

Dropout Prevention is Worth the Effort

FACTS ON DROPOUT PREVENTION

The economic gains and impact of dropout prevention makes efforts to prevent dropout a worthy endeavor for local schools. Increases in dropout effect public expenditures and results in lost tax revenue, in fact:

- A high school dropout earns about \$200,000 less over a lifetime than a high school graduate and pays about \$60,000 less in taxes.^{4*}
- If all Arkansas students in the class of 2005-2006 had graduated, the state could have saved \$8,222 in Medicaid expenses and \$93,711,844 total lifetime health savings.³

What's in it for me?

So, is investing in student dropout prevention worth your time? It is if you want to:

- Save state tax dollars that could be allocated to education.
- Improve students' cognitive ability and decrease risky behaviors causing other issues.

Saving Tax Dollars.

Decreasing crime and use of public assistance could save the state money. For instance:

- An intervention advancing all 600,000 dropouts by one grade would save government programs for the uninsured an additional \$248 million.⁵
- Increasing high school completion rate by one percent for all men ages 20 to 60 could save the U.S. up to 1.4 billion a year in reduced costs from crime.⁴

Decreasing Risks.

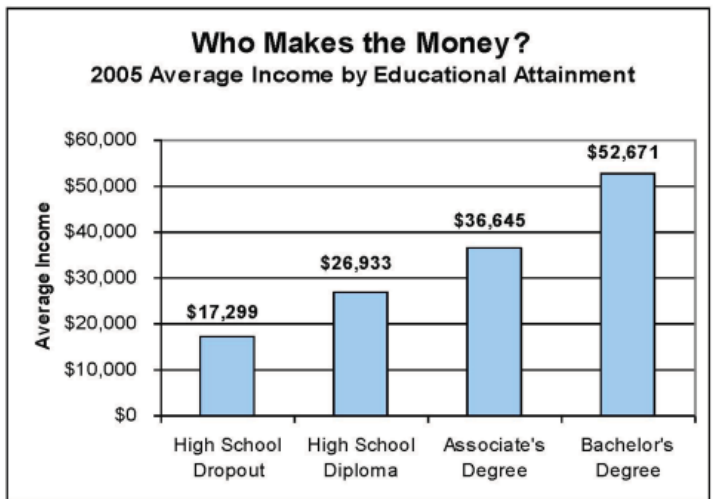
According to a recent study, improved cognition helps students make choices that may decrease their risk for teenage pregnancy, STD's, or drug use.^{5 (2020)} Decreasing

risky behavior can yield high returns. For instance, just decreasing risky sexual activity leading to teen pregnancy could save millions.

According to the National Campaign to Prevent Teen Pregnancy, "In Arkansas, the cost to taxpayers (federal, state, and local) associated with teen childbearing is estimated to be at least \$112 million in 2004."⁶

Why should I be concerned?

Schools, communities, and taxpayers all benefit from the ripple effects of increased education levels. In today's job market, with the number of college graduates on the rise, a high school diploma is an integral component of a competitive job portfolio.



Source: U.S. Bureau of the Census, 2006

It helps students increase earning potential and, coincidentally, decrease need for public assistance. Increased earning potential in tomorrow's citizens translates into more tax revenue to better schools and communities.^{1,2}

Not only do state governments incur costs from incarceration and teen pregnancy, but taxpayers bear the burden as well. In essence, your efforts to prevent high school dropout may increase funding for education, since reducing taxes allows policy makers to invest in other priority areas.