Executive Summary
This fifth annual update on America’s high school dropout crisis shows that, for the first time in history, the nation has crossed the 80 percent high school graduation rate threshold and remains on pace, for the second year in a row, to meet the goal of a 90 percent high school graduation rate by the Class of 2020. After the nation witnessed flat-lining high school graduation rates for three decades, rates have risen about 10 percentage points over the last 10 years. Improvements have been driven by dramatic gains in graduation rates among Hispanic and African American students. But it is in those same populations that some of the greatest challenges remain.

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This report highlights key developments in the effort to boost high school graduation rates during the past decade. It also outlines what it will take to get to 90 percent and identifies five critical areas – closing the opportunity gap between low-income students and their middle-to-high-income peers; solving the big city challenge; improving outcomes for students with disabilities; focusing on California; and boosting graduation rates for young men of color in key states – to help the nation reach its goal.

Part 1: Data and Trends highlights the latest graduation rates at the national and state levels, dropout factory trends, five areas of focus to reach the 90 percent goal, and a timeline of key developments in addressing the dropout crisis. Part 2: Progress and Challenge provides an update on four key planks – chronic absenteeism, middle grades reform, adult and peer supports, and re-engaging dropouts – of the nation’s shared effort to implement the Civic Marshall Plan to reach the 90 percent goal. Part 3: Moneyball for Dropout Prevention shares best available research on what works. Part 4: Paths Forward offers policy recommendations and other ways to keep the nation on track to reach the 90 percent goal, with students prepared for college and the workforce. Part 5: Final Word offers a letter from young leaders. Throughout the report, we provide case studies and snapshots to highlight best evidence in dropout prevention and recovery and specific examples of success within schools, communities, states, and the nation.

**Part 1: Graduation Rate Data, Dropout Factory Trends, and Five Critical Areas**

Better data are enabling better analysis each year and building confidence in our ability to understand the progress the nation is making to end the dropout epidemic and the challenges that remain. The first-ever national cohort graduation rate and the averaged freshman graduation rate, which enables us to track trends over time, point to nearly identical rates of progress. Dropout factory trends also continue to point in the right direction. Five critical areas show where the nation must redouble its efforts to stay on track to reach the 90 percent goal. The 2012 data show:

- The first-ever national Adjusted Cohort Graduation Rate shows the nation crossed the threshold of 80 percent for the first time in history. This rate reflects the cohort graduation rates from 47 states and the Averaged Freshman Graduation Rates for Idaho, Kentucky and Oklahoma.

- The high school graduation rate, as measured by the Averaged Freshman Graduation Rate, increased from 71.7 percent in 2001 to 81 percent in 2012. The greatest gains in high school graduation rates have occurred since 2006, with the national rate increasing approximately eight percentage points over six years. If this average rate of improvement of 1.3 percentage points per year is maintained during the next eight years, the nation will reach its 90 percent graduation rate goal by 2020. Students who graduated in 2012 were freshmen in 2008 when reform efforts of the nation’s low-performing schools were well underway and during the very time when graduating from high school became more rigorous, showing that many schools and districts are rising to a standard of excellence.

- Since 2006, gains in graduation rates have been driven by a 15-percentage point increase for Hispanic students and a 9-percentage point increase for African American students. These gains outpace national rates of improvement, but also are in the very populations that have the farthest to go, with graduation...
rates of 76 percent for Hispanic students and 68 percent for African American students, compared to 85 percent for White students.

■ There were 648 fewer high school dropout factories and 1.2 million fewer students attending them in 2012 than in 2002. Dropout factories decreased from 2,007 in 2002 to 1,359 in 2012, a 32 percent decline. In 2004 when the dropout factory analysis was first performed, nearly half of all African American students and nearly 40 percent of Hispanic students attended high schools in which less than 60 percent of students were graduating. By 2012, those rates had dropped to 23 percent of African Americans and 15 percent of Hispanics attending such schools.

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What Will It Take to Reach 90 Percent: Five Critical Areas

Closing the Opportunity Gap for Low-Income Students
■ Graduation rates for low-income students range from 58 percent to 85 percent, compared to the national average of 80 percent for all students.
■ In about half of the states, graduating is the norm for the vast majority of middle/high-income students, with 14 states already achieving a 90 percent or higher graduation rate for such students and with 10 states within 2 percentage points of reaching 90 percent.
■ For the majority of the states, achieving a 90 percent overall graduation rate will not be possible without significant improvements in graduation rates for low-income students.

Solving the Big City Challenge – Act II
■ There are nearly 200 fewer dropout factory high schools in urban areas in 2012 than in 2002.
■ Most big cities with high concentrations of low-income students, however, still have graduation rates in the 60s and a few in the 50s.
■ More than half of the remaining dropout factories are found in these urban areas.

Focusing on Special Education Students
■ The 90 percent goal will not be reached if students with disabilities, who represent 13 percent of all students nationally, continue to have low graduation rates. The national average graduation rate for such students is 20 percentage points lower than the overall national average graduation rate.
■ Graduation rates for students with disabilities also vary dramatically by state, with a 24 percent graduation rate in Nevada and an 81 percent graduation rate in Montana.

California Counts
■ The nation cannot reach its 90 percent goal without more progress in California, which has 14 percent of the country’s student cohort and 20 percent of the nation’s low-income students.
■ For 2012, California’s cohort graduation rate is 79 percent for all students and 73 percent for low-income students.
■ From 2011 to 2012, California boosted graduation rates significantly – two percentage points overall, three points for low-income students, four points for Native Americans, three points each for Hispanics and African Americans, and two points for students with disabilities.
■ California has been making progress, notwithstanding huge demographic changes and budget challenges, once student enrollment growth stabilized. Educators have learned how to address the needs of students from non-English speaking backgrounds; districts have embarked on major reform efforts; large investments were made in out-of-school time learning; and legislators and policymakers focused attention on goals and implementation.
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Accelerating Graduation Rates for Young Men of Color in Key States

- Despite progress, graduation rates for African Americans and Hispanics are still far too low. For young men of color, the numbers are even more troubling.
- Our nation cannot prosper nor remain true to its ideals when far too many young men of color are still not receiving the supports and opportunities needed to obtain a high school diploma.
- In a sub-set of Midwestern and Southern states, which educate a large percentage of African American students, graduation rates for African American males remain in the upper 50s and low 60s.


While all of the components of the Civic Marshall Plan are essential to reaching our 2020 goal, this year we focus on four planks that can leverage significant cross-sector collaboration to help keep more of our young people on track to high school graduation, and reconnect those who have strayed from the path.

The Civic Marshall Plan (CMP) evolved from work in the middle of the decade and was formally developed in 2010 by a coalition of leading organizations with the goal of ending the dropout crisis in our nation once and for all. CMP outlines 10 research-based strategies, or “planks,” that address the dropout crisis and engage leading organizations across sectors to align their efforts with the CMP. While all of the components of the Civic Marshall Plan are essential to reaching our 2020 goal, this year we focus on four planks that can leverage significant cross-sector collaboration to help keep more of our young people on track to high school graduation, and reconnect those who have strayed from the path. We note that the Class of 2020 is now in the sixth grade. Those planks are:

- **Plank 2:** Chronic Absenteeism
- **Plank 4:** The Middle Grades
- **Plank 5:** Adult and Peer Supports
- **Plank 10:** Dropout Recovery

**Plank 2: Chronic Absenteeism**

Chronic absence (defined as missing at least 10 percent of the school year for any reason) is an early warning indicator of potential dropout, and is associated with lower academic performance as early as first grade. There are many reasons that a student may be chronically absent from school, including poor health, safety concerns, housing instability, transportation issues, and feeling disconnected from their school. This year, we highlight national campaigns and local programs that are taking action to raise awareness of the importance of this issue, tackle the challenges holistically, and reduce chronic absenteeism in our classrooms.

**Plank 4: The Middle Grades**

The middle grades are pivotal years that can either place a student successfully on the path to high school, college, and career, or begin a downward trajectory of disengagement and low achievement in key subjects. This decline can be stopped and even reversed, but only if adults are paying attention. This section explores federal initiatives that are funding middle school redesign efforts, and takes a deep dive into high-performing schools implementing a variety of approaches to give their students a solid middle grades foundation from which to launch into high school.

**Plank 5: Adult and Peer Supports**

To succeed in school and in life, students need to develop skills often not taught in the classroom, such as self-awareness, self-control, persistence, collaboration, and conflict resolution. Positive role models help youth develop these skills, and provide encouragement to help students reach their goals even in the face of adversity. Across the nation, corporations, nonprofits, and public agencies are working together to provide our young people with access to these positive role models and additional support systems. This section highlights partnerships and programs...
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that provide young people with the right supports at the right time to achieve their full potential.

Plank 10: Dropout Recovery

As we work to ensure that more young people will graduate from high school on time, we must not forget about those who leave school without a diploma. Success in today’s economy requires a high school degree perhaps more so than at any other time in our nation’s history. In 2012, the employment rate for young adults who did not complete high school was just 48 percent, 64 percent for those with a high school diploma, and 87 percent for those with at least a bachelor’s degree. However, in the United States today there are 6.7 million young people between the ages of 16 and 24 who are neither in school nor working. They represent untapped potential and cost taxpayers $93 billion each year in lost revenues and increased social services. This year, we feature a range of stakeholders, including the federal government, national nonprofits, and bipartisan campaigns working to create more pathways back to school and employment for these young people, and to give them opportunities to take on the jobs of the future.

Part 3: Paths Forward

As this report shows, we need to look beyond academic improvements to reach our national goal of a 90 percent graduation rate by the Class of 2020, so we offer state recommendations to advance both “in school” and “in life” factors of achievement.

Recognizing the shifting landscape between federal and state policy, we provide recommendations on current and proposed federal interventions and state policy strategies that can help drive action at the state and district levels. As this report shows, we need to look beyond academic improvements to reach our national goal of a 90 percent graduation rate by the Class of 2020, so we offer state recommendations to advance both “in school” and “in life” factors of achievement.

Federal Interventions:

■ Continue to improve data reporting and accountability systems. Forty-seven states now report graduation rates using a common measure – the four-year Adjusted Cohort Graduation Rate (ACGR). To continue the progress made in strengthening graduation rate reporting and accountability, the U.S. Department of Education and state leaders need to reach consensus on key issues of variation across state lines, including establishing a common definition for when a first time ninth-grader is counted and accurately identifying student sub-groups. To address these variations, we propose the organization of a national, bipartisan forum on measuring high school graduation rates in partnership with the National Center for Education Statistics.

■ Continue to support school improvement and innovation. In the absence of legislative action on the reauthorization of the Elementary and Secondary Education Act (ESEA), the U.S. Department of Education has advanced initiatives to support school improvement and innovation at the state and district levels. We support recent improvements to their School Improvement Grant (SIG) program, which give states more local control in turning around low-performing schools, as long as states use the flexibility to adopt evidence-based approaches. We recommend improving data collection on SIG schools to help states and districts make better data-driven decisions. We also urge Congress to fund recent Obama Administration proposals, including High School Redesign, Race to the Top Equity and Opportunity, and the Promise Neighborhood and Zones initiatives.

State Recommendations to Strengthen In-School Factors of Achievement:

■ Ensure students are college- and career-ready. We support the work of states to incorporate college- and career-readiness standards and assessments into their K-12 systems, and encourage them to create more opportunities to connect students to college and career pathways.

■ Strengthen accountability and improvement systems by putting greater emphasis on traditionally underserved student subgroups. States are in the process of designing and implementing new
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accountability and improvement systems under waivers from key provisions of ESEA granted to states by the U.S. Department of Education. Evidence suggests that many states need to strengthen the systems they are now adopting to put a greater emphasis on traditionally underserved students. State leaders can address these concerns by fully implementing guidance provided by the Department in March 2013. This guidance suggests states and districts ensure evidence-based support is implemented when one or more groups of traditionally underserved students miss performance targets for two or more years.

- **Create state policies that link dropouts and graduates to college- and career-readiness.** We recommend states learn from Texas legislation, which provides financial incentives for districts to recover dropouts, and allocates funds for districts to implement college- and career-readiness programs and practices.

- **Eliminate counterproductive school and district policies.** State legislators should conduct policy audits to eliminate policies that counteract efforts to improve graduation rates, including discipline and retention policies that push out low-performing students.

- **Improve school-based early warning indicators for the “ABCs” in state data systems.** Research shows the “ABCs” – attendance, behavior, and course performance – are accurate indicators of dropping out as early as middle school. States should ensure these school-based indicators are included in data reports, starting with tracking chronic absenteeism at the student level.

**Strengthening “In Life” Factors of Achievement:**

- **Incorporate social and emotional learning (SEL) into the PreK-12 curriculum.** Educational and neuroscience research shows how critical social and emotional competencies (self-awareness, self-management, social awareness, relationship skills, and responsible decision-making) are to a student’s academic success. This is especially true for students experiencing extreme stress brought on by growing up in poverty. Therefore, we recommend states establish comprehensive PreK-12 SEL standards, and revamp teacher certification requirements to make SEL an integral component of teacher education and professional development programs.

- **Align and coordinate services, resources, and data across state agencies.** States should take advantage of the opportunities technology presents to link agencies and provide better support to children and families. Removing current data exchange barriers between education, social, health, and safety services would ensure children are not falling between the cracks; states should bring these services together to create a seamlessly aligned system.

- **Ensure in-school access to health and wellness programs and services.** Students who have access to health services are more likely to be in school, and ultimately stay in school. We urge states to heed the call of the American Public Health Association to establish school-based health centers, as well as to pursue policies that promote a healthy school environment.

- **Publish an annual report card measuring health, safety, and education of children and families.** States already publish school reports based on standardized test scores, but these don’t adequately show how schools and communities are measuring up on educating the whole child. We urge state leaders to consider creating what ASCD calls a “Whole Child State Report Card,” which would provide a comprehensive look at the circumstances (e.g., hunger, poverty, crime, literacy, health) affecting the academic success of children in the state.

- **Push for effective parent and family engagement programs.** Research shows students with involved parents, regardless of family background or socioeconomic status, are more likely to attend school regularly, earn better grades, have better social skills, and graduate from high school and attend college. We recommend states support district efforts to implement parent and family engagement programs, and encourage them to give districts the flexibility to choose a program that fits their unique needs.