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### **Executive Summary**

Although high school graduation and college attendance rates have increased over time in the United States, large numbers of young people do not move smoothly through the educational pipeline. Nationally, about one-fourth of high school freshmen do not graduate in four years; in the 50 largest U.S. cities, the dropout rate may be closer to 50 percent. Although most of the young people who drop out eventually graduate or, more often, earn a General Educational Development certificate (GED), a long delay may place them at a serious disadvantage in competing for jobs and obtaining postsecondary education. Moreover, a significant number of young people become profoundly "disconnected" from both school and work.

These figures are of particular concern because there is an increasingly tight link between education and earnings; postsecondary education has become a virtual prerequisite for admission to the middle class. In addition, young people who drop out of school are three and a half times more likely to be arrested.

This report presents very early results from a rigorous, independent evaluation of the National Guard Youth ChalleNGe Program, an intensive residential program that aims to "reclaim the lives" of young people, ages 16 to 18, who have dropped out of high school. ChalleNGe currently operates in more than half the states; about 75,000 young people have completed the program since it was launched in the early 1990s. The evaluation is being conducted by MDRC, a nonprofit, nonpartisan research organization, in collaboration with the MacArthur Foundation Research Network on Transitions to Adulthood. Several private foundations and the U.S. Department of Defense are funding the evaluation.<sup>1</sup>

## The ChalleNGe Program

The ChalleNGe model grew out of a project by the Center for Strategic and International Studies in the late 1980s and early 1990s that sought to develop new approaches for out-of-school youth. The project's final report concluded that aspects of the military structure could be beneficial for disadvantaged youth. The report also concluded that the National Guard, with its strong community service mission, was ideally suited to operate a program for young people. The program model was developed by staff in the National Guard Bureau in the U.S. Department of Defense. In 1993, Congress funded a 10-site pilot of the ChalleNGe concept. Funding was made permanent in 1998, and today there are ChalleNGe programs in more than half the states.

<sup>&</sup>lt;sup>1</sup>The study is funded by Bill & Melinda Gates Foundation, Charles Stewart Mott Foundation, The Edna McConnell Clark Foundation, The John D. and Catherine T. MacArthur Foundation, The MCJ Foundation, The Robert Wood Johnson Foundation, and The William and Flora Hewlett Foundation.

States operate ChalleNGe programs under a Master Cooperative Agreement with the National Guard Bureau. Most states serve 200 to 400 young people per year in two class cycles. The funding level for ChalleNGe — about \$14,000 per participant — has not changed since the early 1990s. The federal government pays 60 percent of the cost of the state programs, and states pay the remaining 40 percent.

Although there is considerable room to tailor the program model to local conditions, the basic structure of the ChalleNGe program is the same in all states. The program is open to youths between the ages of 16 and 18 who have dropped out of (or been expelled from) school, are unemployed, drug-free, and not heavily involved with the justice system. The program is open to both males and females, though about 80 percent of the participants are male. There are no income-based eligibility criteria.

The 17-month program is divided into three phases: the two-week Pre-ChalleNGe Phase, which is a demanding orientation and assessment period; a 20-week Residential Phase; and a one-year Postresidential Phase. During the first two phases (totaling 22 weeks), the participants live at the program site, often on a military base.

The curriculum for the Residential Phase is structured around eight core components that reflect current thinking about how to promote positive youth development: Leadership/Followership, Responsible Citizenship, Service to Community, Life-Coping Skills, Physical Fitness, Health and Hygiene, Job Skills, and Academic Excellence. Toward the end of the Residential Phase, the program's participants work with staff to arrange a postresidential "placement." Acceptable placements include employment, education, and military service.

The program environment is described as "quasi-military": The participants are called cadets, they are divided into platoons and squads, live in barracks, have their hair cut short, wear uniforms, and are subject to military-style discipline. While the program uses military structure, discipline, facilities, and staff to accomplish its objectives, participation in ChalleNGe is voluntary, and there are no requirements for military service during the program or afterward.

The cadets who successfully complete the Residential Phase move into the one-year Postresidential Phase, which involves a structured mentoring program. This Postresidential Phase distinguishes ChalleNGe from most residential programs for youth. Its purpose is to help young people with the difficult task of maintaining the new attitudes and behaviors they learn in the Residential Phase when they return to their communities, families, and friends.

#### The ChalleNGe Evaluation

The National Guard Bureau collects extensive data on program participation and on outcomes for the young people who have gone through the program. However, for some time,

officials and program directors have been eager to obtain more rigorous data on what difference the program makes. Thus, in 2004, they began working with MDRC and the MacArthur Foundation Research Network on Transitions to Adulthood to explore the possibility of conducting a rigorous evaluation of the program. In 2005, 12 state ChalleNGe programs agreed to participate in the evaluation.

The ChalleNGe evaluation uses a random assignment research design in which a group of young people who applied to ChalleNGe and were invited to participate (the ChalleNGe group or program group) are being compared over time with a second group of young people who applied to ChalleNGe and were deemed acceptable, but were not invited to participate because there were too few slots available (the control group). Because the study's participants were assigned to one group or the other through a random process, one can be confident that any significant differences that emerge between the groups over time — for example, differences in educational attainment or employment rates — can be attributed to ChalleNGe. These differences are described as *impacts*.

Random assignment was conducted for 18 class cycles across 10 programs<sup>2</sup> (two of the programs that agreed to participate were unable to conduct random assignment because they had too few applicants). About 3,000 young people entered the study in 2005-2006.

About 1,000 study participants in both groups completed a brief survey about nine months after they entered the study (the survey did not target all study participants; the response rate among those targeted was 85 percent). A more extensive survey is being administered to about 1,200 study participants in both groups, about 18 months after they entered the study. A third survey, at 36 months, is planned. Eventually, the study may obtain administrative records to measure employment, college attendance, military enlistment, and other outcomes.

### **Early Results**

Most of the study's participants were 17 years old when they entered the study, and more than 80 percent are male. Roughly equal proportions described themselves as white (41 percent) or African-American/black (40 percent); most of the rest described themselves as Hispanic. Almost all are U.S. citizens, and only about 3 percent reported having any children.

Only 23 percent of the sample members lived with both biological parents when they entered the study; another 21 percent lived with a parent and a stepparent. More than 40 percent lived in a single-parent household (most commonly with their mother). Fewer than one-third of

<sup>&</sup>lt;sup>2</sup>The programs that participated in the evaluation were in California, Florida, Georgia, Illinois, Michigan, Mississippi, North Carolina, New Mexico, Texas, and Wisconsin.

sample members reported that their household received any public assistance, indicating that the ChalleNGe population is not, in general, extremely low income. About half the sample members reported that their grades were mostly Ds and Fs, and more than 80 percent reported that they had been suspended from school at least once. Nearly one-third reported that they had an Individual Education Plan, which indicates special education status.

Field research visits to all 10 of the programs in the study revealed significant variation across sites in the environment of the program, approaches to recruitment and discipline, and other elements. In interviews, staff reported a number of implementation challenges. For example, many programs were coping with funding shortages and the absence of experienced staff who were National Guard members and had been deployed to Iraq or Afghanistan. Nevertheless, all the programs were implementing the core elements of ChalleNGe, and their staff were generally highly committed and professional.

Data from the program's national management information system show that about 80 percent of the young people who were assigned to the study's program group actually started the program; others may have changed their mind about participating after they were invited or showed up to the program, or they may have failed a drug screen. About two-thirds of the program group completed the Pre-ChalleNGe Phase and formally enrolled, and about half graduated from the Residential Phase. The graduation rate *among enrollees* was about 78 percent, close to the national average.

The survey, which was administered about nine months after the members of the program and control groups entered the study — not long after ChalleNGe graduates began the program's Postresidential Phase — found that:

# • The program group was much more likely than the control group to have earned a high school diploma or a GED.

Table ES.1 shows some of the results from the nine-month survey. The top panel shows that about 10 percent of the control group had earned a diploma or (more commonly) a GED since they entered the study. In contrast, almost half (46 percent) of the program group had earned a diploma or a GED. This very large difference — more than 35 percentage points — is statistically significant, meaning that ChalleNGe almost certainly increased the receipt of diplomas/GEDs (that is, the difference between groups is very unlikely to be a statistical fluke). It is interesting that ChalleNGe increased the receipt of both diplomas and GEDs; this likely reflects the fact that some ChalleNGe programs are accredited high schools or can offer high school diplomas to graduates of the program, while others target the GED.

# National Guard Youth ChalleNGe Program Table ES.1 Early Impacts on Selected Outcomes

	Program	Control	
Outcome (%)	Group	Group	Impact
Educational attainment			
Earned high school diploma or GED	45.6	10.1	35.5 ***
High school diploma	14.6	2.6	12.0 ***
GED	30.9	7.5	23.4 ***
Current status			
Currently in			
High school	16.3	35.5	-19.2 ***
GED prep	14.8	20.9	-6.1 **
College courses	10.9	2.7	8.2 ***
Job training	14.0	10.1	3.9 *
Currently working	51.2	42.1	9.1 ***
Currently working full time <sup>a</sup>	30.5	20.9	9.6 ***
Currently working or in any of the above activities	74.4	76.3	-1.9
<u>Criminal justice</u>			
Arrested since random assignment	14.2	20.0	-5.8 **
Convicted since random assignment	6.5	11.0	-4.4 **
In jail, prison, or detention center since random assignment	10.7	18.9	-8.2 ***
<u>Health</u>			
Self-rating of overall health very good or excellent	76.7	68.3	8.4 ***
Body mass index (BMI) <sup>b</sup>	24.2	24.3	-0.1
Overweight <sup>c</sup>	25.3	21.1	4.2
Obese <sup>c</sup>	8.4	12.8	-4.3 **
Self-efficacy and social adjustment scale <sup>d</sup>			
High	11.0	7.0	4.0 **
Low	10.7	20.3	-9.6 ***
Sample size (total = 1,018)	648	370	

(continued)

#### **Table ES.1 (continued)**

SOURCE: MDRC calculations from responses to the nine-month survey.

NOTES: Estimates are regression-adjusted using ordinary least squares, controlling for sample member characteristics. Significance levels are indicated as follows: \*\*\* = 1 percent, \*\* = 5 percent, and \* = 10 percent.

All numbers have been weighted to account for varying random assignment ratios and sample sizes by site. In general, sites with larger sample sizes are weighted more heavily.

<sup>a</sup>Full-time employment is defined as working 30+ hours per week.

<sup>b</sup>Body mass index (BMI) is a measure of body fat based on height and weight that applies to both adult men and women. BMI is calculated by dividing a person's weight by his or her height squared.

<sup>c</sup>Overweight is defined as a BMI between 25 and 29; obesity is defined as BMI of 30 or more.

<sup>d</sup>Scale is created from seven survey questions regarding self-efficacy and social adjustment, as rated on a four-point scale. High/low designations represent one standard deviation above or below the mean.

• The program group was more likely than the control group to be working and also more likely to be attending college; control group members were more likely to have returned to high school.

The second panel of Table ES.1 shows sample members' current activities. It is notable that more than one-third of the control group reported that they were currently enrolled in high school. Perhaps some of these control group members were not fully disengaged from high school when they applied for ChalleNGe and chose (or were persuaded by their parents) to return to school when they were not accepted to the program. There is no way to know how many of these young people will complete high school, since many are far behind academically. This will be an important story to follow over time.

While the control group was more likely to have returned to high school, the program group was more likely to be in college or in training and also more likely to be working. For example, 11 percent of the program group reported that they were taking college courses at the time of the survey, compared with 3 percent of the control group. Just over 30 percent of the program group versus 21 percent of the control group reported that they were working full time.

• The program group reported better health and higher levels of selfefficacy and were less likely to have been arrested.

The third panel of Table ES.1 shows that members of the program group were less likely to have been arrested or convicted or to have spent time "locked up" since the time they entered the study. This is not surprising, since many of them had been living at a ChalleNGe program site for much of the nine-month follow-up period. Members of the program group also reported better health and less obesity.

Finally, several questions on the survey were combined into a measure of self-efficacy — a person's belief about his or her capacity to deal with life's challenges. The responses of the program group were more likely to signal high self-efficacy and much less likely to indicate low self-efficacy (most responses were in the middle of the scale, somewhere between "high" and "low").

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It is far too early to draw any conclusions about the long-term effects of ChalleNGe. Other programs for dropouts have increased GED attainment without producing long-term increases in earnings or other outcomes. Nevertheless, the early results suggest that partway through their ChalleNGe experience, young people in the program group are better positioned to move forward in their transition to adulthood. Results from the 18-month survey will be available in late 2009.