

Key points regarding the reports to be released on April 29th at the 8 a.m. to 10 a.m. policy forum at the Union League Club of Chicago at 65 West Jackson, Chicago, Illinois

KEY RECOMMENDATIONS

- **Task Force:** The state of Illinois should establish a Statewide Task Force to examine successful approaches to re-enroll, teach, and graduate high school dropouts and to recommend ways to expand opportunities for dropouts to finish high school.
- The Illinois State Board of Education has supported a \$2 million expansion of the Truants Alternative Optional Education Program for the coming year. If a larger education package can be put together for Illinois school children, we should further expand the Truants Alternative Optional Educational Program by an additional \$5 million to reach more dropout youth.

1) KEY FINDINGS

- **Dropouts:** The number of dropouts in Illinois – a group whose employment rate is dropping at dramatic rates – is about 186,000 – *enough to make up the second biggest city in the state.*
- **State of Illinois:** The state of Illinois has seen one of the highest declines in its teen employment rate of any state in the country.

Deteriorating labor market:

- **Impact on teens and young adults:** The labor market for teens and young adults in this country is deteriorating...that rate is declining much faster than the rate for their older counterparts.
- **National picture:** Employment losses nationally over the past four years have been most severe for teens (16-19) and young adults (20-24) – especially those out-of-school youth who lack a bachelor's degree.
- **National picture:** The average annual employment rate of the nation's teens in the first 11 months of 2004 (36.3%) was the lowest it has ever been since the federal government began producing estimates based on the Current Population Survey in 1948.
- **What does this mean?** Overall, an additional 2.319 million 16-24 year-olds would have been working each month if not for the steep declines in their employment rate over the past 4 years.
- **Scope of problem:** The impact of employment losses among young people is hitting the nation, the state of Illinois, our cities and specific groups of people within our communities hard.

In Illinois, the problem is especially acute:

- **Young people hit hard:** The problem is hitting Illinois especially hard. And it is especially tough for young people (16-24) in Chicago to find jobs and even tougher for those who do not have a high school diploma.

- **Overall in Illinois:** The state has experienced substantial job losses since the end of the national labor market boom in 2000. The annual average number of payroll wage and salary jobs is estimated to have declined by 260,000.
- **Illinois hit hard:** The numbers show that the employment per population rate in Illinois dropped from about 48 percent in 2000 to just under 39 percent in 2004 – a decline of 9 percentage points.
- **State of Illinois:** The deterioration in teen employment opportunities in Illinois since 2000 is historically unprecedented.
- **Dropouts out of work:** In 2003, less than 1 of every 3 teenage high school dropouts was working. If the 2000 employment per population rates had been maintained, nearly 68,000 more teens would have been employed during a typical month in 2004.
- **Major impact:** All groups of teens in the state have experienced large declines in their employment rates in the last four years – those living in Chicago and outside of Chicago, African-Americans, Hispanics, and Whites. The only group not hit by adverse labor market developments is those with a bachelor's degree.
- **Trend for 16-19 Year Olds in Illinois:** In 2004, little over half (54.8 percent) of all 16-19 year-olds not enrolled in school were working – a 7 percent decrease compared to the year 2000.
- **Chicago hit even harder:** In Chicago, the employment per population figure dropped from more than 15 points – from 34.9 percent to 19.1 percent. When we compare Chicago's suburbs to the city, we find that teens (16-19) are more than twice as likely to be working in the suburbs than in the city.
- **Trend for African-American teens:**
 - 1) Only 1 in every 5 (or 20 percent of) African-American teens in Illinois were employed in 2004 – less than half as high as whites (44.4 percent) and significantly lower than Hispanics (32.3 percent).
 - 2) In Chicago, the employment rate of African-American teens in 2004 was only 10 percent. To put this another way: 9 out of 10 African-American kids between the ages of 16 and 19 did not have jobs in 2004. The labor market for African-American teens in the city has collapsed in the last four years.
- **Out of school and out of work:** Statistics show the dramatic difference education makes for people who are trying to enter the workforce. The employment rate for 16-19 year olds in Illinois (52.3 percent) who don't have a high school diploma or GED is a little over 50 percent (52.3 percent) in the first 10 months of 2004. For high school graduates (67.9), those with some college experience (77.2) and those with a bachelor's degree or even more education (90.3), that figure goes way up.
- **Persisting problem:** In 2003, there were more than 186,000 people between the ages of 16 and 24 in Illinois who had no high school diploma or GED and were not enrolled in school in the state. This means that if you put all the out-of-school, out-of-work people between 16 and 24 in Illinois together you would have enough people to make up the second biggest city in the state.

Illinois taxpayers benefit enormously from programs that reenroll and graduate dropouts.

Each dropout youth that reenrolls and graduates from an alternative school saves Illinois taxpayers \$312,000.

- Put another way, the average cost to reenroll a dropout is about \$10,000 a year and it takes an average of two years to assist a dropout to graduate from an alternative

school. The two-year cost is about \$20,000. The return for Illinois taxpayers of having a dropout obtain a high school diploma is \$312,000. This Return On Investment (ROI) is 15 to 1 i.e. that for every \$1 invested in high school dropout programs, Illinois taxpayers receive a return of \$15.

- That does not even include benefits like increased property taxes, less money spent on substance abuse treatment, prisons and free medical care for the uninsured.

Dropout youth who reenroll and graduate from high school also benefit enormously.

A high school dropout's average annual salary over their lifetime is \$14,900. A high school graduate's average annual salary over their lifetime is \$21,600, and the Associate Arts degree holder's average annual salary over their lifetime is \$28,900.

2) PROGRAMS THAT WORK

A) We know how to reach, teach, and graduate dropout youth.

- Chicago is fortunate to have a broad system of alternative schools that work successfully with high school dropouts. These alternative schools are comprehensive, small (overall size of 125 students or less and class sizes of 10 students or less), locally-run so the decisions are shaped to the needs of students being served, staffed by experienced teachers and principal who build strong teams at each school, have high expectations for students, and have very specific measurable outcomes that track students' attendance, skills and credit gains, promotions, graduations, and transition after graduation.
- The Alternative Schools Network (ASN) has been a leader for over 30 years in the efforts to reach and graduate dropout youth.
- The ASN teamed with the Chicago Public Schools in 1996 and 1997 to develop the Youth Connection Charter School, which has graduated over 4,300 dropout youth.
- The ASN has partnered with DCFS to develop a national model program called the Youth Skills Development and Training program that reenrolls and graduates older foster youth from high school.
- The Governor and the Illinois State Board of Education has supported the expansion of the Truants Alternative Optional Education Program for the coming year.
- The Chicago Public Schools has been a strong supporter for dropout youth through the Youth Connection Charter School, the Learning in New Communities program, and other projects that reach out and engage dropout youth.
- The City of Chicago Mayor's Office and Workforce Development and the Illinois Department of Commerce and Economic Opportunity have been leaders in developing successful programs for dropout youth.
- The key is that we develop more community-based and run alternative school to reenroll and graduate more dropouts while we keep improving our existing high schools to better educate the students that they have.

