

The Annie E. Casey Foundation

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National Study Shows Students Who Don't Read Well in Third Grade Are More Likely to Drop Out or Fail to Finish High School

Poverty Puts Struggling Readers in Double Jeopardy; Minorities Most at Risk

New Orleans—Students who don't read proficiently by third grade are four times more likely to leave high school without a diploma than proficient readers, according to a study over time of nearly 4,000 students nationally.

Poverty compounds the problem: Students who have lived in poverty are three times more likely to drop out or fail to graduate on time than their more affluent peers; if they read poorly, too, the rate is six times greater than that for all proficient readers, the study found. For black and Latino students, the combined effect of poverty and poor third grade reading skills makes the rate eight times greater.

Poverty troubles even the best readers: Proficient third graders who have lived in poverty graduate at about the same rate as subpar readers who have never been poor.

"We will never close the achievement gap, we will never solve our dropout crisis, we will never break the cycle of poverty that afflicts so many children if we don't make sure that all our students learn to read," said Ralph Smith, executive vice president of the Annie E. Casey Foundation, which commissioned the report, *Double Jeopardy: How Poverty & Third-Grade Reading Skills Influence High School Graduation*. "This research confirms the compelling need to address the underlying issues that keep children from reading."

The longitudinal study by Donald J. Hernandez, released today at the national Education Writers Association conference in New Orleans, confirms the link between third grade scores and high school graduation and, for the first time, breaks down the likelihood of graduation by different reading skill levels and poverty experiences.

The study relies on a unique national database of 3,975 students born between 1979 and 1989. The children's parents were surveyed every two years to determine the family's economic status and other factors, while the children's reading progress was tracked using the Peabody Individual Achievement Test (PIAT) Reading Recognition subtest. The database reports whether students have finished high school by age 19, but does not indicate whether they actually dropped out.

For purposes of this study, the researchers divided the children into three reading groups which correspond to the skill levels used in the National Assessment of Educational Progress (NAEP): proficient, basic and below basic. The children were also separated into three income categories: those who have never been poor, those who spent some time in poverty and those who have lived more than half the years surveyed in poverty.

Most of the students in the sample managed to finish high school by the time they were 19. But for students who did not, the rates were highest among those who didn't read well in third grade and those who have lived in poverty. Black and Hispanic students, disproportionately represented in both those categories, were twice as likely as similar white children not to graduate on time.

Specifically, the study found:

- One in six children who are not reading proficiently in third grade do not graduate from high school on time, a rate four times greater than that for proficient readers.
- The rates are highest for the low, below-basic readers: 23 percent of these children drop out or fail to finish high school on time, compared to 9 percent of children with basic reading skills and 4 percent of proficient readers.
- The below-basic readers account for a third of the sample but three-fifths of the students who do not graduate.
- Overall, 22 percent of children who have lived in poverty do not graduate from high school, compared to 6 percent of those who have never been poor. This rises to 32 percent for students spending more than half of the survey time in poverty.
- For children who were poor for at least a year *and* were not reading proficiently in third grade, the proportion of those who don't finish school rose to 26 percent. The rate was highest for poor black and Hispanic students, at 31 and 33 percent respectively. Even so the majority of students who fail to graduate are white.
- Even among poor children who were proficient readers in third grade, 11 percent still didn't finish high school. That compares to 9 percent of subpar third graders who were never poor.
- Among children who never lived in poverty, all but 2 percent of the best third-grade readers graduated from high school on time.

"These findings suggest we need to work in three arenas: improving the schools where these children are learning to read, helping the families weighed down by poverty and encouraging better federal, state and local policy to improve the lot of both schools and families," said Hernandez, a sociology professor at Hunter College and the Graduate Center, City University and a senior advisor to the Foundation for Child Development.

The report recommends aligning quality early education programs with the curriculum and standards in the primary grades; paying better attention to health and developmental needs of young children; and providing work training and other programs that will help lift families out of poverty.

Casey is a member of [The Campaign for Grade-Level Reading](#), a collaborative effort by more than 70 foundations and advocacy groups to move the needle on early literacy. The Campaign calls for an integrated approach starting at birth and ensuring children develop the social, emotional and academic skills needed to read by third grade. Third grade is considered a pivot point in education, where children shift from learning to read and begin reading to learn.

Nationally, two thirds of students are not reading on grade level by the fourth grade, the earliest year of testing in the National Assessment of Educational Progress (NAEP). That proportion rises to four-fifths for low-income children, according to NAEP results released last year. A previous Casey [report](#) provides a state-by-state breakdown of fourth-graders who weren't reading on grade level.

In addition to the Casey Foundation, the research was conducted with support from the Center for Demographic Analysis at the University of Albany and the Foundation for Child Development and the guidance of the staff of the National Longitudinal Survey of Youth.

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The Annie E. Casey Foundation is a private charitable organization dedicated to helping build better futures for disadvantaged children in the United States. It was established in 1948 by Jim Casey, one of the founders of UPS, and his siblings, who named the Foundation in honor of their mother. The primary mission of the Foundation is to foster public policies, human-service reforms and community supports that more effectively meet the needs of today's vulnerable children and families. In pursuit of this goal, the Foundation makes grants that help states, cities and communities fashion more innovative, cost-effective responses to these needs.