Economic Development Planning, Summary 5

Title: Dropped? Latino Education and Arizona’s Economic Future
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Summary: It’s been 12 years since the Morrison Institute published Five Shoes Waiting to Drop, which highlighted five major challenges confronting Arizona. None of these challenges is more pressing than the high number of Latinos dropping out of high school. Latinos represent the fastest-growing population group in Arizona. While there have been some encouraging signs of educational reform, the educational gap between Whites and Latinos is more pervasive than ever. Latinos are Arizona’s future work force and the state faces a fiscal and economic crisis unless the problem of Latinos failing to graduate is addressed.

Sectors: Economic development, workforce development and education.

Geographic impact: Arizona.

Major challenges: More than a decade after Five Shoes Waiting to Drop was published the challenges remain much the same pertaining to the lagging educational attainment of Latinos in Arizona. Latino students continue to fall short of Whites on test scores and high school and college graduation rates. Galvanizing strong political and public support to help raise the educational attainment of Latinos remains a major challenge. Arizona’s funding of education per student still ranks among the nation’s lowest.

But other factors also are at play, and are hardly confined to Latinos. Home factors that can contribute to a child being less than prepared for school and having problems learning include single-parent households; poverty or low income; parents who do not read as much or speak as many words to their young children as parents with higher education achievement; a lack of parental involvement in children’s educations; a lack of summer enrichment experiences; and frequent changing of schools.

School factors, especially in lower-income neighborhoods, that can affect a student’s ability to learn include a lack of curriculum rigor and low academic expectations; poor teacher preparation and experience (especially in math); excessive teacher absences and turnover; a lack of computers and other technology in the classroom; unsafe neighborhoods; and a lack of discipline in the classroom.
**Progress to date:** Arizona is implementing Common Core Standards to raise the academic bar in English language arts and mathematics to better equip students for work and college. The state’s fiscal 2014 budget includes $100 million more for K-12 education than the previous year. Move On When Ready Reading will require third-grade students to read at that level before moving on. Arizona is part of a group of states that is developing a set of student assessments in English language arts and mathematics that will replace the AIMS Test during the 2014-15 school year. The Arizona Department of Education is developing a long-anticipated statewide system that will provide data about the course of a child’s academic growth. Arizona is a national leader in offering students a variety of choices for schools through its charter schools.

**Major implications:** In a knowledge economy, Arizona will find itself becoming a second-tier state if its rapidly growing Latino population, projected to become the majority population, is poorly educated and lacks the skills that high-paying employers are looking for. The fallout will include missed economic opportunities for Latinos and Arizona and a decline in workforce quality. Also, a decline in average income levels, which will mean lower per-capita tax revenues to fund public services and benefits, which are likely to face greater demands. Other fallout: More families living in poverty, reduced consumer buying power and a state less attractive to potential industries looking to relocate.

**Opportunities for alignment:** The opportunities are numerous and across the board if Arizona is to embrace education as its best investment for ensuring economic growth and a quality of life. To improve educational levels of Latinos will require the efforts of many leaders and institutions, including teachers and principals, Latino community leaders, the governor, Legislature, business community, educational organizations, higher education, K-12, non-profit organizations, business organizations, and parents and children.

**Background:** In the 12 years since *Five Shoes Waiting to Drop on Arizona’s Future*, identified the wide educational gap between Hispanics and Whites as a significant problem, the gap threatens to become a crisis. The premise that the large cohort of young Latinos entering the workforce could drive economic growth and tax revenues is falling short because of low educational levels. With Latinos on track to
become the majority population, the alarm is again being sounded that the economic health of Arizona is at risk if the educational levels and job skills of Latinos are not raised.

**Demographics, education, economics:** The proportion of Latinos to Whites in Arizona has shifted over the past three decades. In 1980, Latinos made up 16 percent of the state’s population, compared to 30 percent today. Meanwhile, Whites have declined from 75 percent of the population to 58 percent during that period. It’s estimated that Arizona could reach “majority-minority” status as early as 2030.

A higher birthrate among Latinos than Whites and the influx of hundreds of thousands of young immigrants to Arizona creates a significantly younger Latino community than Whites. This is reflected in K-12 enrollment, where Latinos have grown by more than half in just one decade, and their numbers were expected to exceed the number of Whites by the beginning of the 2013 school year. While their parents may be non-citizens, 88 percent of Latino youths under 20 are naturalized citizens or were born in the U.S. While there is much debate about the cost of educating immigrant students, the vast majority of students in Arizona schools are citizens.

Standardized test scores suggest that Hispanics are still leaving Arizona schools unprepared for the modern work world. In 2011, 39 percent of Latinos passed the AIMS high school math test compared to 50 percent of Whites. Sixty-three percent of Latinos passed reading, while 76 percent of Whites passed reading. The gap in scores between Whites and Latinos on the Scholastic Aptitude Test (SAT) and National Assessment of Educational Progress (NAEP) are consistent with the AIM results.

Latino students drop out of high school at twice the rate of White students. The high school graduation rate for Whites is 83 percent, 69 percent for Hispanics and 76 percent for all students. Only 44 percent of students whose English is limited graduate. Latino students have a tougher time than Whites getting into college, staying in college and graduating with a college degree. Although 33 percent of Arizona’s college-age population is Latino, just 20 percent of post-secondary students are Latino.
What happens next? If something is not done to improve the educational levels of Latinos, Arizona’s population of undereducated workers will continue to grow. By 2030, the number of Latino workers without a high school degree could number 670,000, or 78 percent of all workers. The picture is just as bleak for secondary education where it’s projected that the number of Latinos failing to complete a two-year degree could more than double to 1.9 million by 2030. By 2030, an estimated 10 percent of Latinos will graduate from college compared to slightly more than 30 percent of Whites.

The impact of this lack of education will be felt across Arizona, putting the state at a serious economic disadvantage in competing with other states for jobs and companies. Undereducated and less-skilled workers in Arizona will mean fewer qualified workers to fill jobs that are becoming more complex; lower average incomes; more families living in poverty; lower per-capita tax revenues; and greater challenges in attracting industries with well-paying jobs to Arizona. If income and education trends continue, it’s projected that a lack of educated and skilled workers in Arizona will lead to the combined average income for Latinos and Whites dropping to $32,423 (in 2010 dollars) in 2030, down from $39,667 today.

Now is the time: If Arizona does not deal with the ongoing Latino education gap and how to tap the enormous potential of the state’s fastest-growing population group, the state faces the very real possibility of economic decline. There has been no shortage of recommendations for educational reform. In fact, the Five Shoes report made four recommendations to address the Latino gap were: Make high-quality early childhood programs universal and implement them first in Latino neighborhoods; recognize that one-size-fits-all funding and curricula formulas are not doing the job; improve the “pipeline” that moves Latino students from high school into higher education, particularly in technical fields; and press for a federal education initiative for border states.

Since the publication of Five Shoes, in 2001, more than a dozen reports have been released and numerous conferences held on Arizona’s educational achievement gap. Excerpts from some of these and other
national reports are included in the report to help stimulate thinking about how to address the Latino educational achievement gap.

In addressing the gap, four general considerations must be in place if real progress is to be made:

• **Going long-term.** Change takes time. Even if the state were to launch an all-out, immediate intervention, it will take years for reforms to work their way through the system. It’s key that a critical mass of leaders and voters support the initiative in a sustained effort.

• **Taking responsibility.** Leadership is essential if the achievement gap in Latino education is to be improved. Arizona’s elected officials at local, district and state levels can do much, but this will also require the efforts of other Arizonans. These include Latino community leaders, employers, community-based organizations, principals and teachers. Parents must also participate fully to help close the achievement gap.

• **Paying up.** Arizona traditionally ranks near the bottom in educational funding. While money alone will not close the achievement gap, it’s not possible to expect improvements without investment. Arizona must acknowledge that funding is part of the solution.

• **Considering context.** The task of learning falls primarily upon the families and children involved. But a family’s socio-economic status also plays a role, with poorer students often having to deal with such barriers as low income, poor nutrition, unsafe neighborhoods, and an unstable home life. Any initiative to enhance Latino educational performance will have to take such factors into account.