

The Cost of Failure to Teach Reading: Projections From 3rd Grade Reading Scores

For every student who fails to master reading by grade 3, taxpayers are subjected to what amounts to a *hidden annual surtax* - one that cumulates with each graduating class. It is levied in the form of added local, state, and federal taxes absorbed by the resulting school dropouts and unprepared graduates. [How to interpret this report.](#)

Because state [tests and reading proficiency benchmarks](#) vary substantially, the reading proficiency rates and projected costs generated by our calculator may not be compared from state to state. Within states, however, schools and districts may be compared—especially those with similar demographics (see: <http://education-consumers.org/school-performance-nationally>). Also, users may compare states by manually substituting [NAEP](#) proficiency percentages for the states of interest.

State: NY (2018)
County: ALBANY
School District: ALBANY CITY SCHOOL DISTRICT
School: DISTRICT-WIDE

Number of Dropouts and Unprepared Graduates:

Projected dropouts	14018
Projected unprepared graduates	55172
Total dropouts + unprepared graduates	69190
As a percent of <i>basic</i> + <i>below-basic</i> readers	69%

Calculations are Based on the Following:

Third grade students enrolled: 199,683
 Percent reading at the **BASIC** level: 32
 Percent reading at the **BELOW-BASIC** level : 18

Added Taxes Absorbed by Dropouts & Unprepared Graduates¹

Cost of Dropouts:	State/Local	Federal	Total
Healthcare	\$20,000	\$40,000	\$60,000
Public Safety	\$17,000	\$14,000	\$31,000
Welfare	\$3,000	\$14,000	\$17,000
Education ²	\$-12,000	\$-2,000	\$-14,000
Total cost per dropout	\$27,000	\$67,000	\$93,000
Total cost of dropouts in this class	\$376,419,000	\$933,021,000	\$1,309,440,000

Cost of Unprepared Graduates ³	State/Local	Federal	Total
Healthcare	\$5,000	\$10,000	\$15,000
Public Safety	\$8,000	\$7,000	\$15,000
Welfare	\$1,000	\$3,000	\$3,000
Education	\$-4,000	\$-1,000	\$-5,000
Total Cost per Unprepared Graduate	\$9,000	\$20,000	\$29,000
Total Cost of Unprepared Graduates in this class	\$571,822,000	\$1,207,311,000	\$1,779,133,000

TOTAL COST TO TAXPAYERS	State/Local	Federal	Total
Total Cost of Dropouts & Unprepared Graduates in this class.	\$948,241,000	\$2,140,332,000	\$3,088,573,000
Avg. Added Expense per Enrolled 3rd Grade Student⁴	\$5,000	\$11,000	\$15,000

In brief:

- The above report shows the projected number of dropouts and unprepared graduates for your school, district, or state based on current third grade reading data. The added government spending for welfare, health care, and criminal justice is then estimated from the projected number of dropouts and unprepared graduates.
- The added outlays are the difference between federal and local/state spending for dropouts or unprepared graduates and spending for graduates who are college and career-ready, i.e. , prepared to enter and complete some college or begin a career.
- It is important to note that the above reported amounts are lifetime outlays arising from a single graduating class. Over time, the costs created by each class add to those from previous classes creating a tax burden that has been growing, year-by-year, for decades. Without improvement in reading proficiency rates, it will continue to do so for the foreseeable future.
- The dropout and unprepared graduate rates, and other outcomes reported by this calculator may not be compared between states because of their differing student standards. However, states may be compared by manually inputting the student proficiency rates reported by the [National Assessment of Educational Progress](#). Within states, schools with similar student poverty rates may be identified by visiting our [3rd grade reading graphic](#).
- The dropout and student preparedness estimates produced by this calculator are based on research by the [Annie E. Casey Foundation](#) and [ACT](#). The [cost calculations](#) are based on the findings of a detailed analysis reported by Teachers College, Columbia University.
- For an in-depth discussion of the calculator, visit here: http://www.education-consumers.org/pdf/ECF_CalculatorBackground.pdf.
- For more on the roots of the problem and a path forward, see Reversing American Decline: http://education-consumers.org/pdf/RAD_brief.pdf

Footnotes:

¹ Amounts shown are the difference in the lifetime costs of public services consumed by dropouts or unprepared graduates versus those consumed by graduates who complete some college. They cumulate annually as succeeding classes are added to the adult population.

² Public expenditures on postsecondary education are less than average for dropouts and underprepared.

³ "Unprepared graduates" are diploma recipients who are not college or career ready.

⁴ Amount shown is the average hidden "tax" per enrolled 3rd grade student. May be used to compare schools or districts within a state.

Data Sources:

[Getting Students on Track to College and Career Readiness: How Many Catch Up from Far Behind?](#) - ACT

[Double Jeopardy: How Third-Grade Reading Skills and Poverty Influence High School Graduation](#) - Annie E. Casey Foundation

[What Are the Social and Economic Returns?](#) - Teachers College, Columbia University