



FROM BASIC SKILLS TO BETTER FUTURES: Generating Economic Dividends for New York City

by Lazar Treschan and David Jason Fischer

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EXECUTIVE SUMMARY

Through good times and bad, more than one million working-age New Yorkers without a high school degree or equivalent—nearly a quarter of the city’s working-age population—find themselves on the fringes of the labor market, stuck in low-wage jobs with little chance of advancement (at best) or out of work (at worst). The single biggest reason is their lack of basic skills. To have any hope of success in today’s labor market, individuals must demonstrate an ability to read and perform math operations at a reasonably high level. Those who cannot are unlikely ever to enjoy job security, much less a middle-class standard of living.

This report looks at how individuals too old or too far behind to earn a conventional high school degree can pursue other routes to show mastery of the basic skills necessary for success in the workplace—in particular, by attaining a GED. The term “GED” is universally known, but almost as widely misunderstood. Few even know what the initials stand for (General Educational Development), and fewer still have a clear idea about what the GED exam covers or how individuals go about preparing for it. Misperceptions about the test linger, as does the stigma that the GED is nothing more than a “Good Enough Diploma” for individuals who could not handle high school academics.

Despite the misunderstandings, the GED offers tremendous potential value to low-skilled individuals and to our city as a whole. This report aims to shed light on the “GED system,”¹ including not only programs explicitly designed to prepare individuals for the exam, but also the broad range of adult basic education and other programs that seek to raise students’ basic skills to the level where they can pass the GED and take the next step in their educations and careers.

We divide our analysis into three sections:

1. Why are basic skills and the GED important for New York City?
2. How does our basic skills development system currently perform?
3. What can we do to improve our efforts to build and certify basic skills and put people on track for successful careers?

1. Why are basic skills and the GED important for New York City?

As a signifier to potential employers, colleges, and other stakeholders that an individual has mastered basic skills, the GED is a key resource for low-skilled New Yorkers looking to improve their employment prospects and earning power. Data shows that individuals without a high school degree or equivalent are far less likely than their better-educated counterparts to find work—and when they do, they typically work fewer hours for lower pay. Individuals with at least a high school diploma earn more, work more, and are less vulnerable to layoffs. In fact, during the current recession, those with less than high school educations lost jobs at nearly twice the rate of high school graduates and more than ten times the rate of college graduates. Even before the recent downturn, during the current decade, jobs for those with less than a 12th-grade education had declined in number and relative pay.

Purely in fiscal terms, individuals with less than a 12th-grade education represent a net cost to New York City, whereas those with high school-level skills or higher are a net benefit to our city.

Analysis of lifetime data finds that on average, those who do not complete high school cost the city treasury nearly \$135,000 more than they pay in taxes, for expenses such as incarceration or shelter. Even those who only complete high school, by contrast, pay an average of over \$190,000 more into city coffers than is expended on their behalf. Thus, in the aggregate, simply helping one low-skilled New Yorker earn a high school degree or GED is worth more than \$325,000 to the city.

The GED is not an “easy way out.” Despite misperceptions to the contrary, the GED exam is not easy. In fact, by definition anyone who passes the GED compares favorably to high school graduates: The organization that develops the exam sets its passing score as the point where only 60 percent of a sample of graduating high school seniors pass the test. Additionally, very few individuals who enroll in coursework toward a GED say they left high school because it was too difficult for them. Rather, the reasons for leaving typically include fear for their physical safety at school or severe disruptions at home.

“I got laid off. I had been working 15 years since high school—I always had a job. But now it’s rough out here without a GED. I don’t want to be stopped anymore.” Marvin, 37

Supporting the GED does not conflict with supporting traditional K-12 education. Even if school reform is successful to the point where New York City cuts its dropout rate to half of what it is today, we would still see more than 10,000 individuals leave high school without graduating each year. The circumstances surrounding high school leavers are as varied as the young people themselves; not every individual will follow the same path to success, and we must have options for all to advance. We can have high expectations for every young New Yorker while maintaining a robust second-chance system.

2. How does our basic skills development system currently perform?

The outcomes of our current GED system are abysmal. New York State ranks 48th in the country in GED pass rate, with only 60 percent of those who take the test passing as of 2007. New York City performs even worse, with only 47.5 percent passing. What’s worse, the relatively few city residents who do pass the exam and move on to college—the point at which they can truly enhance employability and earning power—have poor rates of retention and graduation.

Insufficient resources, lack of oversight, and a complete absence of coordination contribute to our system’s poor performance.

The majority of programs that aim to support individuals in attaining a GED are funded at approximately \$1,000 per participant, per year. Programs funded at this level simply cannot offer the necessary hours, retain good teachers, focus on transition to college or careers, or provide participants with the supportive services they need to succeed. The underfunding of GED programs is matched by a near-complete lack of uniform standards and oversight. Individuals who wish to enter a program—a vital step for any young New Yorker looking to get back on track to success after leaving high school—have no single resource to help them sort through all existing options to find the one that is right for them.

Our GED system looks too much like a basic literacy system, without the funding. Less than ten percent of students in adult education programs have sufficiently high basic reading and math skills to sit in a GED test preparation course. Most

students are in Adult Basic Education (“pre-GED”) or English as a Second or Other Language course. These students need long-term, intensive support if they are to progress from low literacy to be able to pass the GED exam. Yet funding for programs is extremely weak.

There are some bright spots to build upon. Despite the aggregate underperformance of our GED system, various programs and subsystems have shown promise and merit greater support and replication. For youth and young adults in particular, recent years have seen the launch of several promising efforts to build rigorous pathways for those with low literacy to earn a GED and move on to college. New program models for adults integrate the teaching of basic and career skills, so that participants can make strides toward earning a GED while receiving focused job and career training. Within areas of the NYC Department of Education and the City University of New York, public sector leaders have taken important steps to strengthen programming by focusing on professional development and student transitions after GED attainment. We should invest in enhancing and expanding these efforts so they become the rule, not the exception, within the GED world.

3. What can we do to improve our efforts to build and certify basic skills and put people on track for successful careers?

Obtaining a GED will require considerable effort for most individuals, and real investment from the public sector. Most adults and older youth without a high school diploma begin their efforts to earn a GED with literacy and numeracy levels so low that they will require considerable time to raise those skills before they can pass the GED exam. But their prospects of getting to that point depend largely upon strong, adequately funded programs that deliver quality instruction in building skills. Unfortunately, such programs are very rare. City officials should make investments to create more and better pre-GED programming of this sort, in recognition of the fact that most GED seekers will need more than a few months to earn the credential. Along the same lines, the city should support

“It’s not only about the job, it’s also about myself—to grow in this world. It’s important to know certain things at a certain age so you don’t get taken advantage of.” Keon, 22

innovative programs that offer stronger incentives for often-frustrated students to “stick with it” through stipends, internships, and other inducements. For older youth and adults with family responsibilities, programs should also incorporate opportunities to develop technical skills that carry value in the labor market while they work toward earning their GED—rather than sequencing learning before earning.

Position the GED as a milestone, not a destination. Although obtaining a GED is no small endeavor for many individuals, our efforts must also focus on the next step after earning the credential—be it college, advanced training, or a job that offers a career track with advancement opportunities. GED preparatory programs should anticipate and help prepare participants for all of these possible outcomes. Program design and funding must reflect that the most important step for a GED program participant is the one they take after obtaining their diploma.

Create an infrastructure that will promote success. Despite a handful of standout programs scattered across the city, the network of GED programs collectively fails to produce strong results in large part because no “connective tissue” binds them together. With very few exceptions, each program or subsystem (such as the network of programs run by District 79 within the Department of Education) conducts its own recruitment, makes (or doesn’t make) referrals based on its own relationships, and keeps best practices to itself. We can significantly improve citywide GED performance by enhancing and expanding mechanisms of information dissemination, program referral, and recruitment.

Fix the testing mess. Much of our system’s poor performance in terms of GED results can be explained by the inefficiency of the way New York administers the exam itself. This report endorses the recommendations made within a recent analysis of the GED testing system by Jacqueline Cook, which include increasing the funding for test site administration and a number of steps to improve testing infrastructure.



Recommendations, in brief:

A. Make the GED a true gateway to opportunity.

1. Require all GED programs to offer a bridge to higher education.
2. Fund GED programs to focus on building bridges to careers.
3. Create new programs and expand existing programs for low-level learners.
4. Expand and leverage existing funding sources.
5. Expand and enhance District 79 of the New York City Department of Education.
6. Improve the quality of GED instruction.
7. Build more central accountability and coordination.

B. Create and sustain a true GED system that ensures access.

8. Develop a comprehensive information and referral network.
9. Expand existing referral sources.
10. Improve processes for GED testing.

The body of this report contains a detailed description of each of these recommendations.