



# ADULT WORKFORCE DIPLOMA

**More than 31,000,000 adults in the United States do not have a high school credential.** The Adult Workforce Diploma Program is a pay-for-outcome program that transfers the risk from the state to providers who receive payments only when students meet performance milestones that matter to individuals, the community, employers, and the state.

Research shows that as many as 80% of the individuals who left school without a diploma did so for non-academic reasons: they left because they had to work to support themselves or their families, they became parents, they were bullied or experienced social anxiety, they fell “too far behind” to graduate on time.

According to Columbia University economist Henry Levin, the average dropout costs the state \$313,000 in social services, incarceration, and lost income from taxes over his or her lifetime. Combined with lost wages, the total opportunity cost per dropout is \$755,900. The estimated ROI for this program, adjusted for age, is approximately \$617,000 per graduate.

Allocating funding to new programs with increased accountability and pay-for-performance requirements is wise financial management.

## IMPACT

### *Workforce Outcomes*

Based on survey data from graduates between six and nine months after completing their diploma with the Adult Workforce Diploma Programs graduates have:

- Increased participation in the labor market
- Increased average hourly wages
- Access to new, better jobs or promotions
- Increased access to employer-sponsored healthcare
- Opportunities to work in high demand fields
- Opportunities to attend post-secondary education and training programs

### *Social Impact*

Research shows that in 29% of low-income families, at least one parent does not hold a high school diploma and are therefore unable to attain employment that provides livable wages. Additionally, children of adults who did not earn a high school diploma are much less likely to attain their post-secondary goals.

In addition to the measurable workforce outcomes cited above come other well-studied and researched outcomes, including increasing confidence and hope for a population that is disproportionately affected by health and social challenges alongside economic stress, increased odds of their children graduating high school and attending post-secondary institutions, and ultimately breaking cycles of intergenerational poverty.

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## APPROACH

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Based on survey data from graduates between six and nine months after completing their diploma with the Adult Workforce Diploma Programs graduates have:

### **1. States develop Adult high school completion policy and funding needs to focus exclusively on this population.**

Citizens who lack a high school diploma are the most disadvantaged citizens in our states and are the most difficult to reach. As such it requires that the programs that serve them have focus and funding that is specific to them. Our experience and observation has been that programs that include dropouts as one of many targets in a program designed to upskill or create more post-secondary attainment tend to get left behind and the programs wind up serving high school graduates or reskilling those with outdated post-secondary credentials because they are significantly easier to reach.

### **2. An open provider network is established from an open application process.**

The adult dropout problem is big, and requires a focused, yet diversified approach to solving. That means we need all hands on-deck, not one program or two programs that serve a limited geography or audience. Holding providers accountable for meeting performance benchmarks, including graduation rate and cost per graduate, ensures the state and the participants in the program have an optimal chance for success.

### **3. A Pay-for-Outcomes Funding Model drives results that matter for the State.**

The most effective models we have seen protect the state financially, but allow for a variety of approaches, utilizing an agreed upon pay for performance model. In most cases, the cost per graduate (all dollars paid – including dollars paid for students who meet some milestones but do not graduate – divided by graduates) is significantly lower than the cost of educating a single student for one year in the traditional k12 environment.

### **4. Provider Accountability Standards ensure participants have a high likelihood of success.**

We recommend standards that focus on a 2-year cohort graduation rate and an average cost per graduate not to exceed approximately one year of state funding for the typical high school student. These standards create an expectation of outcomes and encourage only the highest performing programs to participate.