouts had less study aids present in their homes; had fewer opportunities for non-school related learning; were more likely to be from single-parent homes; had working mothers who usually had lower levels of formal education; and displayed lower educational aspirations for their children, among others (p. 54).
Table 11 presents the main reasons that dropouts in the HSB study gave for leaving school prematurely.

TABLE 10
MAJOR REASONS FOR DROPPING OUT OF SCHOOL (NATIONAL STUDY)  
(Percentage responding "Yes" to each item)

<table>
<thead>
<tr>
<th>Item</th>
<th>Total</th>
<th>Males</th>
<th>Females</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did not like school</td>
<td>33</td>
<td>35</td>
<td>31</td>
</tr>
<tr>
<td>Poor grades</td>
<td>22</td>
<td>36</td>
<td>30</td>
</tr>
<tr>
<td>Offered job and chose work</td>
<td>19</td>
<td>27</td>
<td>11</td>
</tr>
<tr>
<td>Getting married</td>
<td>18</td>
<td>7</td>
<td>31</td>
</tr>
<tr>
<td>Could not get along with teachers</td>
<td>15</td>
<td>21</td>
<td>9</td>
</tr>
<tr>
<td>Had to help support family</td>
<td>11</td>
<td>14</td>
<td>8</td>
</tr>
<tr>
<td>Pregnancy</td>
<td>11</td>
<td>-</td>
<td>23</td>
</tr>
<tr>
<td>Expelled or suspended</td>
<td>10</td>
<td>13</td>
<td>5</td>
</tr>
</tbody>
</table>


The most frequently reported reasons for dropping out in the Natriello’s (1987) study, for the total group, were poor grades and not liking school. Boykin's (1986) position concurs with the students' reasons (Table 10) when he contends that the academic performance of minority children continues to be a persistent, perplexing national problem. He declares that below-level performance and high incidence of school dropout seem to be the rule rather than the exception, in spite of decades of
concern. He remarks that the educational plight of African Americans persists because "we (psychologists) have not adequately asked the right questions" (p. 57).

School Related Causes for Dropping Out

Persons of low income who live in urban areas face serious educational disadvantages, and it may not appear surprising that children from these homes do not complete their education. However, it is not totally the dropout's fault.

Unfair Institutional Practices

Some dropout studies have categorically declared that many schools seem to be perpetuating institutional practices that are associated with a student's decision to quit formal schooling (Fine, 1989; Irvine, 1990). In fact, Waggoner (1991) insists that United States education is failing some minority youth, who are disproportionately out of school without the minimum education needed for entry into the world of work (p. 1). Rollins, McCandless, Thompson, and Brassell (1974) concur with that view when they express the idea that United States education is failing both African American and Caucasian inner-city students from poor socioeconomic background. They observe that America's schools are designed to build successively, year after year, upon skills learnt the year before. If a student does not acquire mastery of the required skills, he or she may be on the downward path to failure (p. 167).
Loss of Interest in Academics

Rollins et al. (1974) further explain that for inner-city children, these failures occur early, seeing that they usually come to school inadequately prepared to handle the curriculum and the "middle class" format of the classroom. Failure breeds failure, and as a result these students fall further and further behind and lose interest in academics. They suggest that loss of interest in academics results in inner-city classrooms filled with restless, disruptive students (pp. 167 & 174). A site visit to some classrooms in the inner city presents a first hand view of some of the elements described above. A look at all the schools' suspension records and disciplinary offenses reveals a less than positive instructional climate that a large number of teachers face as they attempt to impart instruction.

Curriculum

Dropout researchers concur that some institutional or school practices and procedures harm African American children. Irvine (1990), for example, discusses an institutional model of descriptive practices that harm African American children. This model includes the curriculum, tracking, and discriminatory practices. Irvine (1990) also argues that the latent or hidden curriculum discriminates against children of color. Her findings indicate that institutional practices that are unfair to the student communicate feelings of alienation and injustice. These feelings awaken in the at-risk student a feeling of rebellion and estrangement.
Effect of Failure

On the basis of data they examined, Marshall and Tucker (1992) concluded that the most striking feature of American schools is that the quality of the students they graduate is mostly a function of the background of the students they enroll. The authors assert that schools that enroll wealthy students put out accomplished graduates. Contrastingly, schools that enroll students from low-income families typically graduate students with poor academic records (p. 109). If the foregoing observations obtain, then Benton Harbor presents reasons for concern. One quarter of the residents are unemployed, and still others rely on public assistance. Some students live in inadequate housing. A significant number of the students from Benton Harbor, an economically disadvantaged city, do not graduate, year after year.

Students' Perception of the School Environment

Wehlage and Rutter (1986) did some research partially funded by the Wisconsin Center for Education in which they sought to determine the extent to which schools contributed to the dropout problem. Their research probed the High School & Beyond (HSB) data for clues from students' school experiences that may contribute to dropping out and that might be changed through policy interventions. According to their findings, most students in their sample reportedly believed that high school was a place where teachers had little interest in students, the system of discipline was ineffective and unfair, and that it was a place where a student got into trouble. Suspension, probation, and cutting classes were recurrent for this group (pp. 70, 81).
The frequency of disciplinary measures in school contributes significantly in a child's decision to suspend his or her high-school education. African American children quite often are sent to the office for disciplinary infractions. Frequent trips to the principal's office for disciplinary infractions, often translated into a negative attitude and dislike for school. Table 11 presents the Suspension Report for Benton Harbor for 1995.

TABLE 11

1995 SUSPENSION REPORT FOR BENTON HARBOR HIGH SCHOOL

<table>
<thead>
<tr>
<th>Offense</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
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<tbody>
<tr>
<td>Alcohol-Drugs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td>5</td>
</tr>
<tr>
<td>Assault-Student</td>
<td>7</td>
<td>2</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>24</td>
</tr>
<tr>
<td>Assault-Teacher</td>
<td></td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Defiance of Authority</td>
<td>43</td>
<td>83</td>
<td>170</td>
<td>76</td>
<td>36</td>
<td>71</td>
<td>74</td>
<td>54</td>
<td>150</td>
<td>757</td>
</tr>
<tr>
<td>Fighting</td>
<td>35</td>
<td>16</td>
<td>22</td>
<td>23</td>
<td>23</td>
<td>16</td>
<td>22</td>
<td>24</td>
<td>8</td>
<td>189</td>
</tr>
<tr>
<td>Gambling</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>13</td>
</tr>
<tr>
<td>Weapons</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td></td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>6</td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>Profanity</td>
<td>3</td>
<td>12</td>
<td>6</td>
<td>12</td>
<td>2</td>
<td>13</td>
<td>6</td>
<td>11</td>
<td>6</td>
<td>65</td>
</tr>
<tr>
<td>Pyrotech.</td>
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<td>2</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Smoking</td>
<td>1</td>
<td>2</td>
<td></td>
<td>4</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>Theft</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
</tbody>
</table>

Student Conduct and Suspensions

Infractions in Table 11 include alcohol and drug abuse, student assault, teacher assault, defiance of authority, fighting, gambling, weapons, use of profanity, pyrotechnics, smoking and theft.

The suspension data reveal that defiance of authority had the highest infraction, a total of 757. Defiance of school administrators and teachers among Benton Harbor High students results in suspension notices. Suspension means spending time away from the educational environment, which translates into loss of instruction and falling further behind in academics. In order to succeed in school, students must respect disciplinary codes laid down by the school board, principal, and teaching staff. Failure to do so results in disruptions in the learning environment. Benton Harbor High School suspension reports suggest that student discipline is a challenge to its administrators. Defiance of authority reflects a lack of social skills. It highlights a confrontational attitude of teenagers who should be developing social skills to enter the job market. Not surprisingly then, the second highest suspension infraction recorded is fighting. One hundred and eighty-nine suspensions have been recorded. Fighting among students occurs for various reasons and suggests a lack of problem-solving skills among students. They then resort to use of physical force to settle interpersonal problems.

Suspension from classes results in students missing instruction and falling behind in class assignments and homework. Absence from school affects academic performance and grades. According to the data in Table 11, the five highest
infractions are as follows: defiance of authority—757; fighting—189; profanity—65, assault on students—24; and possession of weapons—15. Repeated suspensions ultimately lead to students dropping out of Benton Harbor High. About 1,091 student suspensions occurred from September 1994 to May 1995. Suspensions seem to be a cry for more parenting and parental involvement in their children’s education.

**Attendance**

Persistence in high school until graduation is strongly associated with family income. For students from high income families, the persistence rate in 1993 was 99%, whereas for students from low income families the persistence rate was 88% (U.S. Department of Education, 1995, pp. 25, 36). Persistent attendance, measured by the proportion of students who go to school regularly from one school year to the next, is strongly linked to completing high-school. It is not clear just how many of Benton Harbor students attend school irregularly, but the 1996 fourth Friday unaudited student count reveals a 6,130 enrollment figure. That number is down from 6,792 students a year ago. In fact, in order for teachers to receive a 0.5% pay increase, the school district would have to increase its enrolment by 535 students (Bonnette, 1996, p. 3A). In fact it is estimated that 20% of Benton Harbor High School 1,200 students missed an average of 44.8 days of school in the first semester (Bonnette, 1997).

The problem of truancy is not new to Benton Harbor students. *The Herald Palladium* recently enquired of some students, staff, former students and Benton
Harbor residents about their views on school truancy and why students skip classes. The responses were varied. They included the following: students cannot read, and if they cannot do the work, they do not want to be in the class; a feeling of intimidation which results in feigning sickness; being late and not having a ride to school; feeling tired; hanging out with friends; being bored; staying in the cafeteria and visiting with friends instead of reporting to class; pregnancy; high school is a fashion show; bringing a knife to school and not feeling safe at school. One student confided that she believed that many students skipped school for the wrong reasons—drugs, gangs, or parties. Truancy is serious because it could be the precursor of more crimes to be handled by an already overburdened juvenile court system (Bonnette, 1997b, pp. 1 & 4A).

**Effect of Income on Students**

Parental income is strongly correlated with school attendance. It is no surprise, then, that with a per capita income of $5,622, some Benton Harbor parents who receive low incomes, experience difficulty sending their children to school regularly. The 1990 Census of Population and Housing (CPH, 1990) for the city of Benton Harbor reveals an estimated median household income of $8,866; a family’s median income of $10,447; and a median nonfamily household income of $5,831 (CPH, 1990, p. 34). This kind of income cannot adequately support a family of four with the basic necessities of food, clothes, rent, transportation, and utilities. Indeed, this income falls below the 1996 poverty level income set at over $15,000 for a family of four. Economic empowerment affects the lives of students and parents. Parental
income determines in what size house the family will live, in what part of town they live, what schools the children attend, and to what clubs the parents belong (Gollnick & Chinn, 1990, pp. 41, 42). One author insists that children growing up in distressed neighborhoods are less likely to perform well in school, more likely to become pregnant as teens, and less likely to have a smooth transition into the workforce (O'Hare, 1994).

Income and poverty are factors that can predict a student's proclivity to dropping out. Gainful employment is the main means of support for the ordinary person in the United States, since the major component of personal income seems to be generally in the form of labor earnings. For any population, meaningful representation on the payroll is vital to long-term economic survivability (Fosu, 1993, p. 1). When the income and poverty status data of Benton Harbor City are examined, they reveal that of 4,375 households that were polled in the 1990 census data, approximately 1,110 had an income of less than $5,000. Another 1,254 households had income of $5,000 to $9,999. Only 592 households had income of between $10,000 to $14,999. These incomes are all below the poverty level. Table 12 tabulates the data on income. Table 12 estimates that approximately 2,364 Benton Harbor City households had income ranging between less than $5,000 and $9,999. On the basis of these income indicators, it may be considered that the school-age children in these families are growing up in severely financially deprived home situations.
## TABLE 12

**HOUSEHOLDS INCOME STATUS IN 1989**

**BENTON HARBOR CITY**

<table>
<thead>
<tr>
<th>Households</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $5,000</td>
<td>1,110</td>
</tr>
<tr>
<td>$5,000 to $9,999</td>
<td>1,254</td>
</tr>
<tr>
<td>$10,000 to $14,999</td>
<td>592</td>
</tr>
<tr>
<td>$15,000 to $24,999</td>
<td>616</td>
</tr>
<tr>
<td>$25,000 to $34,999</td>
<td>376</td>
</tr>
<tr>
<td>$35,000 to $49,999</td>
<td>288</td>
</tr>
<tr>
<td>$50,000 to $74,999</td>
<td>115</td>
</tr>
<tr>
<td>$75,000 to $99,999</td>
<td>6</td>
</tr>
<tr>
<td>$100,000 to $149,000</td>
<td>6</td>
</tr>
<tr>
<td>$150,000 to more</td>
<td>12</td>
</tr>
</tbody>
</table>

**Median household income (dollars)** 8,866

*Note: From 1990 Census (p. 34), by the U. S. Bureau of the Census, 1990, Washington, DC.*
These families, of necessity, must receive some form of public assistance in order to provide the basic necessities that sustain life.

**Effects of Poverty**

The findings indicate that poverty, another frightening predictor of dropping out, pervades the lives of some families in the predominantly African American Benton Harbor City population. The 1990 Census of Population and Housing data (1990) sought and determined in 1989 the poverty status of 12,706 persons in Benton Harbor City. Of that number 7,370 were below the poverty level. A ratio of 58% of persons were calculated as being below the poverty level (CPH, 1990, p. 34. Appendix A tabulates the data on poverty status of Benton Harbor City population in 1989.

Although the census data are based on a sample and thus may be subject to sample variability, and there are limitations to the uses of the data, the figures presented shed some light on the plight of Benton Harbor City's mainly African American low-income population. The percentage of related children under 18 years who live below the poverty level is 70.4%. These children have a number of odds stacked against them and are challenged to receive the academic education and job skills they so badly need to compete in the working world. Even a cursory examination of past standardized scores in the Michigan Education Assessment Placement (MEAP) exam and the California Achievement Test (CAT), though not conclusive, allow some impression of the bewildering difficulties that a large percentage of the Benton Harbor elementary and secondary school population faces.
The data indicate, for example, that the sixth grade students who enter the seventh grade are placed based on their CAT test scores. If their scores are high, a sixth-grader is generally placed in Benton Harbor's only junior high magnet program. The remaining students are then placed according to their local addresses. These students entering the seventh grade are usually 2 or 3 years below their grade level (M. L. King Junior High School, in press).

Many of inner-city school-age children begin their educational lives seriously financially disadvantaged. Books, educational magazines, computers and other devices that assist in developing readiness in children for school, would be largely absent in these homes. The reading level of these children are below their chronological years and behind their peers from middle-class African American families. A large number of this financially disadvantaged population are almost destined to drop out of high-school. Since a person's proclivity towards completing a secondary education is closely connected to family income, the family income surveyed for the 1990 Census in Benton Harbor City raises reasons for concern among teachers, students, parents, and the community.

Table 13 presents data on the income of 3,040 families polled in 1989 for Benton Harbor City.
TABLE 13
INCOME OF FAMILIES IN 1989
BENTON HARBOR CITY

<table>
<thead>
<tr>
<th>Income</th>
<th>No of Families: 3,040</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $5,000</td>
<td>619</td>
</tr>
<tr>
<td>$5,000 to $9,999</td>
<td>859</td>
</tr>
<tr>
<td>$10,000 to $14,999</td>
<td>481</td>
</tr>
<tr>
<td>$15,000 to $24,999</td>
<td>460</td>
</tr>
<tr>
<td>$25,000 to $34,999</td>
<td>313</td>
</tr>
<tr>
<td>$35,000 to $49,999</td>
<td>197</td>
</tr>
<tr>
<td>$50,000 to $74,999</td>
<td>93</td>
</tr>
<tr>
<td>$75,000 to $99,999</td>
<td>6</td>
</tr>
<tr>
<td>$100,000 to $149,000</td>
<td>–</td>
</tr>
<tr>
<td>$150,000 to more</td>
<td>12</td>
</tr>
<tr>
<td>Median family income</td>
<td>10,447</td>
</tr>
</tbody>
</table>

Note. From 1990 Census (p. 34), by the U.S. Bureau of the Census, 1990, Washington, DC.
Per capita income (dollars) = $5,622. Number of families polled = 3,040.
Only 481 families had incomes ranging from $10,00 - $14,999. The median family income was a meager $10,447. These data indicate that of the 3,040 families polled, 619 had incomes less than $5,000. Only about 859 had incomes of $5,000-$9,000. Students from these severely economically challenged homes are at risk for dropping out. Table 14 presents additional data that indicate the economic plight that non-family households experience. Their incomes are also very low.

### TABLE 14

**INCOME OF NON FAMILY HOUSEHOLDS IN 1989**

<table>
<thead>
<tr>
<th>Income</th>
<th>Non-family Households =1,335</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $5,000</td>
<td>539</td>
</tr>
<tr>
<td>$5,000 to $9,999</td>
<td>436</td>
</tr>
<tr>
<td>$10,000 to $14,999</td>
<td>132</td>
</tr>
<tr>
<td>$15,000 to $24,999</td>
<td>136</td>
</tr>
<tr>
<td>$25,000 to $34,999</td>
<td>41</td>
</tr>
<tr>
<td>$35,000 to $49,999</td>
<td>45</td>
</tr>
<tr>
<td>$50,000 to $74,999</td>
<td>-</td>
</tr>
<tr>
<td>$75,000 to $99,999</td>
<td>-</td>
</tr>
<tr>
<td>$100,000 to $149,000</td>
<td>6</td>
</tr>
<tr>
<td>$150,000 to more</td>
<td>-</td>
</tr>
</tbody>
</table>

**Note.** From 1990 Census (p. 34), by the U. S. Bureau of the Census, 1990, Washington, DC. Median family income (dollars)=$5,622. Per capita income (dollars)=$5,622. Number of non-family households = 1,335.
With a per capita income of $5,622 it is imperative that these families receive government assistance. Children from households with severely low income who go to the Benton Harbor Area Schools begin their formal education without much of the financial support that children from middle-income families have. These include a good preschool and kindergarten education, and an exposure to a variety of reading materials in the home, among others. Benton Harbor City students from low-income households are at risk to fail in school. Their families do not have the economic base that can comfortably provide the children with the home preparation that they need for success in school. With insufficient income originating in these households, children and parents find it difficult to fulfill basic needs without some amount of public assistance or aid from other sources.

**Government-Funded Support**

Another significant indicator of a community's income level is the number of children qualifying for the school's nutritional programs. The approximate number of reduced-price school breakfasts served in Michigan, for example, was 168,000 in the 1990-1991 fiscal year. Additionally, 6,844,000 free school breakfasts were served in the same year. All K-12 schools across the State benefit from the free breakfast program. The number of free breakfasts ranged from a high of 7,504,000, in 1980-1981 to a low of about 5,182,000 in 1986-1987. In 1987-1991, the number fluctuated between 5,472,000 and 6,844,000 (Michigan State Board of Education, 1992, p. 244).
Approximately 72% of Benton Harbor students are described as receiving nutritional support through the school lunch program (Robotham, 1992, p. 26). In fact, more than 92% of the student population at one local junior high school is reportedly eligible for free or reduced school meals (M. L. King Junior High School Improvement Handbook, in press). In response to the needs of economically disadvantaged students, the State offers various services to students in Benton Harbor, among which is the school breakfast program (Cotman, 1996, personal communication, see Appendix I). Participation in the schools' breakfast program, free or subsidized lunch programs is a risk factor associated with not completing a high-school education. Benton Harbor is not singular in this regard, however, since the number of school lunches served in Michigan was 45,688,000 for the 1990-1991 school year (Michigan State Board of Education, 1992, pp. 246 & 250).

Grade Retention

Grade retention is another factor associated with not completing a high-school education among minorities. Studies have shown that students who have repeated at least one grade are more likely to become dropouts (National Center for Education Statistics, 1994c, p. 30). In 1992, the dropout rate for 16- to 24-year-olds who had repeated at least one grade was more than double that for those who had never been retained (p. 30). Students from low-income families were determined to be the most likely to repeat a grade and to dropout more than students from high- or middle-income families. The National Center for Education Statistics (1994c) maintains that a
third of low-income 16-to-24-year-olds who had repeated a grade had been dropouts in 1992 (p. 30). Students of color tend to be required to repeat a grade more often (Irvine, 1990; Morris, 1994). Data relating to Benton Harbor Area Schools grade retention were made available through the courtesies of the Michigan Department of Education.

According to the 1993-1994 retention rate data generated by the state Department of Education, Lansing, a number of students were retained in Benton Harbor Area Schools. The data, presented in Appendix B, reveal percentages of retention by grade level. Retention in a grade may worsen an already potential dropout-prone situation among students who are at risk of dropping out. Retentions also occur at the junior high-school level. In 1992-1993 school year, 214 seventh-grade students were enrolled at King Junior High. Of that number, 46 were retained. In the 1993-1994 school year, 222 seventh-graders were enrolled but 69 were retained. Additionally, in 1992-1993, 147 eighth-graders were enrolled and 14 were retained. In 1993-1994, 143 eighth graders were enrolled, but 10 were retained (M. L. Junior High School, in press). Controversy surrounds whether keeping a student back in a grade significantly affects his or her academic achievement. Grade retention continues to be a part of the experience of the at-risk African American who fails academically.
Local Factors Relating to Benton Harbor High School Dropouts

Benton Harbor’s dropout problem has been in the local news for some time. There seems a prolific increase of articles in the local paper, The Herald Palladium, since Governor John Engler proposed a state takeover of educationally bankrupt schools in Michigan. Other regional papers like The Detroit News and The Kalamazoo Gazette have publicly aired Benton Harbor’s educational problems. The following are dropouts factors identified by the Kalamazoo Gazette: discipline problems, attendance problems, poverty, problems in the community and the attitudes that go with that, lack of interest in school, a sense of hopelessness among students who do not see success as possible, economic destabilization, change of five superintendents in Benton Harbor in the past decade which has led to confusion; loss of a sense of mission (The Associated Press, 1997a, p.1).

The Herald Palladium in various issues discuss the educational challenges of Benton Harbor. The “revolving superintendents” syndrome is one such concern. Benton Harbor is the subject of a national study funded a by W.K. Kellog Foundation grant because of increasing conflicts between the school board and superintendents. A former superintendent and a former high school principal were fired within 6 months (Bonnette, 1996, p. 3A). The New England School Development Council (NESDEC) is seeking to discover what changes are needed to reduce or eliminate conflict in school governance.
Other factors cited in relationship to not completing high school in various issues of the Herald Palladium include: tougher graduation requirements (Oberle, 1995, p. 3A); drug use among some students (Hoffman, 1996, p. 1A); flaws in the state MEAP test (Stevens & Cogswell, 1996, p. 1A); need for smaller class size (Editorial, 1997, p. 6A); socioeconomic status of students, truancy, tracking students with juvenile criminal records, academic failure, not being able to read; skipping classes, pregnancy, and a lack of a safe learning environment at the high school (Bonnette, 1997b, pp. 1 & 4A).

Parental involvement is repeatedly a matter of concern in relation to student success at the high school. The need for parents to get involved in their children’s education and get their children back on track is imperative (Bonnette, 1997b, p. 4A). Unfortunately, some parents did not graduate from high school themselves. Parental education is a predictor of academic success. Additionally, the 1990 census lists a percentage of 70.3% for female-headed household families in Benton Harbor. Of these female-headed households, 74.3% have children under 18 years old; 83.1% have related children under 5 years old. These percentages suggest the huge challenge to provide educational support that single parents, of low income, face. The numbers for single male households were not present in the census.

Research Question 2

Research Question 2 asked: What job skills are today’s businesses and organizations looking for in high-school graduates?
this forum they agreed that unless the United States enumerated clear educational
goals, and everyone worked to achieve them, America would be ill-prepared to
embrace the technological, scientific, and economic challenges of the 21st century
(National Education Goals Panel, 1994, p. 13).

Preparing Skilled Students for Work

In pondering the question of required skills for today's work-a-day world, Goal
6 of Goals Report (National Education Goals Panel, 1994) states: "By the year 2,000
every American will be literate and will possess the knowledge and skills necessary to
compete in a global economy and exercise the rights and responsibilities of citizenship"
(p. 10). These goals seem to speak directly to the question of skills needed for
employment.

The objectives that follow expand the idea expressed in Goal 6. The first
objective states the expectation that each major American business will be involved in
strengthening the link between education and work. High-school graduates, while in
school, should be ideally exposed to job-related experiences at the workplace. They
should connect their education with the workplace (National Education Goals Panel,
1994).

Tailoring Curriculum to Teach Work Skills

Recurrent in the media is the concern that America will not be able to supply
the highly technical skills needed to adapt to emerging new technologies (Thurow,
1991). The second objective under Goal 6 suggests that all workers should have the
opportunity to acquire the knowledge and skills, from basic to highly technical, necessary to adapt to "emerging new technologies, work methods, and markets through public and private educational, vocational, technical, work place or other programs" (National Education Goals Panel, 1994, p. 10). It seems that businesses of today may be interested in hiring high-school graduates who demonstrate some academic aptitude and a desire to learn.

Many of America's businesses and organizations are looking for graduates who, among other requirements, demonstrate the ability to think critically and communicate well. Tucker and Marshall (1992) argue forcefully for an American economy in which they predict that employees will need the skills of thinking for their living. Fiske (1991) also advocates that America has entered a new era that is distinguished by a global economy in which countries will succeed based on their citizens' ability to think. Jobs of the future will also demand higher levels of mathematics, better reading skills, and a greater capacity for higher-level thinking (pp. 16, 22). The future belongs to societies that organize themselves for learning. What we know and what we can do hold the key to economic progress, just as command of national resources once did. More than before, nations that want high incomes and full employment must develop policies that emphasize the acquisition of knowledge and skills by everyone, not just a few. Everything depends on what firms and workers learn from each other, and what we learn in school (Marshall & Tucker, 1992, p. xiii).

The African American male, however, is especially caught between the proverbial "rock" of educational attainment and the "hard place" of job qualification.
The American economy is one now based on technology and service (Franklyn, 1992, p. 1). The Civil Rights Movement had led to better pay checks for African Americans but the advent of the computer has ushered in a new high technological age. Therefore, the nature of work and requirements for success at the workplace have changed schools (Franklyn, 1992, p. 1). Unfortunately, many children of color do not have ready access and exposure to computers in their homes and at school.

Skills Employers Need: Findings From a National Study

In an attempt to determine the educational requirements for jobs and how related they are to work organization, the National Center on Education and the Economy (1991) commissioned an in-depth survey of 450 United States employers. Previous labor surveys have generally been broadly interpreted as substantiating a shortage of skills and the need for better education of non-college-bound youth (National Center on Education and the Economy, 1991, p. 1). A close examination of the survey findings reveals that employers in the 1991 study expressed satisfaction with employees possessing eighth-grade reading, writing and math skills. Employers' primary concern was regarding the potential employees' "work ethic" (p. 2). Interestingly, a high-school diploma was not what they were most interested in, but their concern was with employees' work ethic. The National Center on Education and the Economy (1990) reports that more than 70% of the jobs in America will not require a college education by the year 2000. These jobs, the Center adds, are the...
backbone of the American economy, and the productivity of workers in these jobs will make or break America's economic future (p. 3).

What job skills are required for employment in many American businesses and firms, including firms in Benton Harbor? The U.S. Department of Education (1994) adds its perspective by stating:

The ability to read and use materials printed and written in English has implications for a person's job opportunities, sense of fulfillment, and participation in society, as well as for educational goals. Limited literacy levels in the population are increasingly viewed as a national problem, with economic and social consequences that extend beyond the individual. (p. 66)

The statement asserts that students leaving high-school and looking for employment must be able to read and understand printed information in English.

The National Center on the Education Quality of the Workforce (EQW) in conjunction with the Bureau of Census recently conducted a national survey of U.S. employers. This survey was aimed at providing a "reality check," that is, an opportunity to furnish a baseline from which to "document the practices and expectations of employers in their search for a skilled and proficient workforce" (The National Center on Educational Quality of the Workforce, 1995). Administered by the U.S. Bureau of Census as a telephone survey in August and September of 1994 to more than 4,000 private establishments, the EQW-NES survey had a sampling frame that included employers from the manufacturing and non-manufacturing sector and those with more than 100 employees. Public-sector employers, non-profit institutions, establishments with less than 20 employees and corporate headquarters were excluded.
from the sample. Computer Assisted Telephone Interviewing (CATI) was used to administer each survey, each taking about 28 minutes to complete (The National Center on the Educational Quality of the Workforce, 1995). Table 15 presents the findings of the EQW Survey to the question posed to the employers.

TABLE 15

APPLICATION CHARACTERISTICS

<table>
<thead>
<tr>
<th>Application Characteristics</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant's communication skills</td>
<td>4.6</td>
</tr>
<tr>
<td>Previous work experience</td>
<td>4.2</td>
</tr>
<tr>
<td>Recommendations from current employees</td>
<td>4.0</td>
</tr>
<tr>
<td>Previous employer recommendations</td>
<td>3.4</td>
</tr>
<tr>
<td>Industry-based credentials (certifying applicant's skills)</td>
<td>3.2</td>
</tr>
<tr>
<td>Years of completed schooling</td>
<td>2.9</td>
</tr>
<tr>
<td>Score on test administered as part of the interview</td>
<td>2.5</td>
</tr>
<tr>
<td>Academic performance (grades)</td>
<td>2.5</td>
</tr>
<tr>
<td>Experience or reputation of applicant's school</td>
<td>2.4</td>
</tr>
<tr>
<td>Teacher recommendations</td>
<td>2.1</td>
</tr>
</tbody>
</table>

Note: From The EQW National Employer Survey: First Findings, by The National Center on the Educational Quality of the Workforce, 1995, University of Pennsylvania.

The employers responded to the question: "When you consider hiring a new non-supervisory or production worker (front-line worker), how important are the following in your decision to hire?" The factors were ranked on a scale of 1 to 5 as follows: 1 = not important or considered; 5 = very important.
Findings of EQW Survey

Communication skills

The findings presented in the EQW recruitment research from over 4,000 employers across America reveal that an applicant's communication skills seemed most important in determining the hiring of new employees. Employers surveyed seem to value the ability and skills to communicate well on the job. This may not appear surprising, since it is well known that the present society is information driven. If the findings of the national EQW Survey are taken seriously, then it is likely that students of Benton Harbor High who need jobs in the 1990s must demonstrate an acceptable level of proficiency in communication skills.

Previous work experience

Previous work experience ranked 4.2 on the survey. This indicates that potential employees are at a clear advantage when they are armed with work experience. Persons who have had prior job-related exposure seem to be more favorably considered than those without, according to the EQW (1995) recruitment findings. Recommendations from current employees ranked 4.0, in third position, when employers are considering hiring a new recruit. Previous employer recommendation is next in rank, while industry-based credentials, certifying the applicant's skills, ranked 3.2.
Education

It is of importance to note that for all the calls to finish high-school, or get an education, years of schooling completed ranked 2.9 on the national employer survey. The years of education were not considered as overwhelmingly important in many employers' decision to hire. It is not surprising then, that school and academic-related items scored and ranked lowest among employers in the EQW Employer Survey (National Center on Educational Quality of the Workforce, 1995). Is it possible these rankings by any means suggest that the employers do not value academic preparation in their hiring specifications? Findings from the data presented in Table 16 suggest that is not the case. School-related items ranked between 2.1 and 2.5.

The Michigan economy continues to grow and businesses and firms in the state need workers in manufacturing, retail and service jobs, among others. The Michigan Department of Education has continued to vocalize the interconnectedness between school and work in its programs and policy implementations. It realizes that many Michigan high-school graduates are not college bound and therefore must be equipped to earn a living while they are still enrolled in their 4-year high-school-preparation program.

The Berrien County Intermediate School District (ISD), under whose umbrella the Benton Harbor Area Schools fall, continues to unite its efforts with the State of Michigan, Department of Education, in preparing students for the future by promoting education for employment (Soorus & Guinness, 1995, p. 1). The Berrien
County Education for Employment Coordinating Council, comprised of leaders in business and education, will convene over the coming years to "advise and support schools in developing educational programs which provide students with career-technical training" (Soorus & Guinness, 1995, p. 2).

Various publics in Southwestern Michigan have voiced the opinion that the present structure of schools is not in line with the needs and expectations of employers. Education in its present form does not provide students with the necessary preparation for on-the-job success. This is why the Berrien County Intermediate School District has initiated its School-to-Work program (Soorus & Guinness, 1995, p. 2). This program attempts to incorporate work-based learning with school-based learning with Connecting Activities (p. 3). This interconnectedness being forged between school and workplace could mean better equipped high-school students entering the Michigan workforce.

Benton Harbor Area Schools (BHAS) has repeatedly vocalized its need for job training for its secondary students. At a public school board meeting on January 10, 1995, it was announced that certain companies in the St. Joseph and Benton Harbor twin cities were looking for locals to work, but were experiencing difficulties in finding qualified people (BHAS Public Board Meeting, January 10, 1995). The meeting further revealed that The Governor's Job Commission and the Benton Harbor Cornerstone Alliance had a grant for the retraining of people working in Benton Harbor, most of whom do not have technical job skills and cannot pass entry-level
exams. Companies guaranteed about 200 jobs and committed themselves to training students for the jobs (BHAS Board Meeting, January 10, 1995).

Skills Required by Benton Harbor Area Businesses

The work skills needed on the job have somewhat changed, suggested a presenter at the January 10, 1995, Benton Harbor Area School Board Meeting. Students leaving Benton Harbor Area Schools need life skills that are crucial in a global economy. These life skills will arm prospective employees to work together as one team and to handle interpersonal relationships in positive ways. Some local Benton Harbor businesses admit that most Benton Harbor high-school students do not go on to college and so job training becomes a vital part of their life's preparation (BHAS Public Board Meeting, January 10, 1995). The presenter discussed the need for computer-based training and an improvement in reading competencies—skills by which businesses are run.

In the quest to determine what skills the local Benton Harbor area employers may be looking for, data on occupation and industry from the 1990 Census of Population and Housing were also examined. High school dropouts in Benton Harbor maybe employed in any of the areas itemized in Tables 16 and 17.

Table 16 indicate the kinds of occupations in which residents in Benton Harbor City were employed in 1990. Occupations that hired the largest number of persons were the service occupations, except protective and household services. Machine operators, assemblers, and inspectors employed the second largest, whereas
administrative support occupations hired the third largest. Table 17 also presents labor force characteristics by industry in Benton Harbor. The data reveal that manufacturing, retail and health services employed the most persons. The Benton Harbor high-school student must equip himself or herself with the relevant skills to work in the local economy, in one of the areas presented in Tables 16 and 17, or probably face the prospects of unemployment.

**Academic skills**

What skills are local Benton Harbor businesses looking for? From the data studied, businesses are seeking employees who have some academic training and competencies in basic reading, mathematics, and writing. Since the data extracted from the 1990 census suggest that manufacturing had the most employees, it can be argued that a person who has relevant job skills seems a likely candidate for hiring. Such competencies include being able to read and write, having the discipline to follow precise instructions, possessing an aptitude to learn technical skills, and having the ability to work with others, to name a few.
<table>
<thead>
<tr>
<th>Occupation</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total employed persons 16 years and over</td>
<td>2,721</td>
</tr>
<tr>
<td>Executive, administrative, and managerial</td>
<td>114</td>
</tr>
<tr>
<td>occupations</td>
<td></td>
</tr>
<tr>
<td>Professional specialty occupations</td>
<td>193</td>
</tr>
<tr>
<td>Technicians and related support occupations</td>
<td>80</td>
</tr>
<tr>
<td>Sales occupations</td>
<td>262</td>
</tr>
<tr>
<td>Administrative support occupations, including</td>
<td>332</td>
</tr>
<tr>
<td>clerical</td>
<td></td>
</tr>
<tr>
<td>Private household occupations</td>
<td>16</td>
</tr>
<tr>
<td>Protective service occupations</td>
<td>79</td>
</tr>
<tr>
<td>Service occupations, except protective and</td>
<td>588</td>
</tr>
<tr>
<td>household</td>
<td></td>
</tr>
<tr>
<td>Farming, forestry, and fishing occupations</td>
<td>25</td>
</tr>
<tr>
<td>Precision production, craft, and repair</td>
<td>246</td>
</tr>
<tr>
<td>occupations</td>
<td></td>
</tr>
<tr>
<td>Machine operators, assemblers, and inspectors</td>
<td>456</td>
</tr>
<tr>
<td>Transportation and material moving occupations</td>
<td>104</td>
</tr>
<tr>
<td>Handlers, equipment cleaners, helpers and</td>
<td>226</td>
</tr>
<tr>
<td>laborers</td>
<td></td>
</tr>
</tbody>
</table>

# TABLE 17

**SELECTED LABOR FORCE CHARACTERISTICS BY INDUSTRY: 1990**

**BENTON HARBOR CITY**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total employed persons 16 years and over</td>
<td>2,721</td>
</tr>
<tr>
<td>Agriculture, forestry, and fisheries</td>
<td>8</td>
</tr>
<tr>
<td>Mining</td>
<td>-</td>
</tr>
<tr>
<td>Construction</td>
<td>81</td>
</tr>
<tr>
<td>Manufacturing, nondurable goods</td>
<td>274</td>
</tr>
<tr>
<td>Manufacturing, durable goods</td>
<td>549</td>
</tr>
<tr>
<td>Transportation</td>
<td>53</td>
</tr>
<tr>
<td>Communications and other public utilities</td>
<td>35</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>71</td>
</tr>
<tr>
<td>Retail trade</td>
<td>495</td>
</tr>
<tr>
<td>Finance, insurance, and real estate</td>
<td>70</td>
</tr>
<tr>
<td>Business and repair services</td>
<td>141</td>
</tr>
<tr>
<td>Personal services</td>
<td>116</td>
</tr>
<tr>
<td>Entertainment and recreation services</td>
<td>14</td>
</tr>
<tr>
<td>Health services</td>
<td>319</td>
</tr>
<tr>
<td>Educational services</td>
<td>239</td>
</tr>
<tr>
<td>Other professional and related services</td>
<td>80</td>
</tr>
<tr>
<td>Public administration</td>
<td>156</td>
</tr>
</tbody>
</table>

The Berrien County Intermediate School District (BCISD), in its drive to organize the School-to-Work initiative, mandated by the Michigan Department of Education, has prepared and printed a brochure entitled, Employability Skills, [1995]. Benton Harbor High School's graduation rates appear closely related to its complex socioeconomic problems. Social and personal concerns from home and the community surface in school as students attempt to obtain their education. According to data presented in Table 11, defiance of authority (a total of 757) and fighting (a total of 189) were the primary infractions for which students were suspended (Benton Harbor High School, 1994-1995). About 1,091 student suspensions occurred from September 1994 to May 1995. School suspensions and other disciplinary matters mirror home and community concerns. Each Michigan secondary-school student should develop a skill portfolio reflecting job skills that surveyed Michigan employers prefer. These skills are divided into three broad areas, namely: academic, personal management and teamwork skills (BCISD, [1995]). According to Eliasohn (1996) technical jobs that do not require 4-year college degrees are very important to future Benton Harbor employment trends. A good technician can make $40,000-$50,000 per year, and the employer is the one who pays for further training.

Eliasohn (1996) reports an interview with Best Ford owner, Mike Lacey, and the service director, Ted Lacey, at Schroeder Motor Mall in Benton Township in which both agree that finding technicians can be difficult.

Ted Lacey is quoted as saying, "Right now you have to steal somebody from another facility. It is hard to find somebody. Once in a while you get lucky and find
somebody finishing a [training] program,”(cited in Eliasohn, 1996, p. 3A). The article further points out that to equip students in Southwestern Michigan in a rapidly changing technological world is, in a word, challenging. Increasingly, jobs require more job-specific skills. For example, to make sure that it will have the skilled workers it needs for the future expansion, companies do in-house training. One such company, System Components Inc., in South Haven, which makes gear couplings, will offer training in skills such as blueprint reading and math. Some of the students who benefit from this training can proceed to jobs like programming computer-controlled machine tools.

Benton Harbor prepares citizens to work not only in the local area, but also in the state of Michigan. At the state level, Michigan employers require prospective employees to possess certain tools that help prepare them for future training and education. These skills include: communicating, planning, understanding, and problem solving (BCISD, [1995]). According to the Michigan Academic Employability Skills list, high-school graduates in Michigan must have nine academic proficiencies to satisfy employees. The skills that help prepare graduates for the future training and education. These include communicating, planning, understanding, and problem solving. The list is as follows:

1. Read and understand written material
2. Understand charts and graphs
3. Understand basic math
4. Use math to solve problems
5. Use tools and equipment

6. Speak in the language in which business is conducted

7. Write in the language in which business is conducted

8. Use scientific methods to solve problems

9. Use specialized knowledge to get a job done.

Interestingly, the Michigan employers surveyed expressed their need for persons who could use tools and equipment on the job, use specialized knowledge to get a job done and use scientific problem solving methods.

**Personal Management Skills**

Michigan employers in a 1989 state survey identified personal management skills as important for present and future employees. They articulated the need for workers who can be trained to give their personal best. The personal management skills include: punctuality, dependability, aptitude to learn, and creativity.

The personal management skills that the 1989 Michigan Employer Survey findings revealed were aimed at achieving a worker's personal best in the areas of responsibility and dependability. These qualities include attending school/work punctually and meeting deadlines on time. Employers would like employees to develop career plans, too. Knowing one's personal strengths and weaknesses, demonstrating self-control and personal values at work, and being able to work without supervision are additional qualities required.
Personal management skills that some Michigan employers regard as important for now and the future also include paying attention to details and following both written and verbal instructions. Prospective high-school students who would like jobs may sell themselves quicker if they display an aptitude to learn new skills and demonstrate creativity in getting the job done. The findings confirm that employers want high-school students to possess skills that develop responsibility and dependability. Doing one's best, making decisions, acting honestly, and exercising self-control appear to be important parts of these personal management qualities.

Teamwork Skills

Michigan employers need teamwork skills in present and future employees. They are aware that their profits and economic growth depend on the quality of their workers. The employers realize that if their businesses should succeed on the local and international market, it is imperative that employees develop the techniques to work cooperatively in group settings. Such techniques include organizing, planning, listening, sharing ideas, flexibility, and leadership (BCISD, [1995]). Surveyed Michigan employers indicated the following teamwork skills they would like in prospective employees for the present and for the future:

1. Attend school/work daily and on time
2. Meet school/work deadlines
3. Develop career plans
4. Know personal strengths and weaknesses

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5. Demonstrate self-control
6. Pay attention to details
7. Follow written instructions and directions
8. Follow verbal instructions and directions
9. Work without supervision
10. Learn new skills
11. Identify and suggest new ways to get the job done
12. Demonstrate personal values at school and work

Employers expressed the felt need for new employees to possess the ability to work together with others as members of a team; such persons would be able to utilize their conflict-management skills in settling disagreements. They strongly suggest that working together to achieve the organization's goals is of concern. Teamwork skills include organizing and planning work-related activities, listening, sharing, flexibility, and leadership.

If high-school graduates and dropouts in Michigan and Benton Harbor City want to make themselves more marketable, they may want to pay serious attention to learning cooperative group behaviors. They will develop skills in following group rules, listening to the ideas of other group members, and displaying sensitivity to the ideas and views of others. Many employers value high-school students who are willing to compromise if necessary for the overall good of the company's success. Such employees will be flexible as leaders or followers and team players in the realization of the company's mission. Employers anticipate that these secondary...
school students will have the techniques to work in changing settings and with different persons.

Another crucial requirement for employability is the ability to pass a drug test. (Michigan Employability Survey, 1989, as cited in Berrien County Intermediate School District, 1996b). Michigan employers ranked freedom from substance abuse (i.e., dependence on alcohol or drugs) as number 1 on the 1989 Michigan Employability Survey. Secondary students in Benton Harbor Area Schools need to pay serious attention to being able to pass a drug test since Berrien County and Benton Harbor experience drug activity.

Surveyed Michigan employers indicated the following teamwork skills they would like in prospective employees for the present and for the future:

1. Actively participate in a group
2. Follow the group's rules and values
3. Listen to other group members
4. Express ideas to other group members
5. Be sensitive to the group members' ideas and views
6. Be willing to compromise, if necessary, to best accomplish the goal
7. Be a leader or follower to best accomplish the goal
8. Work in changing settings and with different people

One of the infractions listed on the Benton Harbor High School Suspension Report is "alcohol-drugs" (Benton Harbor High School, 1994-1995). It is not clear to what extent secondary students are involved in drug sale and use. However, there is
some evidence of illegal substances in Benton Harbor City, which unfortunately surface at school. In fact, Benton Harbor Area Schools will receive a total of $61,705 for programs designed to prevent the use of tobacco, alcohol, and illegal drugs under the Safe and Drug-Free Schools and Communities Act (Bonnette, 1996, p. 3A).

There is justification for this grant. One student comments that "marijuana is so prevalent in Southwestern Michigan that almost any middle school student has access to it" (Frey, 1996, p. 1A).

The State of Michigan expects positive results from its employability efforts within the next 5 years. These results are divided into two areas, namely, student results and system results. These outcomes will become attainable over time. Benton Harbor employers, no doubt, have similar needs and job requirements as indicated in the 1989 Michigan Employer Survey. Benton Harbor's businesses include manufacturing, service activities, and retail trade. Whirlpool Corporation, for example, one of the world's largest manufacturers of electrical appliances and services, operates out of Benton Harbor. Companies need workers with sound academic and technical education, positive personal values, and good teamwork skills. Having a team like this translates into more profit for the employer and employee.

**Michigan's Employability Efforts**

In the continued search to identify the skills that Benton Harbor businesses require from potential employees, I visited the Benton Harbor Workforce Skill Development Program. The Benton Harbor Workforce Skill Development Program is
described as a consortium effort of the Benton Harbor Area Schools, the City of Benton Harbor, and Cornerstone Alliance. It seeks to address local workforce development needs voiced by employers in the local twin cities area (Benton Harbor Workforce Skill Development Center, 1995). The objective of the consortium is to support the development of a strong economic base in the Benton Harbor Enterprise Zone area by providing a skilled workforce for existing and potential employers. The Workforce Skill Development Center has identified job-specific and life skills that prospective employees should have. Additionally, the Cornerstone Alliance, the Twin Cities' economic development agency, is aware of the need for a skilled workforce. In response to this need, it started the Benton Harbor Workforce Development Center which upgrades the job skills of adults. Furthermore, the Community Partnership for Lifelong Learning Employers continues to prepare persons for employment in Benton Harbor, but it needs students who have basic reading and computational skills. Such prospective workers should also develop the ability to work cooperatively with others.

Some Benton Harbor companies are seeking to employ persons with varied technical skills. They need employees who can interpret the markings on a linear scale, identify units of measurement/classification by type of measure, identify measures of weight, pressure, and torque, and estimate lengths and distances, among others (Benton Harbor Workforce Skills Development Center, 1995, p. 1). Additionally, employees should be able to do the following:

1. Perform various functions with gauges
2. Identify directions that things may be moved
3. Use a conversion table to convert decimals and fractions
4. Read voltage and time duration from an oscilloscope
5. Compute averages
6. Calculate with a pocket calculator
7. Follow directions to complete a task or activity
8. Perform various reading related tasks
9. Use a 3-D or exploded view illustration
10. Use flowcharts to make decisions
11. Identify and locate parts of schematic diagrams (p. 2).

The above list is by no means exhaustive but represents skills that some local Benton Harbor companies would like to see honed in prospective employees.

Marketable skills means a paycheck and the opportunity to establish credit in the local and national economies.

Research Question 3

Research Question 3 asked: What is the pay differential between high-school dropouts and high-school graduates?

In the modern American economy, the job prospects for teenagers who drop out of school are, in a word, bleak (Doolittle, 1995). When dropouts get jobs, they often earn less than many high-school graduates (Pallas, 1987). Dropping out can impact a young person’s financial prospects in a permanently way if the dropout does not receive further training or return to school. Catterall (1986) declares that
dropouts experience higher unemployment rates and are often relegated to lower-paying jobs.

Among various sectors of the American society there exists the perception that an indication of any nation's success in education is the proportion of youth who finish their secondary education (Snyder & Sickmund, 1995, p. 15). Possessing a high-school diploma or its GED equivalent should indicate that a person has acquired some basic skills necessary to perform at the workplace. The converse of the foregoing statement may also ring true: Dropping out of school could also be symptomatic of insufficient skills to function on the job. Such a young person may find himself or herself at a relative disadvantage to more educated workers. A high-school diploma, however, does not necessarily mean a job or higher wages, as some sources may suggest. Markey (1988) finds that strong competition exists in the wages of high-school graduates in comparison with college graduates. Economists Murphy and Welch (1993) in their study entitled “Inequality and Relative Wages” have traced wage movements among men distinguished by age and education, between men and women, and between African Americans and Caucasians (p. 104).

The Effect of Dropping Out on Salary

In the pursuit of studies that deal with the pay differential between high-school graduates and high-school dropouts, two seminal works were considered: first, that of Levin (1972), and second that of Catterall (1986). Both studies strongly articulate the position that persons who receive more education earn more over their lifetime.
Levin's Study

The question of disparity in wages between high-school graduates and dropouts is a complex one to address. In his attempt to explore possible answers, Levin (1972) himself raises a question: "How do higher levels of education lead to productivity and income?" If a comparison is made between persons with less than high-school completion with those who have acquired their diplomas, the former are more likely to be found in jobs that pay less money. These dropouts may be earning less even within an occupation, and seem more prone to underemployment and unemployment. These disparities in the world of work become evident in economic productivity and earnings (p. 17).

Why People With More Education Get Better Pay

There are at least three reasons, explains Levin (1972), why workers with more education may be more likely to be more productive on the job and receive increased pay than persons with less schooling. First, more education opens up the opportunity to acquire more general and specific work-related skills. These skills could improve productivity. Second, increased years of schooling—a disciplined process—tends to groom people with attitudes and behaviors that assist them in their interpersonal relationships, an inescapable part of economic enterprises and bureaucracies. Fewer years of schooling may render the dropout less socialized and less able to work among people. He also notes that people with less education are less able to qualify for positions that demand what he describes as "intra organizational skills" (p. 18).
Levin (1972) gives a third reason why people with more education receive higher pay, and it is a technological one. It seems widely accepted that advancement in today's society hinges on technological and scientific advancement, and that education enhances productivity by creating a greater ability to adapt to change. High-school dropouts may find themselves at a serious disadvantage in a technologically driven workplace where persons with higher levels of education may have acquired the skills to train and adapt quicker. As the use of technology increases, the demand for persons with higher levels of skill increases. The low-skilled persons will find their jobs quickly declining (pp. 18-19).

No one reason explains the schooling productivity of persons with more education, warns Levin (1972). Conceptual knowledge linking productivity and schooling are difficult to measure, quantify, and verify (p. 19). What role, for example, does ability play in the financial returns on education? How does one know that the present relative differences in earnings by level of education are appropriate for calculating income foregone under the umbrella of high-school policy completion? These are questions that Levin (1972) raises before he attempts to calculate projected lifetime earning estimates for 25-34-year-old males in the United States. He compared the anticipated income of high-school graduates over dropouts for this group. Even after controlling for lower ability of dropout, he found a total loss of lifetime earnings estimated to be more than $235 billion among males. No figures were provided for females, but Catterall (1986) suggests in a later study that a rough guess of half this amount would be reasonable.
Pay Difference Between High-School Graduate and Dropout

Levin's (1972) findings reveal a huge pay differential between high-school dropouts and graduates. He tabulates data that suggest that Caucasian males with more education in 1969 earned more than those with less years of schooling over their lifetime. Males, for example, with less than 8 years of education earned only $206,000 over their lifetime, compared to $282,000 for those with 4 years of high-school education. Of course, African American males earned substantially less than Caucasian males. African Americans, with less than 8 years of education, earned only $155,000 over their lifetime, compared to $219,500 for Caucasians with the same years of education. Levin (1972) concedes that:

the difference in expected lifetime incomes between men with 8 years of schooling and those with high-school completion is about $73,000 for the overall population; and differences in lifetime income between high-school dropouts and graduates are in the $40,000-$50,000 range. (p. 24)

Catterall's Study

Catterall (1986) claims to "recast and extend" Levin's (1972) earlier findings with more recent data (p. 11). If current dropouts were to finish school and experience labor market conditions faced by current high-school graduates, Catterall (1986) believes males could earn $266,000 more and females $199,000 more over their lifetime. In comparing high-school graduates with high-school dropouts, he offers "a national profile of earnings-related cost." Male graduates without any college education, he reveals, have a projected lifetime earnings of $195,000 more than dropouts (p. 11).
Stern, Paik, Catterall, and Nakata’s Study

Stern, Paik, Catterall, and Nakata (1989) studied the labor market experience of teenagers with and without high-school diplomas. They stated that the rationale for programs to reduce the high-school dropout rates relies mostly on evidence that high-school graduates are more successful than dropouts in the labor market (p. 233). They asked: If a high-school graduate were suddenly stripped of his or her diploma, or if a high-school dropout were suddenly given a diploma, what would be the effect on the person’s experience in the job market? Additionally, Stern et al. (1989) sought to measure the effect of the high-school diploma per se over and above prior differences between dropouts and graduates. The researchers recognized the difficulty in taking away or bestowing a diploma experimentally, and instead tried to determine the differences between both groups. They used a path diagram as a means of statistical control in order to estimate possible causal influences of high-school diploma on labor market success.

Stern et al. (1989) used data from the 1980 sophomore cohort in the national High School and Beyond (HSB) survey. They discovered that, after controlling for other predictors, the HSB data show that graduates experienced an unemployment rate of 0.85 points less than dropouts, and graduates earn $0.30/hour more than dropout when they were employed. In the National Longitudinal Survey (NLS), another set of data that Stern et al. (1989) analyzed, there was evidence that graduates
experienced an unemployment rate of 4.8 percentage points less than dropouts, and their earnings were $0.72/hour more (p. 240).

In determining the pay differential between high-school graduates and high-school dropouts, *The Digest of Educational Statistics* 1995 data were studied. Its findings reveal that among the sample of African American students of low SES background surveyed, 12.2% worked for less than $4.25 per hour. The data on employment of African American 12th-graders suggest that most of the population surveyed earned minimum wages between $4.25 to $6.00 per hour. These data, compared with other races, however, showed no significant differences.

Another set of data, prepared by the U.S. Department of Commerce, (1992a), indicate the median annual income of year-round, full-time workers 25 years old and over by level of school completed and sex. The figures support the position that persons with fewer years of schooling earn less money. The pay differential between an individual with less than a ninth-grade education, for example and a high-school graduate, is a difference of $9,156. The data that are presented in Appendix C support the position that more education means higher pay for individuals. The data indicate a steady rise in income as the years of education increased. Persons with less than a ninth-grade education in both the male and female categories had the lowest median annual income in 1991 and 1992. A person with a 9th- to 12th-grade education, with no diploma, earned more. Individuals with their high-school education earned the most.
Although there is no comparable data available for the city of Benton Harbor, on the basis of national studies and data that have been presented, the conclusion can be drawn that the more highly educated persons do earn more income over their lifetime. The City of Benton Harbor reflects the national data. Persons who have less than a high-school education are expected to have lower paying jobs and experience a higher rate of unemployment. In order to obtain some idea of the estimated lifetime income of a Benton Harbor citizen, the average or mean household earnings derived from the 1990 census data were taken for persons ages 25-64. These numbers were obtained from the Michigan Employment Securities Commission (MESC) database, with the courtesies of its economic analyst, Joe Billig (see Appendix I).

The mean household incomes for Benton Harbor were listed for different age groups and then multiplied by the number 10. The 4-year totals were then added together. The result was an estimated lifetime income for the average household in Benton Harbor. Table 18 displays an approximation of the estimated lifetime income of households in Benton Harbor, using 1992 dollar figures. These figures represent both Caucasians and African Americans and are not dropout income approximations. The results in Table 18 parallel the national dollar figure estimated by the U.S. Department of Commerce (1994). These incomes suggest that the dropout problem in Benton Harbor significantly impacts on the average household income in the city of Benton Harbor because of the multiplier effect. The multiplier effect conceptualizes the cyclical movement of money spent. Money spent once in the economy goes around several times. The breakdown was not available for each educational level for
the average household income population polled for Benton Harbor City, but using national data, informed estimations can be made.

TABLE 18

ESTIMATED LIFETIME INCOME OF THE BENTON HARBOR AVERAGE HOUSEHOLD

<table>
<thead>
<tr>
<th>Age</th>
<th>Avg. Household Income</th>
<th>Multiplied by 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-34</td>
<td>$12,693</td>
<td>$126,930</td>
</tr>
<tr>
<td>35-44</td>
<td>$19,960</td>
<td>$190,600</td>
</tr>
<tr>
<td>45-54</td>
<td>$16,979</td>
<td>$169,790</td>
</tr>
<tr>
<td>55-64</td>
<td>$16,882</td>
<td>$168,820</td>
</tr>
</tbody>
</table>

Total Lifetime Income $656,140.00 $656,140


Completing high school may mean another $200,000. Finishing some college (but not earning a college degree) could put a person in the million dollar range. Holders of a bachelor's of arts degree may earn another half a million dollars. Persons with doctorates and professional degrees would supersede all the above at just over $2 and $3 million respectively. These dollar figures would accrue over a lifetime. Dropouts, obviously, are at the lowest rung of the ladder. They end up getting a smaller pay check which has less purchasing power.
Dropping Out Affects Retirement Income

The scenario seems somewhat bleak for dropouts and persons with inadequate incomes in relation to retirement. According to a study done by Phoenix Home Life Mutual Insurance, families now earning $25,000 a year must set aside $417,000 in savings and pension during their working years to maintain their standard of income when they reach retirement. The data are presented in Table 19. With earnings of $4.75-$5 per hour, how can Benton Harbor working high-school dropouts take care of basic expenses, much less plan for retirement? The poverty threshold for a family of four in 1995 was $15,569. Even though the minimum wage could increase over time in Benton Harbor, this would still be far from adequate to take care of expenses.

TABLE 19

ESTIMATED PENSIONS AND EARNINGS NEEDED FOR RETIREMENT

<table>
<thead>
<tr>
<th>Present Earnings</th>
<th>Pension and Earnings Person Must Save</th>
</tr>
</thead>
<tbody>
<tr>
<td>$25,000</td>
<td>$417,000</td>
</tr>
<tr>
<td>$35,000</td>
<td>$583,000</td>
</tr>
<tr>
<td>$45,000</td>
<td>$750,000</td>
</tr>
<tr>
<td>$55,000</td>
<td>$917,000</td>
</tr>
</tbody>
</table>


Ninety percent of the job requests received from employers by Michigan Employment Security Commission in Benton Harbor, are paying $5 an hour or better (Burkert, 1996, p. 1). Dropouts with low incomes face a serious dilemma.
Additionally, a dropout would not benefit from employer retirement plans as much as a degreed person. It has been repeatedly reported in the media that employers are putting away less pensions for their workers. People need retirement savings, a 401(K) plan, for example. Social security income, an average of $660 per month, is not enough income from which to live (Hornbeck & Cole, 1996, p. 4A). On the basis of the data studied, high-school graduates, especially those with degrees, earn more over their lifetime than dropouts. Additionally, the “Michigan Median Earnings By Schooling” data (1993) support the position that people in Michigan who have more years of schooling earn more money (Appendix F). Persons with 0 to 8 years of schooling had mean earnings of $321 per week; they also had median earnings of $282 per week. This contrasts sharply with persons who had more than 17 plus years of schooling, who had weekly mean earnings of $891 and a median income of $808. The difference between $282 and $808 is a significant $526! More education ultimately leads to more income for the Benton Harbor student.

Research Question 4

Research Question 4 asked: Does the Benton Harbor secondary-school curriculum prepare students for the jobs available within the proximity of the local Benton Harbor area?

Education as Vehicle for Upward Mobility

Education is generally regarded as a vehicle for upward social mobility in American society. It also determines the type of job a person has. The job determines
the range of salary a person receives, his or her credit limit, and the quality of goods and services that a person can purchase. Public secondary education in the United States is the main vehicle for African Americans' acquisition of the vehicle to economic empowerment.

A good high-school education equips the Benton Harbor student with skills for entry-level positions on the job market and matriculation for entrance into two-year and four year college. About 25-30% of Benton Harbor High graduates go on to college. Benton Harbor High School attempts to prepare both the college-bound and non-college-bound student during their 4-year stay with offerings from its Tech Center and its various high-school majors. The question of curriculum is important and relevant to this study because of its far-reaching, career-related, economic implications.

First, if students do not see the economic relevance of school in relation to their lifetime income then, there is a sense of apathy among them. Second, if the course offerings do not exhibit sensitivity to preparing students for getting economically viable jobs and for further education, more students will continue to leave school prematurely. This early exodus has means less economic return for the at-risk African American teen, during his or her working life.

Third, the importance of curriculum as a strategy to halt dropping out of high school has been recognized by the present governor of Michigan, John Engler. Curricular success is largely evaluated by standardized test scores and high dropout rates, but the MEAP test scores for Benton Harbor have been among the lowest in the
state of Michigan. The area’s dropout numbers have been noticeably high, too. Seeing that curriculum impacts preparation for employment and the quality of workers that enter the workforce, curriculum has a place in the study of the economic implications of dropping out. In view of the impact of curriculum on high-school graduation, Governor John Engler has declared that Benton Harbor is “educationally bankrupt.” There has been a proposed state takeover for the school district. A state takeover of the Benton Harbor Area Schools, if it occurs, may mean placing the district under the control of a state receiver with authority to disband the school board, fire the chief administrators and principals, and create a detailed improvement plan. The receiver would remain in Benton Harbor until the schools have been determined to be out of “educational bankruptcy.” More state money may have to be spent to bring the Benton Harbor Schools out of this uncomfortable situation.

Additionally, high-school students may forfeit more than their high-school diploma when they leave school prematurely. Teens under 18 who are ticketed in Michigan may soon have to prove that they are enrolled in school or that they have graduated. Failing to do so could probably lead to the temporary loss of driving privileges, result in fines, and loss of income. Completing the grades 9-12 curriculum carries wide-ranging economic implications.

Whether or not the schools are preparing the students for jobs in the economy seems very relevant to the research on economic implications since significant state and federal monetary expenditure is made every year for each student in the Benton Harbor area. Benton Harbor receives supplemental funding from the Title 1 and 31-A
At-Risk state programs. During 1996-1997, Benton Harbor Area Schools received $2,620,684 of 31-A funds and $3,719,192 of Title 1 funds (Coffey, 1997, & Appendix I). Funding from these programs is intended to support instruction, educational initiatives, and assist at-risk youth in school and help them improve their achievement. Curriculum impacts state and local expenditures, students’ achievement, career choices, and, ultimately, economic remuneration.

In exploring whether Benton Harbor Area Schools curriculum prepares its students for the job market, the Benton Harbor Area Schools 1995-1996 District Goals displayed in its administrative center were scrutinized. Goal 4 communicates the anticipation that upon graduation, students will enter the world of work, post-secondary education or the military. Indeed, it seems reasonable to say then that the Benton Harbor Area Schools Board of Education desires that its students leave its hallways prepared to enter the workplace or to pursue a post-secondary education.

In high schools all across America, school boards have set up basic requirements for completing a high-school education. Benton Harbor High, too, has its graduation requirements and academic standards. The narrative in the official school course description handbook explains that all prospective Benton Harbor High graduates must complete eight full semesters and earn at least 22 credits. The foregoing graduation requirements were stipulated for the class of 1989 and beyond. Students must satisfy the required courses and electives in order to qualify for graduation (Benton Harbor High School, 1996-1997, p. 1).
Table 20 presents a list of all required subjects. It should be noted that three units of mathematics and science will be required of all students for the class of 1999 and beyond. Students who successfully complete their chosen program of study will qualify for graduation 4 or more years later, depending on their entry level, grade, and academic performance.

In researching the preparation that Benton Harbor High students receive, the "exit outcomes" for the students determined by the local board of education were considered. The "exit outcomes" outlined in the Benton Harbor Area Schools' Board of Education Reports (1993) state that at the end of high-school students will demonstrate a commitment to being: life-long learners, community synergists, communicators, higher order thinkers, perseverers, computational/technological literate, and principle-centered leaders. The School Board anticipates that its secondary school graduates will show some form of dedication to a lifetime of educational growth and improvement. As a result of this exposure to an education, graduates will become principle-centered leaders. It is anticipated that as lifelong learners, the Benton Harbor High students will continue building and expanding their knowledge base, even after they leave the halls of high-school. Education would be an ongoing lifelong experience.

Students' Beliefs

In addition, the Student Creed (Benton Harbor High School, 1992b) was scrutinized.
TABLE 20

GRADUATION REQUIREMENTS FOR BENTON HARBOR HIGH SCHOOL

<table>
<thead>
<tr>
<th>SUBJECTS</th>
<th>No. of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. English</td>
<td>4</td>
</tr>
<tr>
<td>2. Mathematics</td>
<td>2</td>
</tr>
<tr>
<td>(Must be general math or higher)</td>
<td></td>
</tr>
<tr>
<td>3. Science</td>
<td>2</td>
</tr>
<tr>
<td>4. Social Studies*</td>
<td>3</td>
</tr>
<tr>
<td>(Must include 1 unit of U.S. History and ½ unit of government)</td>
<td></td>
</tr>
<tr>
<td>5. Health</td>
<td>½</td>
</tr>
<tr>
<td>6. Typing 1</td>
<td>½</td>
</tr>
<tr>
<td>7. Computer Business Skills</td>
<td>1</td>
</tr>
<tr>
<td>8. Speech</td>
<td>½</td>
</tr>
<tr>
<td>9. Physical Education</td>
<td>1</td>
</tr>
</tbody>
</table>


* Three years of the same foreign language will substitute for one year of social studies.
The Student Creed stated the following student beliefs: Education was the number one priority and learning was the students’ responsibility. Achievement began with challenging work and enjoyment. Each student believed in achieving the highest standard. The Student Creed (Benton Harbor Area Schools, 1992b) pointed out that present choices influence the future and that everyone should be treated with dignity. It was very important to set good examples, and cultivate honesty and fairness as vital assets. A positive mental attitude and high self-esteem were important.

The Student Creed encourages the student to be responsible for his or her own education, and to be motivated to do his or her personal best. The item that appears to be indirectly related to staying in school and preparing for the workplace seems to be the statement which declares that today’s choices affect tomorrow. It may be that more items regarding graduation, staying in school and job preparation could be included in the creed so that they become an integral part of the students’ goals and also reflect the School Board’s exit outcomes.

Evaluating Student Academic Performance

The formulation and publication of the exit outcomes and the Student Creed by the school board implies that the board desires the best for its young people. One method of measuring whether the Benton Harbor schools system is successfully preparing its students is to evaluate its Michigan Education Assessment Program (MEAP) scores. This is the statewide testing exercise used to evaluate the status of students’ educational development (Robotham, 1992). The program is administered
by the Michigan State Board of Education and supported with state funds. Reading and math tests are administered in the fall, to all 4th-, 7th-, and, 10th-graders in Michigan's K-12 public schools. Science exams are administered in the fall to 5th-, 8th-, and 11th-graders. Writing, a new component, is administered in the spring to 8th-graders. MEAP test results are indicators of individual school, teacher, and students needs.

The Diploma Endorsement status for the Graduation of the Benton Harbor High School for the 1993-1994 school year, published by the administration, reports on performance of its students. Figure 1 illustrates the results through a bar graph. It indicates the percentage of 1993-94 school year graduation candidates attaining diploma endorsement based on the Michigan Education Assessment Program (MEAP). According to the data reported, 58.9% of Benton Harbor High School students who sat for the MEAP qualified for and received state diploma endorsement. They had written the exams in three areas, namely: math, reading, and science. To obtain the state endorsement, the candidates had to score successfully in all three subject areas. Approximately 40% of candidates did not qualify. MEAP tests have qualified students for an endorsement for a subject area. According to the data in Figure 1, varying percentages of students had passed in each subject area. Only 65.4% of students had received passing scores in Math; 91.2% had done satisfactorily in the reading section alone; 88% had passed the science test. For all three sections of the test, a total of at least 58.9% had received an endorsement or passing scores in all
three subject areas. Starting in 1998, the endorsement is projected to be based on a more comprehensive proficiency test (Annie E. Casey Foundation, 1994, p. 35).

![Bar chart](image)

**Figure 1.** Diploma endorsement status for the graduation candidates for the Benton Harbor High School, 1993-94.

*Note: From Benton Harbor Area Schools, Administrative Center, [1994], Benton Harbor, MI.*

Robotham (1992) lists the 50 districts with the lowest percentage of students passing both sections of the MEAP reading tests. Benton Harbor was listed as having the third lowest reading score. Only 7.8% of students had passed it. Mackinaw Island and Marenisco (Gogebic) had the lowest scores (00.0% each). Standardized testing results by themselves in no way represent the academic abilities of each student, but it is the measurement by which funding and accreditation issues are decided. In a comparison of the school districts in Berrien County, Robotham (1992) reveals MEAP tests results for Benton Harbor High School's 10th- and 11th-graders for 1992. According to the data presented, relating to the math objectives, 13.1% had met less
than a half; 51.7% had met a quarter to three-quarters, and 35.1% had met more than three-quarters.

In science, 16.1% had met less than a quarter of the objectives; 74.7% had met a quarter to three-quarters, and 9.2% had met more than three-quarters. The reading scores evoke some concern, too. It was further stated that 67.4% passed neither section of the MEAP reading exam; 24.8% of students passed only one section whereas only 7.8% were successful in both sections (p. 63). Test scores in Benton Harbor are largely attributable to the socioeconomic status of many of its students (Editorial, 1996b).

The MEAP scores continue to reflect serious needs in the school curriculum. The 1995-1996 MEAP results illustrate the challenge that faces students, teachers, parents and the school board. The results in Table 21 shows the percentage of students receiving proficiency in math, science, reading, and writing. These percentages are considerably below the state average.

<table>
<thead>
<tr>
<th>TABLE 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIGH-SCHOOL PROFICIENCY TEST (HSPT) RESULTS FOR 11TH-GRADERS AT THE BENTON HARBOR HIGH SCHOOL</td>
</tr>
<tr>
<td># Tested &amp; %Math &amp; %Science &amp; %Reading &amp; %Writing</td>
</tr>
<tr>
<td>BHHS &amp; 194 &amp; 4.1 &amp; 1 &amp; 9.3 &amp; 3.8</td>
</tr>
<tr>
<td>State Avg. &amp; 93,116 &amp; 47.7 &amp; 32 &amp; 40.2 &amp; 34.4</td>
</tr>
</tbody>
</table>

The 1995-1996 MEAP scores for eighth-graders reveal a large percentage of students below grade level. Individual junior high schools show growth in some areas, but, overall, the results show a lack of proficiency. The scenario seems bleak when it is realized that, as these Michigan students get older, many fail to demonstrate mastery of math skills for their grade level in math. In 1995 over 66,000 of the 103,000 (64%) of the 10th-graders failed to show the mastery desired in the MEAP math test (Annie E. Casey Foundation, 1994, p. 31). Regardless of the standardized test score results, Benton Harbor High continues to graduate students who successfully complete their graduation requirements and go on to post-secondary training at Lake Michigan College, 4-year colleges, the military, and the workforce.

Explanation of Discrepancy of Reading Scores

The above paragraphs presented various scores. Figure 1 presented data on the diploma endorsement status for graduation candidates (1993-1994) at Benton Harbor High School. The 91.2% reading score reported in Figure 1 indicate that in the year 1993-1994, 91.2% of seniors at Benton Harbor High passed the reading section of the test. In an ensuing paragraph, another source (Robotham, 1992) was cited. Robotham (1992) listed the 50 districts in Michigan, stating that in the year 1992, only 7.8% of the students who sat the MEAP reading had passed it. This 7.8% reflects the total percentage for the entire student population in Benton Harbor.

The data reported in Table 21 is specifically for the 11th graders who sat the High School Proficiency Test (HSPT) for the year 1995-1996. In that test, only
9.3% had passed the reading section. The 91.2%, 7.8%, and 9.3% are percentages from three different sources, for various years, each used to support the case for low MEAP scores in Benton Harbor.

Although Southwest Michigan educators generally agree that the High School Proficiency Test (HSPT) is far from perfect, the areas schools are still compared to each other and the state average. In the 1996 HSPT results, Benton Harbor High School seniors had the following scores: 19.8% in Reading; 13.8% in Math; 8.7% in Science and 8.7% in Writing. The State Average for Reading was 41.1%, 52.9% for Math; 38.8% for Science and 30.3% for Writing. Although Benton Harbor’s scores improved, the city ranked last in Math, Science and Reading. Covert ranked lowest on writing with 0% (Cogswell, Bonnette, & Lerstern, 1997, p. 1B).

Low Benton Harbor MEAP scores are further substantiated by the data presented in Table 22. Benton Harbor may find some comfort in the reality that the Department of Education realizes that across the state the MEAP scores do not meet expectations. The State of Michigan Department of Education supplied graduation figures for Benton Harbor (Table 4). The 5-year set of graduation numbers reflects a slight decline in the number of seniors who graduated from Benton Harbor High School during 1990-1995. The 1996 graduation number of 167 was an all-time low.
### TABLE 23

**MICHIGAN EDUCATIONAL ASSESSMENT PROGRAM (MEAP) PRELIMINARY EIGHTH-GRADE REPORT (1995-1996)**

<table>
<thead>
<tr>
<th>School</th>
<th># of students Tested</th>
<th>Science Proficient</th>
<th>Science Novice</th>
<th>Science % Not Yet Novice</th>
<th>Writing Proficient</th>
<th>Writing % Not Yet Proficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair Plain</td>
<td>134</td>
<td>1.5</td>
<td>44.3</td>
<td>54.2</td>
<td>23.7</td>
<td>76.3</td>
</tr>
<tr>
<td>Junior High</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>McCord</td>
<td>109</td>
<td>17.6</td>
<td>77.5</td>
<td>4.9</td>
<td>72.3</td>
<td>27.7</td>
</tr>
<tr>
<td>Junior High</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>King</td>
<td>108</td>
<td>2.0</td>
<td>33.7</td>
<td>64.4</td>
<td>44.4</td>
<td>55.6</td>
</tr>
<tr>
<td>Junior High</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>District Average</td>
<td>351</td>
<td>6.6</td>
<td>51.2</td>
<td>42.2</td>
<td>44.7</td>
<td>55.3</td>
</tr>
<tr>
<td>State Average</td>
<td>116,847</td>
<td>21.5</td>
<td>59.5</td>
<td>19.0</td>
<td>69.1</td>
<td>30.9</td>
</tr>
</tbody>
</table>

*Note: From HSPT Results for Eleventh Graders at the Benton Harbor High School (1996), Benton Harbor, MI: Administrative Center.*

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Curricular Changes

Benton Harbor Area Schools has also attempted to overhaul its high-school curriculum into a career path. The career path concept requires freshmen to select a general category of career interest and then plan their classes to meet the career objectives. The district recognizes that graduates in the next century need more than general knowledge when they leave high-school. Whether they are college bound or seeking employment, they need more specialty classes. Other districts in Southwestern Michigan are on the career path approach. A recent editorial, however, points out that some critics may argue that Benton Harbor should concentrate on the three Rs before it tries to complicate its curriculum with career path clusters (Editorial, 1996b). The school can address both issues at once. The editorial points out that the career path approach could have a positive effect on the attitudes of students toward school. Students become goal oriented and they become aligned with a future full of promising possibilities.

The Michigan Department of Education has responded to the needs of at-risk students in Benton Harbor, to providing instructional and support services. According to Cotman (1996) (see Appendix I), services provided to Benton Harbor High School students include intervention specialists, Saturday school, career technology labs, nurses, attendance workers, and a school breakfast program. These services, he revealed, were chosen by the Benton Harbor Area Schools staff to improve student achievement and increase graduation rates. He further advised that the Department of
Education would continue to collect graduation information as well as State assessment results in order to evaluate the effectiveness of these programs. To some degree Benton Harbor Area Schools are preparing graduates for the local jobs markets, but parents and the school district still have a challenging task to get students to see the economic value of their education, become interested in their education, and keep them attending school everyday.

**Research Question 5**

Research Question 5 asked: What are some of the private and social costs of dropping out of high school among at-risk African Americans?

**Private and Social Costs**

A recurrent motif that runs throughout the dropout literature is the assumption that dropping out of high-school may spell loss for the individual and society (Becker, 1989; National Center for Education Statistics, 1994c; Pallas, 1987). Some personal and societal costs accrue, which include problems finding a job, being paid minimum wage, periods of unemployment, lower or no benefit packages at work, loss of taxes, a lower quality of life, and becoming dependent on public assistance.

**Private Costs**

A study of the census data 1990 reveals an estimated total of 3,578 persons in Benton Harbor who had not graduated at the time of the census collection. Since the estimated lifetime loss of one dropout is approximately $200,000 (Catterall, 1986)
therefore the total cost of these dropouts in terms of lifetime lost earnings can be estimated as $200,000 dollars multiplied by 3,578. This works out to be approximately $715.6 million. These numbers are the minimum estimations based on available census data and they could increase or decrease.

The exact dropout costs are difficult to compute because so many factors are involved. In addition, Becker (1989) suggests that real wage rates of young high-school dropouts have fallen by more than 30%, probably the largest decline during the century for any education group, whereas by contrast, real wages rose for high-school graduates (p. 18). Whatever the costs, they increase over time.

Schultz (1963) declares that whatever the benefits of schooling, costs really matter (p. 5). He states that resources entering into schooling are not trivial. The U.S. Department of Education (1994c) reveals that expenditures for public and private education, from pre-primary through graduate school, were estimated at $484 billion for 1993-1994. The expenditures for elementary and secondary schools was estimated to be about $285 billion for 1993-1994, whereas institutions of higher education spent about $199 billion.

Stated differently, the total expenditure for education is predicted to be 7.3% of the United States Gross National Product (GNP) in 1995-1996. That is an estimated expenditure of $530 billion for public and private education from pre-primary to graduate school. Estimates for elementary and secondary schools were expected to total $318 billion for 1995-1996 (National Center for Education Statistics,
Education, then, is a sizeable economic entity that requires a long-term investment in the nation's human capital.

In the United States, it could cost $4,000 upwards per year for a student's education. The figure varies across America, especially between rich and poor school districts, between urban and suburban areas. Becker (1989) complain that it does not seem fair or efficient to spend approximately $4,000 per year on educating secondary students and a small amount on training high-school dropouts.

When individuals in Benton Harbor do not complete their high-school education, the State provides an opportunity for such persons to enroll in alternate high-school completion programs. Annually, Michigan Adult Education assists about 20,000 adults in gaining or upgrading their employment so that they no longer depend on public assistance. In order to respond to the inadequate education of some citizens in its constituency, Michigan has launched its Community Education State Plan 1994-2000. The community was an important part of the early schools in Michigan, and community education is publicized as a comprehensive approach to community and human resource development, emphasizing education for all community members. Community education will, it is hoped, lead to a better quality of life for each Michigan resident and for the entire community.

Social Costs

Benton Harbor benefits from the community education program. High-school
dropouts are one of the target populations. The Michigan State Plan for Community Education was developed to utilize available local resources in response to the "critical educational, social, and economic needs in Michigan." The Department of Education anticipates addressing Michigan's wide range of social and economic problems through the development of educational solutions. It is collaborating with local citizens, businesses, schools, agencies, institutions, and policy makers to vocalize the goals and objectives enumerated in the state plan (Michigan Community Education State Plan, n.d., p. 1).

In Michigan in 1991-1992, over 400 local-based adult education programs served 219,306 students. All had dropped out of high-school, 41% were unemployed, 37% were functionally illiterate, 23% were on public assistance, and 5% were in prison (Michigan Community Education State Plan, n.d., p. 13).

Additionally, job training programs for non-graduates do not necessarily prepare them to lead functional adult lives. The allegations continue: "A job, paycheck, and the economy do not address the skills of good citizenship, acceptable communication skills, voting, decision making, and basic skills in math and reading" (Michigan Community Education State Plan, n.d., p. 13).

Table 23 presents an idea of the economic gain and return on Michigan's investment in adult education. Another example of cost-related expenditure for inadequate education is exemplified in the adult education data. In Michigan in 1992-93, over 400 local-based adult education programs served 193,027 part-time students.
TABLE 23

SOURCES OF POTENTIAL ECONOMIC GAIN AND RETURN ON MICHIGAN'S INVESTMENT IN ADULT EDUCATION

<table>
<thead>
<tr>
<th>Adult education students who...</th>
<th>Savings per student per year</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graduated or passed the GED Test</td>
<td>$1,000</td>
<td>Average annual income differences between adults with and without a diploma. These wages generate tax revenue and help strengthen the economy</td>
</tr>
<tr>
<td>Got a job or got a better job</td>
<td>$10,000</td>
<td>Assuming an average wage or an increase of $5 per hour.</td>
</tr>
<tr>
<td>Were removed from public assistance</td>
<td>$6,003</td>
<td>Average annual cost of public assistance per recipient.</td>
</tr>
</tbody>
</table>

Note. From: Adult and Community Education in Michigan, (p. 14), by Michigan Department of Education Office of Adult Extended Learning, 1994, Lansing, MI.

Of these students, 4,044 became self-sufficient—and were removed from public assistance. This is a potential savings of $24,276,132 to the State of Michigan.

In addition, 18,817 obtained or upgraded their job—a potential savings of $18,817,000 increase (Michigan Community Education State Plan, n.d., p. 14). Moreover, persons who earned their GED then got a job generated tax revenue for the local economy. Those who were already employed but returned to upgrade themselves by getting their GED increased their income by about $10,000 a year and provided additional tax receipts for the economy. Additionally, each person who receives a GED, gets a job, and leaves welfare saves the State $6,003—the average cost of public assistance per person.

According to the U. S. Bureau of the Census (1990, p. 34, Table 3) 1,961
households received public assistance income for Benton Harbor City. The mean public assistance income dollars per households in Benton Harbor is approximately $4,212. If, for example, 1,961 heads of households got their GED, came off welfare, and got a job, the state would save (using its $6,003 figure) roughly a total of $11,771,883! Using the mean public assistance income dollars of $4,212 for Benton Harbor, one comes up with the conservative figure savings of $8,259,732 in savings. Any person who receives training, whether through the Cornerstone Alliance job-training programs, Lake Michigan College's 2-year community college programs, or their GED, could save the state some expenditure.

The problem of high-school dropouts in Benton Harbor is not only a local concern, but also a state of Michigan one. For example, the 1994 Annual Performance Report for the Michigan Adult Education State-Administered Program documents the number of its participants by group and sex. The data indicate that over 35,923 African American males and 30,783 African American females participated at various levels in the State's adult education program in the program year 1994 (U. S. Department of Education, 1994, Table 1). The data presented in Appendix D indicate that African Americans in Michigan are among the highest numbers to enroll at various entry levels to obtain their GED. The numbers for African American males seem particularly noticeable.

Benton Harbor City, at the local level, with its over 80% African American population, has similar needs to that of the general African American population in
Michigan. Benton Harbor Area Schools also provide community education for high-school dropouts and other persons who seek to upgrade themselves.

According to the Michigan Department of Education, Adult Extended Learning Services, about 747 persons participated in 12 or more hours of instruction in the adult education program during the 1994 fiscal year in the Benton Harbor Area Schools (Michigan Department of Education, 1994). Among the participants there was a total of 191 African American males and 490 African American females at various levels. The 16-24-year-old age group is represented among the participants, a total of 145. Had these persons stayed in school and completed their high-school education, then additional expenditures would not have been necessary to fund a high-school diploma equivalency program. According to one source at the State Department of Education, Benton Harbor Area Schools district foundation rate as of June 1995 was $4,608.10 for 900 hours of instruction (Walsh, 1995, personal communication, Appendix I).

Table 24 summarizes the number enrolled by race and age in the Adult Education program in Benton Harbor in 1994. Table 24 indicates that 53 African American males and 148 African American females were enrolled in the adult education beginning level in Benton Harbor in 1994. In two other levels, IABE and ASE, a total of 211 and 269 African Americans were enrolled in 1994. The figures for Hispanic and Caucasians were lower.
TABLE 24
ADULT EDUCATION IN BENTON HARBOR: PARTICIPANTS BY EDUCATIONAL FUNCTIONING LEVEL, POPULATION, AND SEX

<table>
<thead>
<tr>
<th>Educational Functioning Level</th>
<th>Black (Non-Hispanic)</th>
<th>Hispanic</th>
<th>White (Non-Hispanic)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>BABE</td>
<td>53</td>
<td>148</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>IABE</td>
<td>48</td>
<td>163</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>AESL</td>
<td>90</td>
<td>179</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Totals</td>
<td>191</td>
<td>490</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

Note. From Adult Education in Benton Harbor, by The Department of Education Adult Learning Services, 1994, Lansing, MI: State of Michigan, Department of Education. BABE = Beginning Adult Basic Education; BESL = English as a Second Language; IABE = Intermediate Adult Basic Education; IESL = Intermediate English as a Second Language; AESL = Advanced English as a Second Language and ASE = Adult Secondary Education.

According to the data presented in Table 25, a total of 145 16-24-year-old dropouts were enrolled in the Adult Education Program in Benton Harbor in 1994. The 25-44-year-old group recorded the highest enrollment, a total of 301 persons. Educating these persons has a price tag in foregone income to the individual, and the expenditure of local taxpayers and government funds. Adult education, an attempt to give high-school dropouts the secondary education they did not receive, costs money. The Adult Education Program in the Benton Harbor area received $500,000 in state school aid for 1995-1996 according to Walsh (1996) (see Appendix I).
TABLE 25

ADULT EDUCATION IN BENTON HARBOR IN 1994: ENROLLEES BY AGE GROUP, ETHNICITY, AND SEX

<table>
<thead>
<tr>
<th>Educational Functioning Level</th>
<th>Black (Non-Hispanic)</th>
<th>Hispanic</th>
<th>White (Non-Hispanic)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>1. 16-24 years old</td>
<td>43</td>
<td>102</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>2. 25-44 years old</td>
<td>91</td>
<td>211</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>3. 45-59 years old</td>
<td>47</td>
<td>135</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>4. 60 and older</td>
<td>10</td>
<td>42</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>191</td>
<td>490</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

Note. From Adult Education in Benton Harbor, by The Department of Education Adult Learning Services, 1994 Lansing, MI: State of Michigan, Department of Education.

The data in Table 26, which reveal adult education personnel by function, job status, and number of persons taking training, present information regarding the number of paid persons who worked part-time and full-time in Benton Harbor Adult Education in 1994. Adult education is another by-product of dropping out of high-school. Funding adult education carries an economic price tag.

The employment rate among school leavers, including those who have not finished high-school and those who have not gone to college, is an indication of the ease of making the transition from high-school to work. In 1993, 64% of recent high school graduates not enrolled in college were employed compared to 47% of dropouts.
<table>
<thead>
<tr>
<th>Function</th>
<th>Paid Personnel</th>
<th>Unpaid Volunteer</th>
<th>Total Number Taking Training</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Number of Full Time Personnel</td>
<td>Number of Part Time Personnel</td>
</tr>
<tr>
<td>1. Local-level Administrative/Supervisory/Ancillary Services</td>
<td>1</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>2. Local Teachers</td>
<td>35</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>3. Local Counselors</td>
<td>2</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>4. Local Paraprofessionals</td>
<td>4</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

Note. From Benton Harbor Area School Fiscal Year 1994—Adult Education Annual Performance Report, by The Michigan Department of Education Adult Extended Learning Services, August 9, 1994, Lansing, MI.

Caucasian dropouts were more likely to be employed than African American high-school graduates not enrolled in college (U.S. Department of Commerce, 1995, p. 9). In March 1992, African American men (ages 16 years and over) were less likely than Caucasian men to be in the labor force (70% compared with 76%). The unemployment rate for African Americans (14%) was more than double that for Caucasians (6%) according to the U.S. Bureau of the Census (1994).
Employment More Difficult for African American Dropouts

African Americans without an education face a harder time in trying to obtain employment. Fosu (1993) has researched the employment of African Americans in Michigan and documents data that support the position that although unemployment rates for both African Americans and Caucasians have been growing, African American youth unemployment grew at a rate about twice as fast as that for Caucasians. He suggests that in order to reduce the African American employment ratio in Michigan, the continuing deindustrialization of Michigan must be arrested and attempts must be made to ease the employment of African Americans into jobs found in the nonindustrialized sector (p. 44). It is not clear exactly how many high-school dropouts in Benton Harbor are employed, however, but the 1990 census estimates a figure of 3,578 high-school dropouts in Benton Harbor City. That is the total estimated number as of 1990 (Appendix I). The average cost of public assistance per person is $6,003 (Table 24). If it is assumed that 3,578 high-school dropouts receive public assistance, then the total cost to the state is 3,578 multiplied by $6,003. This results in an estimated $21,478,734.

The problem of unemployment of teens and adults has affected the Benton Harbor area for years. In January 1990, for example, Benton Harbor City had a labor force of 4,100. Of that number 2,725 were employed but 1,375 were not employed. The year 1990 recorded an annual unemployment average of 28.5%, whereas 1991 closed out with 34.0%. For a third consecutive year, 1992 Benton Harbor’s
unemployment rate rose in the first half of the year and ended with a 33.2% rate. The jobless rate for 1993 was 28.7% and 25.2% for 1994 (See Appendix H). Dropouts join the ranks of the unemployed in Benton Harbor, and unemployment related expenditures utilize scarce dollars but do not contribute to the growth of the local economy.

In responding to my inquires about teen unemployment in Benton Harbor, the MESC explained that there were no current surveys available which report teen unemployment rates in the city of Benton Harbor. The current unemployment data for Berrien County, however, is available. According to estimates provided by MESC, the unemployment rate for teens in the city of Benton Harbor is 36.4% for 1996 (Appendix I). Teens who are unemployed use up vital goods and services but are non-producers. The total estimated unemployment benefits paid by the Benton Harbor office for 1996 was approximately $17,240,000. It is not possible for the MESC to differentiate how much went to city residents because this figure covers the entire Berrien County (Appendix I).

An economic outcome of education is the ability to find steady work. Steady work usually yields valuable job experience and skills, and ultimately more rewarding jobs. Without steady periods of work, a person's labor market opportunities are likely to worsen over time. People who finish higher levels of education, on average, get more earnings, better benefits, and more satisfying work (U.S. Department of Education, 1996, p. 112).
Dependency on Welfare

Another economic implication of not completing one's high-school education in Benton Harbor is inevitable dependency on welfare. One benefit of the availability of free education or low-cost education is reduced reliance on welfare and public assistance programs among those who attain higher levels of education. In 1992, high-school dropouts were three times as likely to receive income from AFDC or public assistance than high-school graduates who did not go on to college (U.S. Department of Commerce, 1995, p. 8). This dependency on welfare by Caucasians and African Americans is of a growing national concern. In summer 1993, the United States had 36 million mothers 15-to 44-years-old and 3.8 million of them were receiving AFDC payments to help with the rearing of 9.7 million children. About one in four African American mothers of childbearing ages (1.5 million) were AFDC recipients. Almost half of AFDC mothers of all races do not have a high-school diploma and most of them are reportedly jobless, have low family incomes, and live in central cities (U. S. Bureau of the Census, 1995). One welfare myth is that most recipients are African Americans. Two thirds of America's poor are Caucasians (Dalgleish, 1996b, p. 5a). Nationally, in 1994, dropouts were two times more than likely to receive income from AFDC or public assistance programs as high-school graduates who did not go on to college--14% compared to 6% (National Center for Education Statistics, 1996a, p. 118).

Since the first of October 1996, federal and state welfare programs have undergone changes. Governor John Engler's sweeping welfare reforms have affected
aid recipients of all types including ADC recipients, able-bodied adults without dependents, and teen mothers. The main message of the reform is that the years of unrestricted entitlement are over. Applicants can no longer simply meet income and family-size criteria to get a state check. The Aid to Families with Dependent Children (ADC), now known as Families Independent Program (FIP), will remain at about $5,500 per year for a family of three. Single mothers will continue to get their grants increased with additional children. It will be harder for unwed teen mothers to become heads of households with state welfare grants. Other changes include the following:

1. Welfare clients cannot get more than 60 months total benefits in their entire lifetime.

2. Welfare clients must report to orientation sessions and must ardently seek employment or be in training or community service programs. Clients can supplement their grants with outside earnings.

3. The food stamps quota has been reduced from about 79 cents per meal to 66 cents.


Persons who drop out of high school in Benton Harbor will find it increasingly difficult to survive on welfare and will be forced to find alternate sources of income.
Crime

Another expense associated with dropping out is becoming involved with the wrong side of the law. Freeman (1991) in his study on “Crime and the Employment of Disadvantaged Youths,” showed that a large number of high-school dropouts in the 1980s (particularly African Americans), developed criminal records in the decade. His findings revealed that those who were incarcerated were less likely to hold jobs than other youths over the entire decade. Freeman (1991) suggests that magnitudes of incarceration, probation, and parole among African American dropouts, in particular, imply that crime has become an intrinsic part of youth unemployment and poverty. He concludes that limited evidence on the returns to suggest that with the decline in earnings and employment for less educated men, crime presents a lucrative alternative.

Nationally, Michigan ranks fifth in the number of violent crimes and currently houses over 36,000 prisoners at an average annual cost of $23,000 per prisoner per year (Michigan Community Education State Plan 1994-2000, n.d., p. 19). Since 1987, corrections have risen from 8.6% to 14.1% of Michigan’s total budget, and unfortunately, most of the prisoners were back in jail within 3 years.

Locally, school-age teens in Benton Harbor City commit acts of crime. According to statistics tabulated by the Michigan Department of Police (State of Michigan, 1993) for Benton Harbor, African American juveniles were involved in such crimes as murder, rape, robbery, and aggravated assault. Involvement in the use and trafficking of drugs among teens in Benton Harbor is also related to violence and criminal acts. The offenses and numbers for 1993 provide a picture of this social
problem. The numbers are as follows: murder—two African American males; rape—one African American male; robbery—six African American males, and one African American female; and aggravated assault—19 African American males and 9 African American females. The African American male juvenile in 1993 committed more offenses than African American females in Benton Harbor City, a total of 28, when all the categories are summed. Nine female juveniles however, were arrested for aggravated assault. These juveniles, under 18 years old, are high school and junior high students. The data do not reveal whether these juvenile, offenders were enrolled in school at the time of their offenses, but it may be likely that some of them had dropped out.

Benton Harbor struggles with its violent crimes crisis and receives negative publicity from the press. For example, Benton Harbor had the state's worst per capita murder rate last year (1996) and Benton Township ranked fourth, according to Federal Bureau of Investigations (FBI) data. The City had a record of 13 homicides in 1995, or one murder for every 1,000 residents. Benton Township with its population of about 17,500 had seven murders in 1995 (Brundrett, 1996).

Benton Harbor was described as having the highest murder rate in the nation in 1994. Table 27 presents the crime data for 1994 and 1995. The numbers show a decrease in crime. Teens not in school are frequently arrested in Benton Harbor. In 1996, three murders were recorded in Benton Harbor and two in Benton Township. In an attempt to reduce teen violence in Benton Harbor, Street Ministry has expanded its outreach to Benton Harbor High School to provide after-school activities for high-
school students. It is hoped that participation in such activities will prevent the eruption of several after-school fights.

### TABLE 27

CRIME DATA FOR BENTON HARBOR CITY, 1994 & 1995

<table>
<thead>
<tr>
<th>Category</th>
<th>1994</th>
<th>1995</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rape</td>
<td>36</td>
<td>31</td>
</tr>
<tr>
<td>Robbery</td>
<td>189</td>
<td>156</td>
</tr>
<tr>
<td>Aggravated Assault</td>
<td>662</td>
<td>652</td>
</tr>
<tr>
<td>Burglary</td>
<td>662</td>
<td>614</td>
</tr>
<tr>
<td>Larceny</td>
<td>949</td>
<td>869</td>
</tr>
<tr>
<td>Auto theft</td>
<td>219</td>
<td>190</td>
</tr>
<tr>
<td>Arson</td>
<td>132</td>
<td>77</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2849</strong></td>
<td><strong>2776</strong></td>
</tr>
</tbody>
</table>

*Note. From FBI is state’s murder capitol (pp. 1 & 4A), by R. Brundrett, 1996. The Herald Palladium, Benton Harbor-St. Joseph, MI.*

The Benton Harbor Street Ministry plans to provide an after-school social hour for high-school students in a safe gathering place (Dalgleish, 1996c, p. 3A).

Juveniles who become involved in crime cost taxpayers money. The parents or guardians, too, have to pay if they earn enough income. An estimate relating to the cost of housing an inmate for one day in Berrien County Jail is $30. Inmates held in transit for the Department of Corrections (DOC) cost about $35 per day. This is a cost to the inmates. The expense to prosecute juvenile crimes and then incarcerate
them is an expense that taxpayers, the state, and federal government would not have to undertake if these young law breakers had remained in school and received their education.

In a response to the problem of teen violence in Benton Harbor, Agay (1996) expresses the opinion that we must pay for programs that keep youth off the street and out of trouble. He further explains that, as a society, people have to accept that there are going to be children on the streets and not in school during the day, on the streets in the evening rather than at home, and on the streets at night rather than sleeping in their beds (p. 1). Benton Harbor cannot just sit back and rely on families to do it all. The Learning Opportunities For Teens (LOFT) and Police Athletic League Boxing Club (PAL) are local endeavors to provide teens with a positive environment to help them stay out of trouble. To further explore the economic implications of juvenile involvement with crime, Ehrlich (1974) was consulted. He stated that in violating the law, one also risks a reduction in one's wealth and well-being, because conviction entails paying a penalty. A penalty in this case, Ehrlich (1974) argues, could be a monetary fine, probation, the discounted value of time spent in prison and related psychic disadvantages, net of any direct benefits received. Acquiring a criminal record reduces earning opportunities in legitimate activities and, as an alternative to violating the law, one may become engaged in a legal "wealth- or consumption-generating activity," which may also be subject to specific risks (p. 70).

Another economist who studied an economic approach to crime and punishment supports the findings that crime really costs. Becker & Landes (1974)
argue that since economics has been developed to handle resource allocation, an
"economic" framework becomes applicable to and helps enrich the analysis of illegal
behavior (p. 45). There are monetary and non-monetary costs attached to society, the
offender, and the victim. High-school dropouts in Benton Harbor are not immune to
these costs. According to Becker & Landes (1974), the cost of different punishments
to an offender can be made comparable by converting them into their monetary
equivalent or worth, which is directly compared to fines. For example, the longer an
offender stays in prison, the greater the loss. If he or she were employed, the more
such a person would earn outside of prison. Becker & Landes (1974) put it succinctly
when they state that the cost to each offender would be greater the longer the prison
sentence, since both foregone earnings and foregone consumption are positively
related to the length of sentences (p. 13).

Punishment for Crime Affects Others

Dropouts who break the law create a social price tag. Punishments affect not
only offenders but also other members of society. Apart from collection costs, fines
paid by offenders are received as revenue by others. The total social cost of
punishments is the cost to the offenders plus the cost or minus the gain to others
(Becker & Landes, 1974). Most punishments, however, hurt other members of
society as well as offenders. Imprisonment, for example, requires expenditure on
guards, supervisory personnel, buildings, food, etc. Stigler (1974) points out that
enforcement of the laws is a costly undertaking, and that the enforcement of laws
depends upon the amount of resources that are devoted to the task (p. 57). Benton Harbor City, with its unemployment concern and low per capita income, finds it increasingly difficult to find scarce dollars to fight crime. Students may contribute in a more positive way to their communities by remaining in school and receiving their high-school education and not finding themselves on the wrong side of the law.

**Teen Pregnancies**

Teen pregnancies, another cause of dropping out in Benton Harbor City, also carry financial and economic implications. Pregnancy is a physical, psychological, and financial challenge to the junior high or high-school student from a disadvantaged socioeconomic background. It temporarily halts the young mother's pursuit of her secondary education and it immediately incurs medical expenses. Pregnancy pushes a young father into a role for which he is economically and emotionally ill-prepared. According to data from the Public Health Department, presented in Table 28, Benton Harbor had 538 live births in the year 1992.

Of these, 11 babies were born to mothers age 15 years old or less. In the 15-19-year old age group, 190 babies were born. Another 208 babies were born to 20-24-year-old mothers; an additional 70 were born to women 25-29-years-old, and 37 babies to women 30-34 years of age. Only 19 were born to women 35-39 years old and 3 babies to 40-44-year-old women (Michigan Department of Public Health, 1996). The data indicate a noticeably high number of pregnancies among Benton Harbor City and Benton Township African American females for the year 1994. Of the age groups
presented, students less than 15 years old had 23 live births in the two townships and in Benton Harbor City. In the 15-19 age group, 208 live births were present in 1994.

**TABLE 28**

**LIVE BIRTHS IN BENTON HARBOR CITY, 1992**

<table>
<thead>
<tr>
<th>Age in years</th>
<th>Number of births</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 years old or less</td>
<td>11</td>
</tr>
<tr>
<td>15-19</td>
<td>190</td>
</tr>
<tr>
<td>20-24</td>
<td>208</td>
</tr>
<tr>
<td>25-29</td>
<td>70</td>
</tr>
<tr>
<td>30-34</td>
<td>37</td>
</tr>
<tr>
<td>35-39</td>
<td>19</td>
</tr>
</tbody>
</table>


These secondary-level students-turned-parents, without their high-school diploma, and frequently without a job, have little choice but to turn to public assistance for medical insurance and prenatal care, food stamps, and other forms of aid. These pregnancies do cost taxpayers, as a vicious cycle of dependency continues. In 1992, Benton Harbor City had 469 live births by African American mothers, in contrast to 64 live births by white mothers. The population ratio for African Americans to Caucasians in Benton Harbor City based on the 1990 census data, is 12818:930, which is approximately 13.7 African Americans to 1 Caucasian. Of those
469 live births, 11 were to children less than 15 years old and 190 to adolescents between the ages of 15-19 years old. Benton Township, on the other hand, for the same year, records 162 live births by African American women and 128 live births by Caucasian women (Michigan Department of Public Health, April 4, 1996, p. 4). These teen pregnancies open up an almost unending scenario of local, state, and federal expenditures to deal with the economic and societal repercussions. The resulting costs over a lifetime are almost impossible to compute.

**Need for a Paradigm Shift**

All Americans must band together in the challenge to educate all of our citizenry. The goal is simply this, asserts Orr (1992): Every child must be better prepared to someday contribute effectively at work and in the community. The goal is freedom from the constraints of an inadequate education. These constraints continue to place many Americans on public assistance, unemployment, and under the poverty level. Orr (1992) declares that we need to help our children—our future adults—become less dependent. He suggests that education is the way to do this (p. 9).

There is no quick fix to the dropout problem in the Benton Harbor area. The community struggles with various social, economic, employment, criminal, and educational problems. In spite of this, its citizens must keep addressing the dropout problem. This will take a concerted effort of the school, home, and local community. Each African American family must rise to the occasion of providing continuous support and training to its children. Families that are successful in motivating teenage
youngsters towards achievement tend to possess the following characteristics: strong parental educational values, academically related activities, optimism, and a sense of control (Johnson, 1992, p.116).

National curriculum consultant Stephen Olczak surveyed residents, teachers and students about education at the Benton Harbor High School. The survey reported that only 47.5% of the area residents believe that the school provides a top-quality education. Of 81 teachers interviewed, 11 believed that they could do little to improve student achievement, and 6 believed that student could not learn the material taught (Bonnette, 1996, pp. 1 & 4A.)

There needs to be a paradigm shift in the thinking of students, teachers, and parents as they declare war on failure, and sign a new pact on academic, vocational, and graduation success for all. Schools in the Benton Harbor system should understand their mission statement, "To guarantee all students a challenging and quality education." It should be one directed to success for all Benton Harbor children, regardless of their socioeconomic status and ethnicity.

The Benton Harbor Area Schools 1996-1997 District Goals aims to reduce the dropout rate by 3% and increase the graduation rate by 10%. They pledge to increase community and parental involvement to spruce up the perception of the schools' image. The School Board intends to increase the number of students who graduate with an endorsement, and ensure that upon graduation, students will enter the world of work, post secondary or the military. They aim to integrate technology into teaching.
In order to achieve the goals, there has to be a paradigm shift in the thinking of administrator to school bus driver.

The following school-related factors ultimately affect young people's school achievement. These include: the quality of interaction between the student, the teacher, and other school personnel; types of instructional programs, learning activities and reinforcement strategies; curricular materials, textbooks, use of computer software and hardware; school climate; disciplinary practices, and level of expectation and motivation generated in the school (Johnson, 1992). Particular stresses under which poor families operate decrease the ability of many of them to assist in academic achievement, but African American families must struggle with the added stressors of racism and discrimination and their resultant job ceilings. Therefore, schools should provide information, assistance, and encouragement to families about methods of motivating African American children toward academic achievement (Johnson, 1992, pp. 99-119).

The Teaching of the Economics of Staying in School

There are various strategies present on the educational market, designed to keep students in school. Mentoring and the teaching of the economics of staying in school are two of these. Becker (1989) suggests an extensive training and employment program designed for high-school dropouts based on the West German model. He claims that almost three-quarters of young Germans get instruction in more than 400 trades, plus on-the-job experience. Training begins at 15 or 16 years of age,
usually the time when U.S. teens drop out, and continues for 3 years. He further explains that state government pays for the classroom instruction, while employers pay a wage, an average of more than $500 per month. Becker (1989) suggests that is probably the reason why Germany has one of the lowest youth unemployment rates of any country in the Organization for Economic Cooperation & Development (p. 18). He bemoans the practice of government spending too little money on the dropout and the non-college-bound population in America (Becker, 1989). Another dropout researcher echoes Becker's (1989) position. Catterall (1986) argues that the costs of dropping out, approaching $250 billion for males alone (Levin, 1972) are best understood in the context of what might have been done to reduce the figure. If public authorities were to have doubled elementary and secondary spending over the lives of each dropout for the group that Levin (1972) studied, and in addition, were to have absorbed the college costs resulting from those new finishers likely to have continued their education, the additional expenditure would have amounted to only $57 billion. A dollar of public investment, if properly used, might have brought society nearly five dollars in national income (Catterall, 1986, p.11).

In 1990 the National Center on Education and the Economy published its research findings on the American economy. It concludes in its Executive Summary that although the foreign nations studied differed in culture and economies, these nations shared an approach to education and training of their workers and also support a high productivity work organization. The nations did the following:
1. They insisted that almost all their students reach a high educational standard. Americans do not.

2. They provided "professionalized" education to non-college-bound students to prepare them for their trades and to ease their school-to-work transition. Americans do not.

3. They operated comprehensive labor market systems that combine training, labor market information, job search, and income maintenance for the unemployed. Americans do not.

4. They supported company-based training through general revenue or payroll tax-based financing schemes. Americans do not.

5. They had a national consensus on the importance of moving to high productivity forms of work organization and building high wage economies. Americans do not (p. 4).

The summary concludes with a blatant warning which declares: "Our approaches have served us well in the past. They will not serve us well in the future" (National Center on Education and the Economy, 1990, p. 4).

Benton Harbor Area Schools has utilized, over the years, various strategies to increase its graduation numbers--"Operation Graduation," "Catch a Falling Star" and Mentoring, to name a few. The "Career Path" concept is its latest effort to increase its graduation numbers. It has been under study since the start of the 1996-1997 academic year. The "Career Path" approach will be implemented in fall of 1997. The
challenge of keeping students in school continues to confront the local community and School Board.

Teaching students the rudiments of economics with emphasis on staying in school is a strategy that can provide practical information on money matters. Students in today's society interact with different aspects of the American economy in their everyday experiences. They transact businesses, purchase goods and services, and watch people in their lives exchange money and credit for goods and services. Young people are consumers, spending millions of dollars each year. According to Davis (1987), these youth are somewhat unaware of market factors, of the use of money, and of the competition among buyers and sellers. Many young citizens pay taxes and receive some of the benefits of government spending. But what do teenagers know about the economy and how to use what Davis (1987) calls “economic reasoning”? Students need basic economic information to make intelligent decisions, all integral parts of citizenship.

Since dropping out of school is a decision that affects the dropout's entire financial life, it is my belief that all students should be taught the basic principles of economics according to their developmental level. Many students work for their own pay checks while still in high school, therefore, they should be exposed to the fundamental principles regarding how the economy operates and their role in it. Furthermore, since adolescent spending is in billions of dollars, children should leave school with an awareness of the following: how to invest in the stock market; how to
make informed financial choices; how to begin saving while in school; how to own a home; and how to become financially successful to ensure a higher quality of life.

In fact, in 1989 it was declared that people between the ages of 12 and 19 then comprised a market of some 28 million consumers, a population that is expected to increase (Sharif, 1989, p. 56). The Rand Youth Poll that specializes in wealth among minors stated that teens spent about $55 billion in 1988; teenagers' total financial impact on the U.S. economy was an estimated $250 billion in allowances and after tax earnings (Sharif, 1989, pp. 56, 58). The article, a feature cover story, advocated teaching young people the financial facts of life, so that they can make financially responsible decisions.

Many Benton Harbor students need this practical, yet vital teaching of economics, especially as they are less likely to receive it anywhere else. Information on economic issues may alert the student to making better educational choices which will eventually yield higher earnings since "almost all studies show that age-earnings profiles tend to be steeper among more skilled and educated persons" (Becker, 1964, p. 59). Interestingly, although Southwestern Michigan's latest unemployment rate is only 4.7%, and in 1993 about 2,500 jobs were created in Berrien County alone (Burkert, 1996), finding good paying jobs is still a challenge for some skilled people. The task is even greater for the unskilled high-school dropout.

In relation to economics instruction, Davis (1987) bemoans the fact that only one in four students will have the opportunity to learn about economics at the high-school level. He further complains that this is tragic, because dropouts need to have
some fundamental knowledge of the nature of the economic system and how it works, as they are going to be seeking employment on a full-time basis (p. 52).

Although the teaching of economics in schools has drawn support from various sectors and it is believed to be important for good citizenship, there is no evidence that suggests that students who have had economics make better citizens or are more adequately equipped for life in the economic world (Miller, 1988, p. 19).

In order to encourage children in the Benton Harbor Area Schools to stay in school and successfully obtain their education, they should be actively taught the economic value of an education. To say that the student population knows the value of money may be an understatement, since many of them frequent the malls and other shopping areas, spending significant numbers of dollars for personal items, services, and entertainment. The teaching of economics can be infused into the existing curriculum or taught as a subject. The latter may not be as feasible in the light of state-aid cutbacks and complaints of shrinking budgets. The Benton Harbor Area Schools could seek sponsorship from more local Benton Harbor businesses for the Junior Achievement Program, in addition to its Whirlpool Corporation sponsorship. Junior Achievement teaches the economics of staying in school, which should be an integral and ongoing part of the Benton Harbor Area Schools secondary curriculum. Emphasis should be made on remaining in school and successfully graduating. Economics classes would be conducted by teachers, local successful professional persons who want to give back time to the community, or a designated person. Students would be led through a step-by-step discovery approach as they study the
rubrics of the American economic system, with emphasis on the individual, civic, and financial gains that are fruits of a good education. The following steps could serve as a guide to the teaching of the economics of remaining in school. The steps were influenced by the efforts of the Junior Achievement, which boasts over 75 years of economic education (1919-1994).

Summary

In studying the economic implications of dropping out of high school in Benton Harbor, various sources were consulted. These included different research publications commissioned by the state and federal governments. Site visits were made to various places including the following: the Berrien County Intermediate School District (ISD); the state of Michigan, Department of Education, Lansing; the Junior Achievement (JA) office, St. Joseph; the Benton Harbor High School; Junior Achievement sessions on the economics of staying in school (King Junior High); and the Cornerstone Alliance, Benton Harbor. Five research questions were raised and their findings from documentary sources were presented.

Various reasons are associated with the African American student's early exodus from school. Dropping out of high school has evolved into a complex problem that has economic implications for the individual, the local community and the American society at large.

In studying what factors are associated with dropping out of school, it was noted that Rumberger (1983) concluded that the reasons were many. Females left
early because of pregnancy and marriage. He also discovered that family background strongly influenced the population's tendency to drop out of school. Ekstrom, et al. (1987) also analyzed the HSB data, identifying salient characteristics of the dropout population. Their findings reveal that students who later dropped out of school were significantly different in their sophomore year than those who stayed in school. They were also from disproportionately low socioeconomic families and racial ethnic/minority groups. Schools share some responsibility in a African American student's decision to disengage himself or herself from the formal educational process (Irvine, 1990; Rollins et al., 1974; Waggoner, 1991). Marshall and Tucker (1992) argue that American schooling is mostly a function of the background of the students they enroll. If the foregoing statement is true, then the economically disadvantaged African American students in Benton Harbor might not graduate from school.

Family income and persistence until graduation are related to dropping out. Poverty, an indicator of the family's economic resources, is another predictor of dropping out. Parental income determines the economic lifestyle of a family (Gollnick & Chinn, 1990). Benton Harbor City has a population with generally low income. Some families polled in the 1990 census report incomes below $10,000. The data on income status for households, families, and non-family households indicate a population whose income is below the poverty level. With a per capita income of $5,622 and a median family income of $10,447 (Table 14), some families face severe difficulties in providing the amenities for their youngsters to be ready for school. It is
difficult for students from these financially disadvantaged homes to stay in the educational system till they graduate.

According to the data analyzed, employers are looking for persons who can think (Marshall & Tucker, 1992); communicate (Education Quality of the Workforce (EQW) Employer Survey, 1995); work as a team, and who possess basic academic skills (BCISD, [1995]). Companies in Berrien, Cass, and Van Buren Counties desire a more educated and skilled workforce. They want employees who have better communication skills, more computer skills, better work ethics, and a strong willingness to work (Skills, wage and benefits survey report, 1995, p. 5).

Persons who drop out of school and those who graduate exhibit a disparity in income, over time. High-school graduates, especially those who go on to college earn more than dropouts (Levin, 1972; Catterall, 1986). On the other hand, Black dropouts in 1991 who did find work generally earned less than White dropouts (U. S. Department of Education, 1994, p. 98). Dropouts in Benton Harbor have few marketable skills so they are relegated to lower-paying jobs. These pay minimum wage salaries. The lifetime earnings for a high-school dropout in Benton Harbor, using the 1990 census average household income are an estimated $656,140. This number compares with the $600,000 figure calculated by the Bureau of the Census that high-school dropouts will make in their lifetime (U. S. Bureau of the Census, August, 1994).

The data conveyed a correlation between more education and higher earnings.
It suggested that completing high-school could add another $200,000 to a dropout's lifetime income. Persons who attended some college could expect a lifetime earnings in the $1 million range. Holders of a bachelor's degree might expect another half million dollars, while doctorate and professional persons would exceed that figure, receiving just over $2 million and $3 million, respectively, over their lifetime (U. S. Bureau of the Census, August, 1994). The total estimated lifetime income loss for Benton Harbor City using 1990 census African American dropout total of 3,578 is $715.6 million. Benton Harbor High School attempts to prepare its students for the job market. However, scores of the students in the state's standardized test, the MEAP, are low in math, science, and reading. This is only one indicator of performance and not a reflection of the students' total academic abilities and potentials, yet the MEAP scores become more important as a district's level of effectiveness, and form the basis for decisions in state accreditation and funding. Also, Benton Harbor High School graduation numbers reflect a serious disparity when compared to its freshman enrollment numbers. Benton Harbor's 1993 1-year dropout rate of 13.9% contrasts sharply with the other school districts within the Berrien County Intermediate School District, which reportedly have 1-year dropout rates ranging from 1.5 to 7.8 (Engler, 1993).

The data have shown that dropping out of high school carries various private and social price tags. The individual's education becomes aborted, and inadequate preparation for the world of work, is the result. Unfortunately, declares Kunjufu (1986), "our youth today often desire a $200,000 dollar lifestyle but possess five dollar
skill" (p. 30). The dropout experiences a more difficult time in finding a job and in making the transition from full-time school attendance to work than graduates (U. S. Department of Education, 1993, 1994, 1995). Real wages for high-school dropouts have fallen, whereas they rose for graduates (Becker, 1989). If a job is found, it generally appears to be one that pays minimum wage. Low income puts pressure on people. How shall they pay for vital goods and services? Many such persons turn to the social service system for aid.

Providing a welfare system that picks up the tabs for the unemployed, and underemployed is a costly expenditure for local, state, and federal governments. Michigan has changed and tightened its welfare laws so that able-bodied persons cannot draw on benefits indefinitely. Applicants can no longer simply qualify by income and family size criteria. This welfare reform news is serious for Benton Harbor. Additionally, the 1993 Michigan median earnings by schooling (Appendix F) report that persons with more schooling earned more money. The data also indicate that Caucasians earned more money than African Americans. Caucasians had a mean income of $499 per week whereas African Americans had a mean income of $441 (Appendix G). The 1995 average weekly earnings for Michigan (Appendix I) indicate that persons with more education in Michigan earn more.

Dropping out of high school becomes an additional expenditure for the state in providing adult education completion programs for dropouts. Michigan assists 20,000 adults in gaining or upgrading their employment or leaving public assistance annually as outlined in the Michigan State Plan for Community Education 1994-2000 (n.d.).
Any adult who graduated or passed the GED, and then got a job, saved the state $10,000 per student, per year. If the adult education person was removed from public assistance, it was a $6,003 savings per student, per year. That figure is the average cost of public assistance per recipient. Benton Harbor had about 747 persons in adult education during the 1994 fiscal year, an additional expenditure for dropping out of an almost free secondary education program. The estimated cost for the Adult Education Program in Benton Harbor during the 1994 fiscal year was approximately $4,484,241 using the figure of $6,003 per student, per year.

Additionally, some dropouts get involved in crime, an expensive undertaking for law enforcement (Stigler, 1974), the offender, the victim, and the local community. Ehrlich (1974) emphasizes that in violating the law the offender risks a reduction in one's wealth and well-being, for conviction includes paying a penalty. Becker & Landes (1974) advance an economic framework that assists in the analysis of illegal behavior. Another personal consequence with significant financial implications is teen pregnancies. The associated cost is picked up by the government since most of these mothers have to resort to public assistance for medical coverage, food stamps, and other types of support.

Despite the prominence of economic issues in American life, a majority of high-school students are economically illiterate. Regarding economic education, one in four students will never have the opportunity to learn about the economy at the high-school level, argues Davis (1987). This is tragic as dropouts need to have some
fundamental knowledge of the economy and how it works, since they will be entering the economy on a full-time basis (Davis, 1987, p. 52).

America will advance utilizing the skills of all its citizens, then it is imperative that the nation stop the economic wastage that accompanies dropping out of high-school. Economic planning, instead, should become a part of a school’s curriculum. Increasing the number of African Americans in the city of Benton Harbor productive work environments calls for educational and economic planning—a liaison between the student, school, and workplace. There are no quick-fix answers to the high-school dropout concern among African Americans in Benton Harbor, even though various approaches have been tried. However, on the basis of the data examined in this study, the teaching of economics with an emphasis on the financial benefits of staying in school should be undertaken as one method that encourages all secondary students in the Benton Harbor Area Schools to graduate. Since most students utilize money to purchase goods and services, they should be exposed to the basics of economics that can assist them in making better educational and financial decisions for the present and the future.
CHAPTER V

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Introduction

The purpose of this study was to investigate the economic implications associated with dropping out of high-school among African Americans, in Benton Harbor, Michigan. This chapter contains a summary of the present study, a discussion of the findings obtained, conclusions, and recommendations for practice and further research. The study found its strength rooted deeply in a growing concern for the number of African Americans who prematurely leave Benton Harbor High without their high school diploma. For some of these inner-city, at-risk teens, dropping out probably continues a downward path characterized by lack of economic planning, a waste of human capital, and repeated involvement with the criminal justice system.

Summary

The study utilized a documentary approach to gathering data on the economic implications of dropping out. It employed the 1990 census database, statistical abstracts, National Center for Education Statistics data, and other government-generated research and publications. National, state, county, and local documents were studied. Data were obtained from site visits to various places, for example: The
Berrien County Courthouse, St. Joseph; The State of Michigan, Department of Education, Lansing; the Junior Achievement Office, St. Joseph; the Benton Harbor high-school; and visits to classes on the Economics of Staying in School at Martin Luther King Junior High in Benton Harbor.

The study examined various sources that dealt with the economic implications that are related to an incomplete secondary education to the individual. An inadequate education spells trouble for the African American dropout who is from a disadvantaged socioeconomic background, has poor reading, math and writing skills, and has very little prospect of getting a good paying job. Such a person may be relegated to minimum wage jobs without health and insurance benefits and little promise for job promotion or financial success, if he or she does not get further training. Dropping out carries a price tag to the individual, family, the community, the State, and invariably, the Federal Government. This loss becomes evident in foregone income, paying out social welfare benefits, and huge expenditures for fighting crime among dropout offenders.

Findings of the Study

The following findings emerge from the documentary and statistical data that were examined with reference to each research question.

Research Question 1 asked: What are the factors associated with dropping out of high school among at-risk African Americans?
No single factor was found to be the cause of dropping out. The factors appear complex and interrelated. Reasons for dropping out among African Americans in general are repeatedly linked to race and socioeconomic background (SES). Some students who drop out of school come from families whose parents are at or below the poverty level. These families have reduced income, less education and are largely single parents. Children from these economically deprived homes often need nutritional assistance, so they are usually enrolled in their school's free or reduced lunch program. Benton Harbor City, a predominantly African American metropolitan geographical area, exhibits depressed economic conditions for a large percentage of families.

According to the 1990 census data the city has a population of 12,818 persons, of which 930 are Caucasians and 11,817 are African Americans. The data show that only 47.9% of the population are in the labor force, among 8,002 persons of 16 years and over. With over 4,173 employable adults not in the labor force, certain financial risk factors for dropping out of school immediately occur. School-age children from households with median household incomes of $8,866, from families with a median family income of $10,447, and from median nonfamily household incomes of $5,831 are at a severe economic disadvantage for successfully remaining in school until their high school graduation. With a per capita income of $5,831 for the city of Benton Harbor, a significant percentage of its school population seem predisposed to educational difficulties and academic failure.
Low income is closely tied to poverty. Findings from the 1990 Census data for Benton Harbor City indicate that the poverty level for 12,706 persons were determined. Of that number, 7,370 were determined to be below the poverty level. This amounts to 58% of the total number of persons who were below the poverty level. Of related children five to seventeen years old, 66.6% were determined to be below the poverty level. This poverty is a precursor to Benton Harbor children's ultimate exodus from the school system. In addition, discussions in the dropout literature suggest that children from single parent families tend to drop out more often than children from two parent families. In the 1990 census data, female householders accounted for 70.3% of all families in Benton Harbor. Being a child in a single parent female-headed household, with an income below the poverty level, predisposes children to dropping out of school in Benton Harbor. Truancy, lack of interest in school, poor academic performance, lack of parental support, pregnancy, suspensions and gang related activities are some of the common reasons for dropping out of school in Benton Harbor.

**Research Question 2** asked: What skills are local businesses and organizations looking for in Benton Harbor High School graduates?

Employers are looking for high-school graduates who exhibit proficiencies in reading, comprehension, writing, and mathematical computation. Graduates should be able to think critically, work co-operatively, and display personal management skills. The ability to pass a drug test is also an important requirement. Persons with these skills are more likely to be hired than those without. High-school graduates who
are hired and possess entry level skills are more valued by their employers and are more likely to get further opportunity for training. Additional on the job training leads to promotions and higher wages, thus making it more possible to lead a higher quality of life. It is not too much to expect that high-school graduates in the workforce will become better team players who work industriously for the growth of the business, corporation or organization. Employers want people with a positive attitude.

Research Question 3 asked: Is there any pay differential between high-school dropouts and high-school graduates?

The findings indicate that high-school dropouts earn less than persons who have more education. More years of education have a strong correlation to higher wages, especially if post-secondary education and training are pursued. The pay difference becomes more evident over time. Higher wages cannot be explained by the possession of a high-school diploma per se. The pay disparity between dropouts and graduates is attributable to the opportunities for training and upward job mobility that more education provides. African Americans with similar education, however, generally earn less than Caucasians. In Benton Harbor dropouts who join the workforce earn minimum-wage salaries of $4.35 and $5.00 starting pay. The increase of the minimum wage will see a small raise over time, but these low wages impair the dropout’s ability to pay bills, medical insurance, and pension plans, to name a few. Dropouts in Benton Harbor have a projected lifetime income of $71.6 million, far less than a person with more years of education.
It can be argued that higher income benefits the individual, the individual’s community and the federal government. Most persons who earn higher income spend that income on themselves, on their families, or on charitable organizations. Higher income purchases goods and services which usually enrich the life of the individual or the family. The spending of more money infuses life into the community, and contributes to the community rather than drain its resources.

Persons who work for higher incomes are less likely to practice a life of crime because of need. Persons who work for a low income or do not possess marketable skills are more prone to get involved in a life of crime, and thus become a drain on the resources of the community, the state and the federal government. Besides, businesses need persons with good incomes, who can afford their merchandise and services, who will help them grow and meet their responsibilities to their communities and stakeholders.

Research Question 4 asked: Does the secondary-school curriculum prepare students for the jobs available in the Benton Harbor area?

The Benton Harbor High School curriculum attempts to prepare some students for the local job market and for the pursuit of post-secondary studies. Over 25% of its freshmen, however, do not graduate 4 years later. The enrollment and graduation numbers illustrate that dropouts do not benefit from all 4 years of high school preparation required for obtaining a diploma. Leaving school prematurely means that dropouts are not adequately prepared for jobs in Benton Harbor, St. Joseph
and the nation at large. They cannot read and compute at a proficient level. Also, the findings indicate that a large percentage of Benton Harbor High School students and junior high students generally do not receive satisfactory scores in the state administered MEAP tests each year. Reading, math, and science scores are generally below grade level.

Students who attend Benton Harbor High School have opportunity to be trained at the Tech Center. There, they are exposed to various hands-on trades. These include auto mechanics, child care, computing, accounting and electronics. They not only gain a skill, but also receive valuable job experience. Graduates are not only fitted to work for local companies, businesses, or organizations, but they are also fitted to work any place in the United States. High-school graduates are also equipped to build on their secondary education. Whether they choose to go on to higher education in the arts and sciences, the professions and the technologies, the graduates have a solid base on which to build.

Additionally, students who learn a trade or skill while in school get hands-on experience that allows them practical experience which allows them the opportunity to earn wages while they are in high school. Earning while learning has economic implications. Students buy goods and services, pay taxes and have a chance to explore various career options.

**Research Question 5 asked:** What are the private and social costs of dropping out of high school among at-risk African Americans?
There are various costs related to dropping out of high school. The costs involve foregone income that the dropout loses as a result of inadequate education. The dropout earns less money and generally becomes dependent on alternative means to survive. This dependency is on government social-assistance programs, which taxpayers have to finance. The dependency on welfare creates a vicious generational cycle of dependency on social programs in Benton Harbor. Less taxes are generated from personal income and investments, while the dropout seems to be utilizing valuable goods and services. Various sources reiterate a pool of social concerns that are linked with dropping out of school. These include: additional teen pregnancies, single-parent female headed households, periods of unemployment, involvement in gangs, criminal activities, and, the use and sale of drugs. A less-educated populace demonstrates less participation in the democratic process.

Conclusions

Based on the review of literature and the findings of this study, the following conclusions have been reached:

1. Dropping out of high school among Benton Harbor students is of concern to parents, teachers, students, local businesses, the Benton Harbor School Board, and the state Department of Education.

2. There is no one cause for dropping out of school among African Americans. Factors associated with dropping out of high school in Benton Harbor are complex. They include disciplinary problems at school, parents' socioeconomic
status, teen pregnancies, poverty, being a member of a single-parent female-headed household, poor academic performance, lack of interest, truancy and indiscipline.

3. Benton Harbor businesses, like many U.S. companies, are looking for high-school students who possess competencies in reading, comprehending and writing in English, and basic mathematical computation. They want students who possess ability to work cooperatively and who demonstrate personal management skills.

4. Using 1990 census dropout numbers, a conservative yet significant income loss of approximately $715,600,000 accrues over the lifetime of an estimated 3,578 African American dropouts in Benton Harbor.

5. Benton Harbor Area Schools attempt to provide a basic education for its high-school constituents consisting of eight full semesters, with a minimum of 22 credits, but its MEAP scores and graduation numbers record limited success.

6. When the state MEAP scores were examined, the results showed that Benton Harbor secondary students who were tested generally have not scored satisfactorily in math, science, and reading for the past years.

7. Dropping out costs the African American student reduced income since, without a diploma, he or she usually ends up having fewer career and job choices.

8. Dropping out incurs a loss to the state and federal governments in foregone income and reduced taxes from able-bodied Benton Harbor citizens who are not in the labor force or who work for minimum wage.
9. Dropping out of school costs Michigan tax payers additional monies to fund alternative high-school completion programs in order to assist individuals in the upgrading of themselves.

10. Dropping out of school leaves a person ill-equipped with the skills that employers need.

11. Benton Harbor dropouts need public assistance, and may perpetuate a cycle of dependency on public assistance among their children.

12. Dropouts in Benton Harbor may never develop the skills to plan their financial future, or to informally select and distribute their assets over a variety of investment opportunities, for example, opportunities in the area’s local stock market and New York Stock Exchange (NYSE).

13. Some Benton Harbor dropouts become involved with crime, costing taxpayers millions of dollars for policing, prosecution and incarceration.

14. The teaching of economics, with emphasis on the financial benefits of staying in school until graduation, should be an integral part of the school curriculum in Benton Harbor.

15. Investing now in keeping Benton Harbor students in school and successfully preparing them for the job market will save the local community, the state of Michigan, and the federal government millions of dollars in various social, insurance and health-related costs over the students’ lifetime.

Based on the findings of this study, two types of recommendations are made: They are general recommendations, and recommendations for further studies.
General Recommendations

1. In light of this study, Benton Harbor Area Schools and the local community should make a concerted and systematic effort to graduate each freshman, fully equipped with skills for the job market, post-secondary education, or military training.

2. There needs to be a paradigm shift in the thinking of educators, teachers, parents, and children to one that embraces the belief that all children can learn despite their socioeconomic status.

3. Schools should be given the support of all local agencies that deal with social, mental, health and penal problems, so they can proceed with the serious job of educating youngsters.

4. It is imperative that all African American parents and guardians, regardless of their economic status, become more involved in their children's education, discipline, and academic success.

5. Students in the 7th-12th grades should be taught the economics of education and the economic impact of dropping out as an integral part of the curriculum. Emphasis should be placed on remaining in school, illustrating the potential lifetime economic benefits of an education. The economics of education curricula may have the following components and follow the guidelines below:

   a. Students will identify their individual goals in life.

   b. Students will project their achievement 10 years from now.

   c. Students will explain what constitutes an economically successful life.
d. Teachers will use tables of monthly or bi-weekly income of various job categories and educational level to graphically illustrate that high-school dropouts get the lowest income, and that educated persons in Benton Harbor earn more money, have better jobs, health, and vacation benefits, better retirement packages, and an overall higher quality of economic life.

e. Students will create, study, and compare charts and bar graphs on employment rates among persons with varying levels of education drawn from the 1990 census, for the nation, the state, the county, and the local Benton Harbor area.

f. Students will study the link between the years of education and poverty among persons with different years of schooling.

g. Students will examine the poverty level of families in Benton Harbor and explore how living in poverty can be avoided.

h. Students will look at Benton Harbor public assistance numbers and its costs to taxpayers and the local community.

i. Students will study select expenses involved in obtaining a public education.

j. Students will explore the high cost of dropping out. They will draft a monthly budget sheet, itemizing their income based on their education, taxes, and take-home pay against their expenses. Expenses include rent, utilities, transportation, food, entertainment, clothing, and others. From the numbers
generated, students would be led to see that if they drop out of school, they will earn less and may not be able to finance the lavish lifestyle that they want.

k. Students will interview high-school dropouts in order to hear firsthand accounts of the financial odds and reduced employment opportunities that are against their neighbors who dropped out of high-school.

l. The economics course can be concluded with an individual mini-paper in which each student writes his or her personal economic goals, type of income desired, and the steps he or she would have to take, while in school, to start the process of achieving them. This could become a part of the student’s portfolio.

6. The Benton Harbor Area Schools should seek out additional sponsors in order to broaden the Junior Achievement Program which teaches the economics of staying in school. This program should include all secondary level students.

7. Local businesses should communicate their human resource needs to the Benton Harbor teachers so they can better prepare students with more of the required workforce skills.

8. All teachers, administrators, and central office personnel should become knowledgeable about the Michigan School-to-Work initiative and the role of each curricular subject in shaping job skills for employment.

9. Schools, churches, parents and community action groups need to teach self-esteem and social skills to all their students so more students can withstand peer
pressure to join a gang or do drugs, to lessen disciplinary infractions, and successfully remain in school until graduation.

10. Students should be methodically shown how an incomplete education often relegates a low-income person to welfare, sub-standard housing, difficulty in purchasing a home, limited access to good medical insurance and an overall lower quality of life.

11. Benton Harbor K-12 administrators should become active members in the National Dropout Prevention Network which provides a database of dropout research, yearly national conferences, and a wealth of expertise. The FOCUS database should be utilized through the ISD Internet services.

12. More Benton Harbor businesses should become involved in community education, allowing high-school students to experience job-related success while still in school.

Recommendations for Further Studies

Based on the findings of the study, the following four recommendations for further studies are:

1. It is recommended that further dropout studies be carried out in Benton Harbor City, Benton Township, and Fair Plain. Even though this study has attempted to highlight that dropping out has an economic price tag both to the individual and to society, further research needs to be done to determine the extent of its impact.
2. Research should be done with the Benton Harbor dropout population to document their individual reasons for not completing their high-school education.

3. The number of students leaving Benton Harbor High before graduation seems high. Longitudinal studies could be designed to gather data on the income, job-market experiences of Benton Harbor High dropouts, and graduates in the labor market.

4. Additionally, research could be undertaken to determine whether or not the teaching of economics with emphasis on staying in school assists students in their decision to stay in school until graduation.
# POVERTY STATUS IN 1989, BENTON HARBOR CITY

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
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</thead>
<tbody>
<tr>
<td>All persons for whom poverty status is determined</td>
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<tr>
<td>All persons for whom poverty status is determined below poverty level</td>
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</tr>
<tr>
<td>Persons 18 years and over</td>
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<tr>
<td>Persons 18 years and over below poverty level</td>
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<td>Persons 65 years and over below poverty level</td>
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<td>Female householder families below poverty level with related children under 18 years below poverty level</td>
<td>1,344</td>
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<tr>
<td>Female householder families below poverty level with related children under 5</td>
<td>869</td>
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<tr>
<td>Female householder families below poverty level with related children under 5 below poverty level</td>
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(From: 1990 Census of Population and Housing-CPH-L-83)
APPENDIX B

1993-94 Retention Rate for Benton Harbor Area School
### The 1993-94 Retention Rate for Benton Harbor Area Schools

<table>
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<tbody>
<tr>
<td>Enrollment - Fourth Friday, 1993</td>
<td>596</td>
<td>359</td>
<td>320</td>
<td>238</td>
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<tr>
<td>Transfers - during 1993-94 Grade</td>
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<tr>
<td>From Other Districts (Plus)</td>
<td>15</td>
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<td>12</td>
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<td>56</td>
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<td>Other Transfers in (Plus)</td>
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<td>Transfer to District (Minus)</td>
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<td>13</td>
<td>3</td>
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<td>Other Transfers out (Minus)</td>
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<td>Retained in Grade - (Not Promoted)</td>
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<td>1993-94 Grade (Minus)</td>
<td>114</td>
<td>30</td>
<td>18</td>
<td>5</td>
<td>167</td>
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<tr>
<td>1994-95 Grade (Plus)</td>
<td>30</td>
<td>18</td>
<td>5</td>
<td>-</td>
<td>53</td>
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<tr>
<td>Adjusted - Fourth Friday 1994</td>
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<td>344</td>
<td>306</td>
<td>238</td>
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<tr>
<td>Actual - Fourth Friday 1994</td>
<td>374</td>
<td>317</td>
<td>212</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Graduates - June, 1994</td>
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<td></td>
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<td>Actual Unaccounted (Dropouts)</td>
<td>114</td>
<td>27</td>
<td>94</td>
<td>7</td>
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<td>Retention Rate - 1994</td>
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<tr>
<td>(Actual over adjusted)</td>
<td>76.6</td>
<td>92.2</td>
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<td>Rate for Unaccounted (Dropouts) - 1994</td>
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<td>(Unaccounted over Adjusted)</td>
<td>23.4</td>
<td>7.85</td>
<td>30.7</td>
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From: The State of Michigan, Department of Education, *The 1993-94 Retention Rate for Benton Harbor Area Schools*, 11010 01/04/96 Dr-1.)

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APPENDIX C

U.S. Median Annual Income Year Round Full-Time Workers

25 Years Old and Over by Level of School Completed and Sex: 1991-1992
## U.S. Median Annual Income Year-Round Full-Time Workers 25 Years Old and Over, by Level of School Completed and Sex: 1991 and 1992

[Numbers in thousands]

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<thead>
<tr>
<th>Educational attainment</th>
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<th>1992</th>
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<tr>
<td></td>
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<td>Women</td>
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<td>Number with income</td>
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<tr>
<td>All ages, 25 and over</td>
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<td>$31,673</td>
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<td>1,807</td>
<td>17,623</td>
<td>733</td>
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<tr>
<td>9th to 12th grade (no diploma)</td>
<td>3,083</td>
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<td>High school graduate (includes equivalency)</td>
<td>15,025</td>
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<td>Some college, no degree</td>
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<td>Associate degree</td>
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<td>Bachelor's degree or more</td>
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<td>Bachelor's degree</td>
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<td>Professional degree</td>
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<td>Doctor's degree</td>
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Data have not been adjusted for changes in the purchasing power of the dollar.

APPENDIX D

1994 Annual Adult Education Performance Report
### 1994 ADULT EDUCATION ANNUAL PERFORMANCE REPORT
PARTICIPANTS BY POPULATION GROUP AND SEX

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<tr>
<th>Educational Functioning Level</th>
<th>American Indian or Alaskan Native</th>
<th>Asian or Pacific Islander</th>
<th>Black (Non-Hispanic)</th>
<th>Hispanic</th>
<th>White (Non-Hispanic)</th>
<th>Total</th>
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<td>Female</td>
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<td>159</td>
<td>276</td>
<td>283</td>
<td>12538</td>
<td>7360</td>
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<td>13</td>
<td>933</td>
<td>1517</td>
<td>232</td>
<td>263</td>
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<td>3372</td>
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<td>4. ASE</td>
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<td>706</td>
<td>697</td>
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APPENDIX E

Dropout and Graduation Rates Berrien County
## Dropout and Graduation Completion Rates: Berrien County

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<th>District</th>
<th>Dropout Rate (1-year %)</th>
<th>Graduation/Completion (4-year %)</th>
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<tr>
<td>Bridgman Public Schools</td>
<td>1.5</td>
<td>94.1 (94.0)</td>
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<tr>
<td>Coloma Community Schools</td>
<td>5.5</td>
<td>79.4 (78.0)</td>
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<td>Watervliet School District</td>
<td>7.8</td>
<td>72.8 (68.8)</td>
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<tr>
<td>Buchanan Community School District</td>
<td>1.1</td>
<td>95.6 (95.6)</td>
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<td>Nile Community School District</td>
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<td>Eau Claire Public Schools</td>
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<td>76.1 (77.6)</td>
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<td>Berrien Springs Public Schools</td>
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<td>82.5 (80.0)</td>
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<td>New Buffalo Area School District</td>
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<td>Galien Township School District</td>
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<td>River Valley School District</td>
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<td>Lakeshore School District</td>
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<td>90.4 (89.6)</td>
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<td>St. Joseph Public Schools</td>
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APPENDIX F

Michigan Median Earnings By Schooling, 1993
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<th>MEAN EARN</th>
<th>MEDIAN EARN</th>
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<td>321</td>
<td>282</td>
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<td>2</td>
<td>9-11 YEARS SCHOOL</td>
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<td>12 YEARS SCHOOL</td>
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<td>13-15 YEARS SCHOOL</td>
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<td>5</td>
<td>16 YEARS SCHOOL</td>
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<td>683</td>
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<td>6</td>
<td>17+ YEARS SCHOOL</td>
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<td>891</td>
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# MICHIGAN MEDIAN EARNINGS BY EMPLOYMENT AND RACE, 1993

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<td>3</td>
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APPENDIX H

Unemployment Rates
Benton Harbor City
1990-1995
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<th>May 90</th>
<th>Jun 90</th>
<th>Jul 90</th>
<th>Aug 90</th>
<th>Sep 90</th>
<th>Oct 90</th>
<th>Nov 90</th>
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<th>Ann Avg</th>
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<td>3825</td>
<td>3725</td>
<td>3950</td>
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From: Michigan Employment Security Commission, Information and Reports Section
## Unemployment Rates Benton Harbor City, 1993-1995

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<td>1000</td>
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<tr>
<td>Rate</td>
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<td>33.6</td>
<td>28.7</td>
<td>24.3</td>
<td>24.1</td>
<td>25.0</td>
<td>25.6</td>
<td>24.4</td>
<td>22.3</td>
<td>21.0</td>
<td>19.2</td>
<td>18.5</td>
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<td>3825</td>
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<td>3725</td>
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<td>2825</td>
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<td>2900</td>
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<td>2900</td>
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<td>1025</td>
<td>1000</td>
<td>875</td>
<td>850</td>
<td>1000</td>
<td>850</td>
<td>775</td>
<td>700</td>
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<td>875</td>
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<td>Rate</td>
<td>26.1</td>
<td>26.7</td>
<td>26.3</td>
<td>23.5</td>
<td>22.6</td>
<td>25.6</td>
<td>22.38</td>
<td>20.9</td>
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<td>17.9</td>
<td>23.3</td>
</tr>
</tbody>
</table>

From: Michigan Employment Security Commission, Information and Reports Section
APPENDIX I

CORRESPONDENCE
600 Beechwood Court Apt. F-50  
Berrien Springs, MI 49103  
February 6, 1995  
Fax (616) 471 9751

The Director  
The Office of Educational Enrichment & Community Services  
Michigan Dept. of Education  
John A. Hannah Building  
P.O. Box 30008  
Lansing, MI 48909

Dear Sir/Madam:

I am a Ph.D. student at Andrews University, Michigan. I am doing my dissertation on the economic impact of dropping out of high school among African-Americans in the city of Benton Harbor.

Please send me any information you can on the dropout statistics in Michigan, methods that your department is using to address the dropout problem and any costs related to dropping out of high school. Dropout crime and drug related costs are needed.

I eagerly anticipate your prompt response and any papers, informational literature that you can send.

Yours sincerely,

Dahlia Pottinger, ED.S, M.A.
Dear Sir:

I am a Ph.D. student at Andrews University, Michigan. I am doing my dissertation on the economic impact of dropping out of high school among African Americans in the city of Benton Harbor.

Please send me any information you can on the dropout statistics in Michigan, methods that your department is using to address the dropout problem, and any costs related to dropping out of high school. Dropout crime and drug related costs are needed.

I eagerly anticipate your prompt response and any papers, informational literature that you can send.

Yours sincerely,

Dahlia Pottinger
January 23, 1995

600 Beechwood Court
Berrien Springs, MI 49103

Dr. Kevin Murphy
University of Chicago
5801 South Ellis Ave
Illinois 60637

Dear Dr. Murphy

I am a Ph.D. student at Andrews University. I am writing my dissertation on the economic impact of dropping out of high school among African Americans. My population comes from the Benton Harbor geographical area.

Dr. Murphy, I am confident that you will be able to provide me with a wealth of resources. Therefore, could you please send me any information on the economic impact that dropping out has on the individual and on society.

Thank you in advance for any publication, bibliography, papers or pointers that you are able to share.

Yours respectfully,

Dahlia Pottinger ED. S., M.A.
Ms. Dahlia Pottinger
600 Beechwood Court Apt. F-50
Berrien Springs, Michigan 49103

Dear Ms. Pottinger:

Thank you for your inquiry regarding dropout statistics in Michigan and methods the Department is using to address the dropout problem. The most recent dropout statistics available (1992-93) indicate a state dropout rate of 5.98% and a dropout rate for Benton Harbor of 21.96%. To obtain information on the economic impact in Benton Harbor, you may wish to contact the local Corrections and Social Services offices.

The Michigan Legislature has funded a new $230 million education initiative to assist students in successfully completing their K-12 education. This new program provides at-risk students with additional instruction in reading, mathematics, and science, as well as needed support services, such as counseling, health and social work services. Benton Harbor Area Schools will receive approximately $2,750,000 to provide these services in 1994-95. If you would like to learn more about the program for at-risk students, I recommend that you contact Janet Crump, Assistant Superintendent for State and Federal Programs, Benton Harbor Area Schools.

I would like to wish you success with your dissertation in this critical area.

Sincerely,

Robert E. Schiller
February 22, 1995

Ms. Dahlia Pottinger  
600 Beechwood Court, F-50  
Berrien Springs, Michigan 49103

Dear Ms. Pottinger:

I regret to advise you that I cannot approve your request to gather relevant data in the Benton Harbor Area Schools for your doctoral study.

Continued success as you work toward your degree.

Sincerely,

Sherwin A. Allen, Ed.D.
Superintendent

pj
June 12, 1995

Ms. Dahlia Pottinger
600 Beechwood Court, F-50
Berrien Springs, MI 49103

Dear Ms. Pottinger:

Thank you for your letter of May 29th requesting information about NSCEE and our teaching materials.

Enclosed is a copy of our current catalog and a description of our goals. We are here to serve the needs of teachers and have no membership requirements. Currently we are revising our catalog to include additional materials. When it becomes available we will send you a copy.

Sincerely,

John G. Murphy, Ph.D.

JGM:af
Enc.
Dear Ms. Pottinger,

As I mentioned on the phone, I am enclosing the information I was able to obtain on drop outs, unemployment rates by education, and income by education.

The high school drop out data is from the 1990 census. I have included totals for the city of Benton Harbor as well as Berrien County.

The unemployment rate by educational attainment information is for the state of Michigan and is a 1993 annual average. The percentage rates range from a low of 2.2% for persons with 17+ years of education to 16.5% for those with 0-8 years of school. This very strongly supports the assumption that further education equals greater job security. I did not have any U.S. data available in my files. It should be sent to me within a few days; I will forward it to you as soon as possible.

The earnings by educational attainment data is for the U.S., to my knowledge Michigan data is not available. The table makes two interesting points. First, men and women with more education have higher earnings (no great surprise there). Secondly, when comparing earnings over a ten year period from 1979 to 1989, persons with less education saw very small gains or even declines in real earnings. This means they were falling further and further behind those with higher levels of education.

I hope this information will be useful to you. Please contact me if I can answer and others questions.

Sincerely,

Joe Billig
MESC (517) 782-9755
June 20, 1995

Ms. Dahlia Pottinger
600 Beachwood Court, F-50
Barrien Springs, MI 49103

Dear Ms. Pottinger:

Don Cameron, Executive Director of NEA, has asked that I respond to your request for information regarding the economic impact of dropping out of high school among African Americans. I have listed below two publications with information necessary to obtain copies.


I have also enclosed a recent report "Dropouts and Late Completers" published by The National Center for Educational Statistics in March 1995, which may be of interest to you and of value to your research.

Sincerely,

Earl Jones
Director

CC: Don Cameron

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June 21, 1995

Dahlia Pottinger
600 Beechwood Ct
Apt F50
Berrien Springs MI 49103

Dear Ms. Pottinger,

I have finally received the U.S. data on unemployment rates by educational attainment. The source of this information is the U.S. Department of Labor, Bureau of Labor Statistics. If you have any further data needs, please contact me. Thank you.

Sincerely,

Joe Billig
MESC (517) 782-9755
June 23, 1995

Dahlia Pottinger
600 Beechwood Court F 50
Berrien Springs, MI 49103

Dear Dahlia,

I am writing in response to your request for educational materials from our Foundation. The mission of our Foundation has changed, and we no longer produce a large amount of educational materials. Nonetheless, please find enclosed a Materials Request Form for the items we still have available. Check four items from those listed on the form that you would like and we will mail them to you. The materials are free, however please enclose a check for $5 to cover postage and handling. Your check should be made payable to the Foundation for Teaching Economics.

Thank you for your request.

Sincerely,

Amy Johnson
Administrative Assistant
June 23, 1995

Ms. Dahlia Pottinger
600 Beachwood Court, F-50
Barrien Springs, MI 49103

Dear Ms. Pottinger:

Don Cameron, Executive Director of NEA, has asked that I respond to your request for information regarding the economic impact of dropping out of high school among African Americans. I have listed below two publications with information necessary to obtain copies.


I have also enclosed a recent report "Dropouts and Late Completers" published by The National Center for Educational Statistics in March 1995, which may be of interest to you and of value to your research.

Sincerely,

Earl Jones
Director

enclosures
cc: Don Cameron

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November 30, 1995

Dahlia Pottinger
600 Beechwood Court #F50
Berrien Springs, MI 49103

Dear Dahlia Pottinger:

Thank you for your correspondence regarding your study of the economic impact of dropping out of school. This is one of the most important challenges to our community, one which must be addressed and tackled from every aspect.

Please review A United States Statistical Abstract, this work illustrates the earnings of high school dropouts versus that of high school and college graduates. Good luck!

Respectfully,

[Signature]

African American Images
1909 W. 95th Street
Chicago, Illinois 60643
1-312-445-0322
December 11, 1995

Dahlia Pottinger
600 Beechwood Court
# F50
Berrien Springs MI 49103

Dear Ms. Pottinger,

I am responding to your letter requesting information on earnings by education and race for Michigan. While I could not find a single table that detailed earnings by education and race, I was able to find separate breakouts for these categories as well as by gender and full/part-time status.

I have also enclosed information on the unemployment rate for the city of Benton Harbor for 1990 to 1995. For Berrien County, you will find data on unemployment rates and employment by industry for the same time period.

Please accept my apologies for the delay in sending this material to you. Please address any future inquiries directly to me at my Jackson address; I will be able to respond more promptly.

Thank you.

Joe Billig
MESC
Ms. Dahlia Pottinger  
600 Beechwood Court #F50  
Berrien Springs, Michigan 49103

Dear Ms. Pottinger:

The following information is in response to your request for enrollment and graduation figures for Benton Harbor High School, as well as Department efforts to prevent Benton Harbor students from dropping out of school.

The enrollment and graduation figures for the time period you requested are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Enrollment</th>
<th>Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990-91</td>
<td>1,557</td>
<td>238</td>
</tr>
<tr>
<td>1991-92</td>
<td>1,552</td>
<td>214</td>
</tr>
<tr>
<td>1992-93</td>
<td>1,518</td>
<td>231</td>
</tr>
<tr>
<td>1993-94</td>
<td>1,513</td>
<td>231</td>
</tr>
<tr>
<td>1994-95</td>
<td>1,552</td>
<td>231</td>
</tr>
</tbody>
</table>

In response to the needs of students statewide, the State legislature funded a new program in 1994-95 to provide instructional and support services to at-risk students. Services provided to Benton Harbor High School students include intervention specialists who work with students on individual problems, Saturday school, career technology labs, nurses, attendance workers, and a school breakfast program. These services were selected by Benton Harbor staff to improve student achievement and high school graduation rates. The Department will continue to collect graduation information, as well as State assessment results, to determine the effectiveness of these new programs.

I appreciate your interest in Benton Harbor's students and in improving their graduation rates.

Sincerely,

Ivan L. Cotman, Director  
Office of Enrichment & Community Services
Dear Dahlia,

In response to your request yesterday for statistics on teens in Benton Harbor, I am forwarding the following:

- six tables of birth statistics (from the Department of Community Health) in communities in Berrien County: a table of the race of mother and another for the age of mother for the three most recent years—1992, 1993 and 1994. (I've stapled them with the latest year first.)
- two tables from the 1990 US Census of Population & Housing, Tape File 3A on the 16-19 not enrolled in school or labor force
- The uniform crime report for Benton Harbor indicates the following count for juvenile (under 18 years of age) arrests for the four violent index crimes (I've indicated the race and gender for your information):

<table>
<thead>
<tr>
<th>Crime</th>
<th>Race and Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>murder</td>
<td>2 Black males</td>
</tr>
<tr>
<td>rape</td>
<td>1 Black male</td>
</tr>
<tr>
<td>robbery</td>
<td>6 Black males, 1 Black female</td>
</tr>
<tr>
<td>aggravated assault</td>
<td>10 Black males; 9 Black females;</td>
</tr>
</tbody>
</table>

I hope these statistics will be useful for you in your efforts to advocate for African-American children and youth in Benton Harbor.

Sincerely,

Jane Zehnder-Merrell
Publications/Media Director

Enclosures
June 28, 1996

Dahlia Pottinger  
600 Beechwood Court  
# F50  
Berrien Springs MI 49103

Dear Ms. Pottinger:

I have listed below the average household income by age group that you requested. These are 1990 census figures for the City of Benton Harbor. I hope you will find them helpful. As always, please contact me if I can be of further assistance. Thank you.

Sincerely,

Joe Billig  
MESC

Age Group    Average Household Income

16-24 $9,099
25-34 $12,693
35-44 $19,060
45-54 $16,979
55-64 $16,882
July 1, 1996

Dahlia Pottinger  
600 Beechwood Court  
# F50  
Berrien Springs MI 49103

Dear Ms. Pottinger:

I am sorry this took so long. The number of high school dropouts is not available from the census. I had to obtain data on educational attainment for different age groups and then calculate rates based on race. However, listed below you will find estimates of the number of high school dropouts age 16+ by race in 1990. These figures may have increased slightly since then because of a growing population, but I believe these numbers are fairly accurate. Please call if there are any questions. Thank you.

Sincerely,

Joe Billig  
MESC

<table>
<thead>
<tr>
<th>Race</th>
<th>Number of High School drop outs in 1990</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>300</td>
</tr>
<tr>
<td>Black</td>
<td>3,578</td>
</tr>
<tr>
<td>American Indian, Eskimo</td>
<td>11</td>
</tr>
<tr>
<td>Asian, Pacific Islander</td>
<td>0</td>
</tr>
<tr>
<td>Other race</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: 1990 U.S. Census and MESC
Ms. Dahlia Pottinger  
600 Beechwood Court, F-50  
Berrien Springs, Michigan  49103

Dear Ms. Pottinger:

Thank you for your inquiry regarding drop-out data for the Benton Harbor area. The Department of Education does not keep data on drop-out figures by race. Definitions of drop-out status vary and follow-up data on re-enrollment is very difficult to obtain.

Regarding the Benton Harbor area, the adult education program received approximately $500,000.00 in State school aid for 1995-96. Beginning in 1996-97, Adult Education will have 60 million dollars in formula funds (through the State School Act) to be paid at a rate of $2,750.00 per full-time participant at 450 hours of instruction per year within an allocation of 32.43% of what districts received in 1995-96. In addition, there are 20 million dollars in competitive grant funds which will be paid out on the same basis to those successful in obtaining a grant.

I hope this information is helpful to you.

Sincerely,

Ken Walsh, Supervisor  
Adult and Community Education

KW:SP:pb
TO: Dahlia Pottinger  
600 Beechwood Court, F-20  
Berrier Springs, MI 49103

RE: Permission request to reprint material from TC Press:
Natriello, G. (Ed.)  
SCHOOL DROPOUTS: PATTERNS & POLICIES  
Table 6, p. 59

USE OF MATERIAL: dissertation

TERMS: Fee: NONE
Complimentary copy requested: no
Braille, large-print and tape recorded editions for the handicapped permitted: yes
Rights granted: non-exclusive right to reproduce above-mentioned table in dissertation as part of satisfying doctoral requirements at Andrews University.

CREDIT LINE:
Reprinted by permission of the publisher from Natriello, G. (Ed.), SCHOOL DROPOUTS: PATTERNS & POLICIES (New York: Teachers College Press, (c) 1986 by Teachers College, Columbia University. All rights reserved.), Table 6, p. 59.

Thank you for your request. We appreciate your interest in this publication.

PERMISSION GRANTED BY:  
John W. DeSimon  
Rights and Permissions

DATE: July 22, 1996

1234 AMSTERDAM AVENUE • NEW YORK, NY 10027 • (212) 678-3929 • FAX (212) 678-4149

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.
Dear Joe,

Thanks for the great help that you have given me so far. The data that you have supplied on high school dropouts in Benton Harbor, MI. The data will be cited in my dissertation. I am studying the economic implications of dropping out of high school in Benton Harbor.

Joe, what is the latest unemployment numbers for teens in Benton Harbor? How much do dropouts earn per year in Benton Harbor? Any data on this will be helpful. Would you have any information on how much unemployment benefit is paid out to the Benton Harbor population? If you do, please send it for me.

I appreciate your prompt response and ready assistance.

Yours respectfully,

Dahlia
Ms. Dahlia Pottinger  
600 Beechwood Court, F50  
Berrien Springs, MI 49103  

Dear Ms. Pottinger:

Thank you for your letter of January 26 requesting information on the economic effects of dropping out of high school. Although the information available on this subject is limited, the enclosed excerpt and reports produced by the National Center for Education Statistics (NCES) provide some data that address this issue.

The first enclosure is a copy of the relevant sections of a chapter entitled "Economic and Other Outcomes of Education" from the 1993 NCES publication, The Condition of Education. The relevant indicators include a comparison of the employment rates for recent high school graduates and dropouts, the percent of the civilian population who are employed by sex and educational attainment, the percentage difference in annual earnings of workers with varying educational attainment, and the education and labor market outcomes of individuals by high school completion status and age at the time of completion.


Some of the data presented in these two reports came from a longitudinal survey, High School and Beyond, conducted by NCES. The third enclosure, Programs and Plans of the National Center for Education Statistics, briefly describes the data and design of this survey. Later this year, data from the 1992 follow up survey of the original cohort of 1980 high school sophomores will be available for analysis. These data will be extremely valuable for the study of the longer term economic consequences of dropping out of high school.

I wish you success in writing your dissertation. I hope that this information will be useful to you in your endeavor.

Sincerely,

Emerson J. Elliott  
Commissioner

Enclosures
April 16, 1997

Dahlia Pottinger
600 Beechwood Court F-50
Berrien Springs, MI 49103

The Director
NCES
Office of Educational Research
U. S. Dept. of Education
555 New Jersey Ave NW
Washington, DC 20208-5574

Dear Sir / Madam:

I am doing a study on the economic costs of dropping out of high school among African Americans. Would you please send me any data on the topic?

How much do dropouts earn over their working life in comparison to high school graduates?

Is there a difference in the lifetime income of black high school dropouts and graduates?

How much is a high school education really worth? My population is from Benton Harbor, Michigan.

Thank you in advance for any statistical data, dollar figures, references and publications that you can send.

Yours respectfully,
Dahlia Pottinger, Ph. Candidate
Andrews University
16 February 1994

Ms. Dahlia Pottinger
School of Education
Andrews University
Berrien Springs, Michigan 49104

Dear Ms. Pottinger,

In reply to your letter of 26 January to Marc Tucker: I am afraid that the National Center on Education and the Economy has not published any materials or papers directly related to the economic effects of dropping out of high school.

Sincerely,

Tina Isaacs, Ph.D.
Staff Associate
April 22, 1997

600 Beechwood Court F-50
Berrien Springs, MI 49103

Dear Ms. Ohler,

I am doing some research on juvenile crimes in Benton Harbor. Please send me any data that you can for the years 1994-1996.

Thank you very much for your assistance.

Yours respectfully,

Dahlia Pottinger
April 25, 1997

Dahlia Pottinger  
600 Beechwood Court  
F-50  
Berrien Springs MI 49103

Dear Ms. Pottinger:

It is good to hear from you again. I hope the following information will be helpful. Your letter requested statistics about: 1) the latest unemployment numbers for teens in Benton Harbor, 2) earnings for dropouts in Benton Harbor, and 3) how much unemployment benefit is paid out to the Benton Harbor population.

1) To my knowledge, no current surveys are available concerning unemployment rates for teens living in the city of Benton Harbor. However, I do have current data for Berrien County. I can apply demographic data from the 1990 census to arrive at a close estimate for city teens for 1996. According to the census, the unemployment rate for 16 to 19 year olds in the city of Benton Harbor was 43.7 percent in 1990. By applying this census distribution to the 1996 estimates, the unemployment rate for teens in the city of Benton Harbor is 36.4 percent for 1996.

2) I do not have earnings data for Benton Harbor, but I do have data for Michigan. The 1995 average weekly earnings by level of schooling are listed below.

<table>
<thead>
<tr>
<th>Schooling Level</th>
<th>Average Weekly Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-8 yrs school</td>
<td>$346</td>
</tr>
<tr>
<td>9-11 yrs school</td>
<td>$261</td>
</tr>
<tr>
<td>12 yrs school</td>
<td>$455</td>
</tr>
<tr>
<td>13-15 yrs school</td>
<td>$499</td>
</tr>
<tr>
<td>16 yrs school</td>
<td>$734</td>
</tr>
<tr>
<td>17+ yrs school</td>
<td>$984</td>
</tr>
</tbody>
</table>

3) The total of unemployment benefits paid by the Benton Harbor office for 1996 was approximately $17,240,000. It is not possible for us to tell how much of this went to city residents. This figure covers the entire county.

As always, thank you for your request. Please contact me if you have any questions.

Sincerely,

Joe Billig  
Labor Market Analyst  

234
RE: 1980 Black Dropout Number

Dear Joe,

Thanks for your help another time. I appreciate your returning my call. I anticipate that you had a good trip.

Joe, my doctoral committee is asking me to get the Black dropout numbers for the 1980 Census. Could you please provide me with these numbers? Also, could you explain the procedure that you use to extract your data?

Attached is a copy of the Black dropout data for 1990. Please explain the procedure that you used to get the data.

Thanks Joe for your quick response.

Yours respectfully,

Dahlia Pottinger
April 22, 1997

600 Beechwood Court F-50
Berrien Springs, MI 49103

Dear Supt. Ellis,

I am doing some research on the dropout problem in Benton Harbor. Please send me any data on how your department is addressing the dropout problem.

How much do you spend in fighting the dropout problem in Benton Harbor?
What are the graduation numbers at Benton Harbor High for the years 1990-1996?

Thank you very much for your assistance.

Yours respectfully,

Dahlia Pottinger
Ph.D. Candidate
May 23, 1997

Ms. Dahlia Pottinger
600 Beechwood Court F-50
Berrien Springs, MI 49103

Dear Ms. Pottinger:

I am responding to your letter to the state superintendent, Mr. Ellis, regarding graduation numbers for Benton Harbor High School for 1990-96 and expenditures on dropout prevention for the district. I do have copies of the Retention and Dropout Information for Benton Harbor for the period 1990-95. These reports have a lag time and the 1995-96 information which will be published in 1997 is not yet available. Copies of the reports available are included.

For the most accurate answer to your question, "How much do you spend in fighting the dropout problem in Benton Harbor?", you should request the information from the school district's administrative offices. While the State Department of Education provides funding from several sources to support local school districts' educational programs, it is the local school districts and their boards of education who make final decisions regarding the educational initiatives in their district.

The state administers many programs that provide supplemental funding to local school districts, among them are the Title I and 31-A At-Risk programs. Benton Harbor receives funding from both these sources. Funding from these programs is intended to support instruction, educational initiatives, and supportive programming to keep at-risk youth in school and help them improve their achievement. During 1996-97, Benton Harbor Area Schools received $2,620,684 of 31-A funds and $3,719,192 of Title I funds.

I hope the information I have provided will be helpful to you. For additional information you should visit the Benton Harbor Area Schools administrative offices.

Sincerely,

Eva Coffey, Consultant
May 29, 1997

Dahlia Pottinger
600 Beechwood Court
F-50
Berrien Springs MI 49103

Dear Ms. Pottinger:

Your last letter requested the number of Black dropouts in Benton Harbor from the 1980 census. Unfortunately, I do not have any such data from the 1980 census. I only have a few tables from 1980 and they do not deal with educational attainment. I could not find much from the 1980 census on the Internet. My only other suggestion would be to contact local libraries to see if they might have published tables from that census.

You also inquired as to how the figure for dropouts for 1990 was derived. The source of the data was the 1990 census Summary Tape File 3A (STF3A) Social Characteristics for the City of Benton Harbor. Now, the Census Bureau does not use the term "dropouts" (to my knowledge) when publishing their data. Nor do they publish the specific age group of 16 and over that you requested. So, I had to look at different tables and piece the data together to meet your request.

The first table I used was the educational attainment for Black persons age 25 years and over. This table indicated there were 2,866 Black persons over the age of 25 living in Benton Harbor who had less than a 12th grade education and no high school diploma. The Census Bureau does not list this group as dropouts, but it is assumed if they do not have a diploma, they had dropped out of school.

The second table I used was the educational attainment of Black person age 16 to 19 years. This table indicated there were 188 persons in this age group that did not have a diploma and were not enrolled in school. Again, it is assumed that if a person in this age group is not in school and does not have a diploma, they are a high school dropout.

There was a slight problem determining the number of dropouts in the 20 to 24 year age group. I could not find any published data on the educational attainment for Black persons of this age. Therefore, I applied the dropout rate of the 16 to 19 year olds to the number of Black persons age 20 to 24. From this I estimated there were 524 Black persons age 20 to 24 who did not have a diploma and were not enrolled in school.

The total of these three age groups, 2,866+188+524, gave a total of 3,578 Black persons over the age of 16 who were high school dropouts. I hope this explanation has helped explain how this number was derived. As always, thank you for your request. Please contact me if you have any questions.

Sincerely,

Joe Billig
Labor Market Analyst
June 2, 1997

600 Beechwood Court F-50
Berrien Springs, MI 49103

Dear Mr. Billig,

Thank you very much for the help that you have provided to me over the years. The data was invaluable to my research on high school dropouts in Benton Harbor. MESC database has provided me with assistance that I could not get anywhere else.

All the very best as you continue to serve in your capacity as economic analyst.

Yours respectfully,

Dahlia Pottinger
Ms. Dahlia Pottinger  
600 Beechwood Court, F-50  
Berrien Springs, Michigan 49103

Dear Ms. Pottinger:

In response to your letter of May 22, 1997 to Mr. Arthur Ellis, I am providing you with the following information for the Benton Harbor High School:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Enrollment</th>
<th>Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990-91</td>
<td>597</td>
<td>214</td>
</tr>
<tr>
<td>1991-92</td>
<td>583</td>
<td>231</td>
</tr>
<tr>
<td>1992-93</td>
<td>568</td>
<td>231</td>
</tr>
<tr>
<td>1993-94</td>
<td>596</td>
<td>231</td>
</tr>
<tr>
<td>1994-95</td>
<td>619</td>
<td>176</td>
</tr>
<tr>
<td>1995-96</td>
<td>587</td>
<td>N.A.</td>
</tr>
</tbody>
</table>

Currently, the Michigan Department of Education addresses the school dropout problem in connection with the comprehensive school improvement activities in school districts. For information about the dropout related programs in the Benton Harbor High School, please contact the Benton Harbor School District at (616) 927-0600 and the Berrien Intermediate School District at (616) 471-7725.

Sincerely,

Ki-Suck Chung  
Ki-Suck Chung, Ph.D.  
Research Consultant
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BIBLIOGRAPHY


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VITA
VITA

DAHLIA ELAINE POTTINGER

Education


1983  Credit Secondary Teaching Certification. Joint Board of Teacher Education, the University of the West Indies, Mona, Jamaica.

1979  Brown's Town Community College Advanced Level studies in English, Spanish, History and General Paper.

1978  Westwood High School Diploma & General Certificate Exam passes in English Language, English Literature, Spanish, History, Biology and Home Economics.
<table>
<thead>
<tr>
<th>Year</th>
<th>Position/Event</th>
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<tbody>
<tr>
<td>1996</td>
<td>Writing Across the Curriculum Seminar, Benton Harbor Area Schools.</td>
</tr>
<tr>
<td>1992</td>
<td>Student Teacher, Fair Plain Junior High, Benton Harbor, Michigan.</td>
</tr>
<tr>
<td>1990-1992</td>
<td>Substitute Teacher, Berrien County Intermediate District.</td>
</tr>
<tr>
<td>1980-1983</td>
<td>Reading Skills Teacher, West Indies College High, Mandeville, Jamaica.</td>
</tr>
</tbody>
</table>