September 23, 2011

TO: Interested Parties

FROM: Jim Kessler, Senior Vice President for Policy;
Tess Stovall, Deputy Director of the Economic Program; and
Deirdre Dolan, Policy Advisor

RE: A Response to the National Education Policy Center: "NEPC review is fatally flawed"

Writing for the NEPC, Dr. Bruce Baker attempts to discredit the findings of our report, "Incomplete: How Middle-Class Schools Aren't Making the Grade." His review is deeply flawed and significantly misrepresents our data and findings.

Among the most grievous errors:

- He misses our central point: ***America's middle-class schools are not generating nearly enough students who complete a four-year college degree***. Dr. Baker does not offer a single piece of evidence to refute that claim.
- He ascribes to us, and then criticizes, a definition of middle-class schools that we do not use for any measure of student achievement. Specifically, he claims for performance purposes that we consider *all* schools in urban districts like Detroit or Chicago middle-class schools. We simply do not. In fact, in those two cities, we consider only a combined 27% of high schools to be middle class for performance purposes.
- He denies a link between college degree attainment and individual and national wealth by dismissing as not credible sources including McKinsey & Company, Georgetown University's Center on Education and the Workforce, The College Board, and the United States Census Bureau.

Below is a point by point refutation of his major claims.

1) The NEPC asserts that there is no "expectations gap" between the performance that parents and taxpayers expect from middle-class schools and what they get.

"The data that are cited [in the Third Way report] fail to make the case that 'middle-class' schools perform less well than expected." (p. 2)

Here are the facts:

- 90% of all Americans with school-age children expect their child to go to college.[1]
- When asked about the quality of the nation's public schools, only 18% give them a grade of A or B.[2]
- When asked about the quality of the schools in their community, only 49% give them an A or B.[3]

- When asked about the quality of their child's school, 77% give them an A or B.[4]

The vast majority of parents with kids in school give *their* schools high grades and expect *their* kids to go to college, but the facts on the ground show mediocre test results and too few degrees. That's the definition of an expectations gap.

2) The NEPC labels our link between college degree attainment and higher income "speculative" and dismisses highly credible sources and institutions as non-serious.

"The report makes economic impact claims [about college attainment] based on speculative interpretations of non-peer reviewed policy reports." (p. 4)

The data we use are from the following respected and cited institutions:

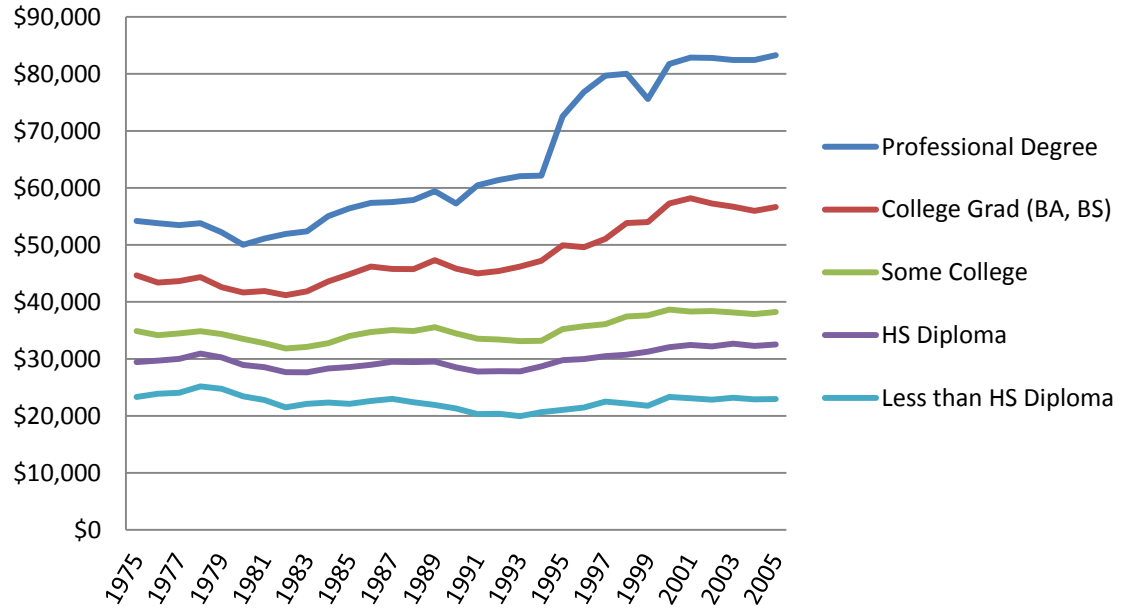
- McKinsey & Company
- Georgetown University's Center on Education and the Workforce
- The College Board
- The United States Census Bureau

It's true; none of these sources are academically peer-reviewed, but many—including us—consider them to be serious, thoughtful, and reliable.

Suffice it to say, we are comfortable with the company we keep and the sources we cite.

Below is a chart illustrating the median household incomes of Americans from 1975 to 2005, sorted by educational attainment in inflation-adjusted dollars.[5] Readers can determine for themselves whether this is sufficient data to make the case that educational attainment has some bearing on personal and national wealth.

Median Household Incomes of Americans (1975 to 2005)



3) The NEPC either misreads or misstates the report's expectation for middle-class school performance.

"There is no clear statement of what the expected performance of middle-class schools should be." (p. 2)

We're very clear on what the standard should be. We say that middle-class schools must be "college factories." It is stated on pages 1, 3, and 13—in the Executive Summary, introduction of the paper, and in the conclusion. Our major finding is that college graduation rates for students attending middle-class schools are far too low. We believe that there should be a considerable national focus on significantly increasing these college graduation rates. We are not sure we could be clearer.

4) The NEPC defines middle-class schools out of existence.

"The Third Way authors seem to have taken this statement [that the middle two groupings of NSLP are seldom discussed] as a challenge to go where no researcher had gone before…. It is one thing to isolate the highest and lowest 'quarter'; it is quite another to define all schools between them as 'middle class.'" (p. 6)

There is a paucity of scholarship on middle-class schools. As such, there is not a ready-made definition. But we believe that eligibility for a reduced or free school lunch provides a fair, reasonable, and accurate proxy.

- The median household income in the United States is $49,777.[6]
- The median household income of school districts in our study in the second grouping is $55,250, and the third grouping is $46,464.
- Since we disaggregated all data regarding the performance of students from the broad school district, it is certain that our segment of middle-class schools in urban districts have higher incomes.
- It's true that a school with 70% free and reduced lunch may more resemble a low-income school, and a school with 30% free and reduced lunch may more resemble a high-income school. However, just as the overall middle-class population is far from monolithic, so are the 52,860 middle-class public and charter schools in our study. In the aggregate, they offset each other as part of a broad view of the entire middle-class category.
- Eligibility for a reduced-priced school lunch maxes out at $41,348 for a family of four.[7] It represents, for example, a single, principle wage earner making more than $20 an hour. Many families receiving a reduced-priced school lunch would not consider themselves poor; and in some areas, not everyone who doesn't qualify would consider themselves middle class.

If these are not middle-class schools, it begs the question, "Which ones are?" This is not something Dr. Baker deigns to address in a meaningful manner. In fact, most disturbing for us in reading Dr. Baker's critique is that there seems to be no interest and no perceived utility from defining middle-class schools and seeing if the performance of these schools is good enough. He argues that the 55% of all data that

was collected by the U.S. Department of Education and represents the 2nd and 3rd groupings is not of value. We find a wealth of value in this trove of information.

5) The NEPC makes a fatal error in how it describes our definition of middle-class schools with regard to student performance.

"Why [Third Way's definition of a middle-class school] is a poor choice is illustrated later in this section of the review, but here's a teaser question to keep in mind: Do you consider Detroit to be middle class?" (p. 6)

We do not.

For purposes of individual achievement on test scores and college attainment, for teacher-student enrollment ratios, and for teacher salary, we do **not** consider entire school districts such as Detroit, Los Angeles, Philadelphia, Baltimore, Memphis, or Houston to be middle class. Our report *disaggregates the schools within school districts* by using their *student body's percentage of eligibility* for the NSLP and follows only those that fall within the second and third groupings of usage. This makes an enormous difference as evidenced by what it would mean for Dr. Baker's chart on page 7 where he lists big (and presumably failing) urban school districts and claims that "tossing truly middle-class districts in a pool along with large (and largely poor) urban districts tends to shift the results to the latter." (pp. 7-8) In fact,

- In Chicago, only 12 of 78 reporting public and charter high schools fall into our definition of middle-class[8]—not all of them, as Dr. Baker falsely asserts.
- In Los Angeles, it's 34 of 122 public and charter high schools[9]—not all of them, as Dr. Baker falsely asserts.
- Memphis is 8 of 28[10]—not all of them, as Dr. Baker falsely asserts.
- Detroit is 26 of 63[11]—not all of them, as Dr. Baker falsely asserts.

Need we go on?

This is what Dr. Baker called "the crux of the problems with the report's methods…" (p. 4) It appears, thus, to be his most damning piece of evidence against our methodology, but either deliberately or mistakenly, he profoundly misinterprets our data.

Assuming his grave error was not deliberate, his confusion may stem from the fact that we did lump schools and school districts together when looking at overall school spending and median incomes of school districts. We drew absolutely no central findings from this aggregated data.

We disaggregated the schools from their districts for: race and ethnicity, school population, urban, suburban, and rural location, teacher salary, teacher-student enrollment ratio, and most importantly, NAEP achievement and college attainment.

Dr. Baker's critique is an egregious misrepresentation of our data and what we wrote in the paper.

6) The NEPC offers no data to refute our finding on low college graduation rates from middle-class schools.

"As noted previously, the authors' main conclusions focus on the alleged failure of middle-class schools to produce college graduates." (p. 5) (emphasis ours)

Our paper asserts that only 28%, or roughly one-out-of-four graduates from middle-class high schools, will attain a four-year college degree by age 26. Although he does quibble with our methodology, Dr. Baker offers no refutation of that figure in his 12-page critique. ***This is the major finding of our paper***, and since he was not shy about criticizing other aspects of our paper, we must assume it is because he believes we are essentially correct.

When one looks at facts from some unimpeachable sources—the U.S. Census Bureau and the U.S. Department of Education—it is clear why.

- 31.7% of all Americans between the ages of 25 and 29 have attained a four-year college degree or higher.[12]
- 8% of high school students attend private school and 92% attend public schools.[13]
- Private school students have a much higher college matriculation rate—66.5%—than public school students of any NSLP grouping.[14]
- When private school students are factored out, the college graduation rate of public school students will be below the 31.7% national figure—likely to about 28-29%.
- Middle-class schools could not deviate much from that number.

Our conclusion can be supported or corroborated using a number of data sources. Whether one looks at the two middle groupings of National School Lunch Program data to define middle-class schools, just the second grouping of this data, or raw Census Bureau Data for the entire population of 25 to 29 year-olds in America the bottom line doesn't change—the rate of four-year college degree attainment is far too low and remarkably similar across measurements.

Conclusion

There are 52,860 public and charter schools[15] that fall within our definition of middle-class schools, and they educate 25.7 million[16] students. The message from Dr. Baker and the NEPC seems to be—let's ignore them. In fact, let's not even define them. Our view is that there is immense potential out there. These schools are failing in their basic mission—to become college factories.

From our perspective, college graduation rates of 31% and 23% in the second and third NSLP groupings, respectively—as our report presents—are unacceptable for America's economic future. Clearly, the NEPC and Dr. Baker disagree and are satisfied with the status quo. We are not.

Endnotes

[1] William J. Bushaw and Shane J. Lopez, "A Time for Change: The 42nd Annual Phi Delta Kappa/Gallup Poll of the Public's Attitudes Toward the Public Schools," *Phi Delta Kappan Magazine*, September 2010, No. 8, p. 21. Accessed on September 22, 2011. Available at: http://www.pdkintl.org/kappan/docs/2010_Poll_Report.pdf.

[2] Ibid, p. 14.

[3] Ibid, p. 13.

[4] Ibid.

[5] Calculations of United States Census Bureau data conducted by economist Stephen Rose.

[6] United States Census Bureau, "Income, Poverty and Health Insurance Coverage in the United States: 2009," September 16, 2010. Accessed on September 22, 2011. Available at: http://www.census.gov/newsroom/releases/archives/income_wealth/cb10-144.html.

[7] United States Department of Agriculture, "Food and Nutrition Service: Child Nutrition Programs—Income Eligibility Guidelines," *Federal Register*, March 25, 2011, Vol. 76, No. 58, p. 16725. Accessed September 22, 2011. Available at: http://www.fns.usda.gov/cnd/governance/notices/iegs/IEGs11-12.pdf.

[8] Third Way calculations based on data from the following source: United States, Department of Education, Institute of Education Statistics, National Center for Education Statistics, Common Core of Data. Accessed September 22, 2011. Available at: http://nces.ed.gov/ccd/bat/. The Common Core of Data includes data from the "2008-09 Public Elementary/Secondary School Universe Survey," "2008-09 Local Education Agency Universe Survey," and "2000 School District Demographics" from the U.S. Census Bureau. To generate data from the Common Core of Data, in the "select rows" drop down box, select "School." Then select next. On the following page, in the "select columns" drop down box, choose the "Students in Special Programs" option. Select the box next to "Total Free and Reduced Lunch Students." Then in the drop down box, select "Contact Information" option. Then select the box next to "Location City." Then go back to the "select columns" drop down box and select the "Enrollment by Grade" option. Then select the box next to "11th Grade enrollment." Then go more time to the "select columns" drop down box, choose "Total enrollment." Then select the box next to "Total students." Then select next. On the next page, choose "Illinois." Then click the "view table" option. Once the table is compiled, download the table into Excel.csv by clicking that option at the top of the page. To calculate the number of high schools in Chicago with a student population of between 26-75% eligible for NSLP, we performed the following steps: 1) We first sorted by schools based on % NSLP (number of students eligible for free or reduced lunch divided by total number of students enrolled). 2) We then pulled out the schools that had enrollment in 11th grade. 3) We then sorted the schools based on location city, and pulled out the schools located in the City of Chicago.

[9] Ibid. Select "California" and sort by "Los Angeles."

[10] Ibid. Select "Tennessee" and sort by "Memphis."

[11] Ibid. Select "Michigan" and sort by "Detroit."

[12] United States Census Bureau, "Current Population Survey: 2010 Annual Social and Economic Supplement," Table 1. Accessed September 22, 2011. Available at: http://www.census.gov/hhes/socdemo/education/data/cps/2010/tables.html.

[13] Third Way calculations based on data from the United States Census Bureau, "Enrollment in Public and Private Schools: 1970 to 2004," *Statistical Abstract of the United States: 2007 – The National Data Book*, Table 210, print.

[14] United States Department of Education, Institute of Education Statistics, National Center for Education Statistics, "Digest of Education Statistics," Table 202. Accessed on September 22, 2011. Available at: http://nces.ed.gov/programs/digest/d09/tables/dt09_202.asp.

[15] United States Department of Education, Institute of Education Sciences, National Center for Education Statistics, "The Condition of Education 2011," Table A-3-2. Accessed June 7, 2011. Available at: http://nces.ed.gov/programs/coe/tables/table-cse-2.asp.

[16] United States Department of Education, Institute of Education Sciences, National Center for Education Statistics, "The Condition of Education 2011," Table A-28-1. Accessed September 22, 2011. Available at: http://nces.ed.gov/programs/coe/tables/table-pcp-1.asp.