Dropping out of school: the impact of US exit exams

What is the difference between barely passing and barely failing an exam? Technically, just mere points. But for American school children taking high school exit exams (which pupils in some states need to pass to get a regular high school diploma), it can mean the difference between graduating and dropping out, even when there are opportunities to retake the test. These are the findings of a study by Dongshu Ou.

Ou finds that despite having the opportunity to retake the exam, pupils who barely failed one of the tests have a higher probability of dropping out than pupils who barely passed. This effect is especially pronounced for children from poor and minority ethnic backgrounds. Barely failing the English test also causes a more than 10% increase in the likelihood of leaving school for pupils with limited proficiency in the English language.

It seems natural that exit exams will cause some pupils to drop out. But Ou’s findings point to one of the unintended consequences of the move towards test-based school accountability – the disproportionate dropout rate among disadvantaged children.

The study also highlights the importance of investing resources effectively. Pupils who barely fail the exam may drop out if they are discouraged by the result given their efforts. But they also may drop out because of the high perceived cost of preparing to retake the exam when few remedial resources are available or schools fail to provide sufficient information on the retake opportunities and alternative ways to graduate.

Ou concludes that allocating additional resources to counsel children who barely fail the exams and assist them in passing a retake (lessening the stigma of failing the exam and informing them about retake opportunities) could go a long way towards reducing their risk of dropping out. She also emphasises the need for further evaluation of the exit exam policy to provide a solid background for reforms currently under consideration in various states.

This article summarises ‘To Leave or Not to Leave? A Regression Discontinuity Analysis of the Impact of Failing the High School Exit Exam’ by Dongshu Ou, CEP Discussion Paper No 907 (http://cep.lse.ac.uk/pubs/download/dp9007.pdf) and forthcoming in Economics of Education Review.

Dongshu Ou is a research economist in CEP’s education and skills programme.