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SCHOOL-AGE CHILDREN

Poverty and Diversity  
Challenge Schools Nationwide

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Education and Employment Issues  
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## SUMMARY

The face of school-age America is changing dramatically. As of 1990, 1 out of every 6 children lived in poverty and a rapidly growing number were from diverse racial and ethnic backgrounds. Along with these changes, schools face additional problems--more than 1 in 6 of the nation's third-graders changed schools frequently, attending at least three different schools since the beginning of first grade. Many school districts also are educating children from a multitude of language and cultural backgrounds. GAO's analysis of demographic characteristics of school-age children during the 1980s shows that poor and at-risk children are not just the concerns of the nation's inner cities or the sunbelt West; rather, these children can be found in concentrations across the country--the Northeast as well as the South, in rural as well as urban areas. Many of our schools will have to work harder to meet the special needs of a changing population, while at the same time striving to set higher standards and meet the national education goals. Many patterns illustrate the scope of the challenge facing the nation and its schools.

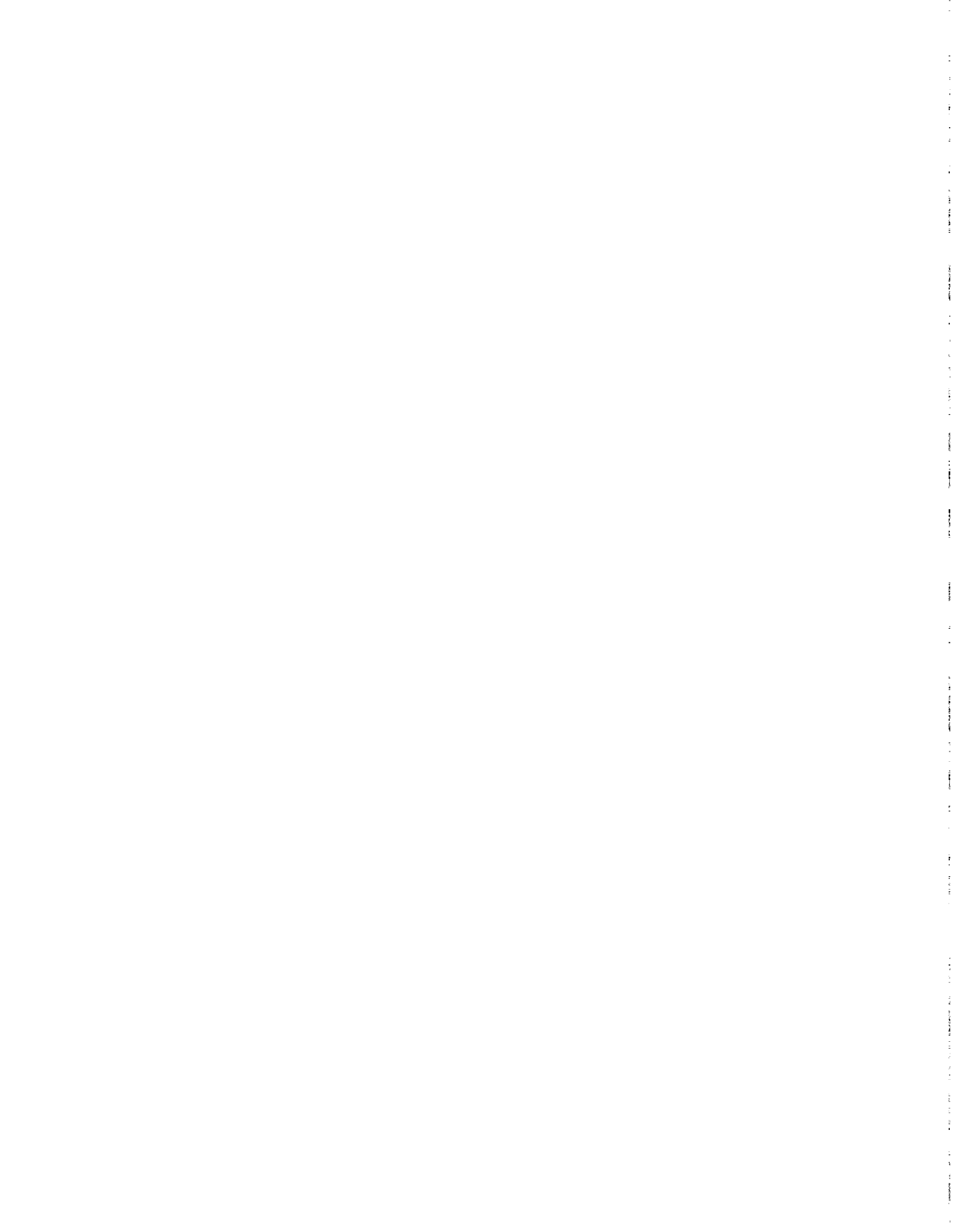
First, during the 1980s, the number of poor school-age children (aged 5 to 17) increased by over 400,000 to 7.6 million, even as the total school-age population declined by 2.3 million. Because of these changes, the national school-age poverty rate increased from 15.3 percent in 1980 to 17.1 percent in 1990. Child poverty has continued to increase since 1990.

Second, school-age poverty became national in scope. Large numbers of poor school-age children remained in areas that traditionally have had high concentrations of such children, including large cities, rural areas, and the South, and these numbers grew in the West and Southwest. In 1990, 7 of the 10 cities with the highest 1990 school-age poverty rates were in the East and South, and rural counties contained over one-quarter of all poor school-age children. Eight of the 10 states with the highest school-age poverty rates were in the South, yet 11 of the 12 states with the greatest growth in the number of poor school-age children were located in the West and Southwest.

Third, the poor school-age population became more diverse, both racially and ethnically, during the 1980s. The number of poor Hispanic children increased by 43 percent, an increase of 481,000, and the number of poor Asian children more than doubled to over 220,000.

Finally, the number of immigrant and other at-risk children increased dramatically during the 1980s, growing by 20 percent. Pockets of school-age children from at-risk groups such as immigrants and those with limited English proficiency were scattered in counties throughout the nation.

These patterns have profound implications for our nation's schools and education policy. Policymakers and school officials will have to assist all children, including those who are poor and at risk, to meet higher education standards. Providing such assistance will be costly and difficult in a time of tight budgets. Ignoring these needs now, however, could cause greater problems, and imperil our nation's future.



Mr. Chairman and Members of the Committee and Subcommittee:

I am pleased to be here today to discuss GAO's work on the educational needs of our nation's school children. School-age America is changing. The children are increasingly poor, more racially and ethnically diverse, and at risk<sup>1</sup> for school failure. One-sixth of our nation's children are poor, and this population is growing. Such changes imply great challenges to our schools in setting higher standards and meeting the national education goals.<sup>2</sup>

I would like to share with you the findings and implications of our studies on the demographic characteristics of school-age children. Much of the work is based on GAO's analyses of decennial census data.<sup>3</sup> Our analyses show that the problems facing school-age America are not limited to our nation's large cities or even a few states or geographic areas. Pockets of poor children are increasingly found in rural and urban counties<sup>4</sup> across the nation, and often these children are in need of other services, such as housing and health care, in order to be prepared for the academic demands of school.

These findings have implications for the reauthorization of the Elementary and Secondary Education Act (ESEA) of 1965, which contains the largest federal assistance programs for educationally disadvantaged children. These programs face increasing demands. Ignoring these demands now may cause greater problems later as needy children face a potential future of

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<sup>1</sup>At-risk children are those who, while not necessarily poor, face significant obstacles to achieving academic success in school. In this testimony, the term refers to children who live in immigrant families or linguistically isolated households, and children with limited English proficiency.

<sup>2</sup>In 1990, the President and governors agreed on six goals for the nation's education system to be reached by the year 2000. They include, for example, having all students achieving at high standards in five core academic subjects.

<sup>3</sup>Our analysis is based on a special tabulation of data from the 1980 and 1990 decennial censuses. School-age children are children aged 5 to 17 and living in "families," which are defined as households in which one or more persons are related. We chose this population because it is the same population used in the Elementary and Secondary Education Act of 1965's Title 1, Chapter 1, allocation formula.

<sup>4</sup>We analyzed the data by metropolitan and nonmetropolitan county classifications but substituted the terms "urban" and "rural," respectively. We selected these geographic classifications because they are at the county level, and Chapter 1 funds are allocated according to county-level poverty statistics.

joblessness and lower incomes. Addressing these demands during a time of budget austerity will be difficult, however, and will challenge lawmakers and school officials to make every dollar count. Let me expand on the demographic changes and their implications for educational policies.

## BACKGROUND

Poor children and those with limited English proficiency (LEP) are more likely than others to experience academic failure, and the consequences of this failure follow them for their whole lives. These children are more likely to drop out of school, for example, and high school dropouts are more likely than high school graduates to be arrested and to become unmarried parents. These negative consequences not only harm the individual but also society in terms of higher crime and unemployment and lower quality of life.

High concentrations of poverty present additional problems for schools. Research has shown that greater concentrations of poor children are associated with lower academic performance, magnifying the risk of academic failure.

Recognizing the links of these factors to academic achievement, the federal government provides educational assistance to poor and other at-risk populations through a variety of programs. Many of these programs are part of ESEA, which specifies 46 programs that provide financial aid to meet the educational needs of the nation's children. In fiscal year 1994, the Congress appropriated about \$8.6 billion under ESEA.

The largest of ESEA's programs is Chapter 1, Part A, of Title I. Chapter 1 targets financial aid through states to local educational agencies to assist educationally disadvantaged students attending schools with concentrations of low-income students. In fiscal year 1994, close to \$7 billion was available through Chapter 1.

ESEA also provides other, smaller programs to assist at-risk children. For example, Title VII, the Bilingual Education Act, provides financial assistance to local education agencies to develop bilingual education programs. The Emergency Immigrant Education Program under Title IV provides supplementary educational services to immigrant children enrolled in elementary and secondary schools. Programs for migrant children under Chapter 1, Part D, provide grants to state educational agencies for programs to meet the educational needs of these children. Funding for these three and other ESEA programs totaled more than \$1.6 billion in fiscal year 1994.

The Congress is currently considering proposals for reauthorizing ESEA. These proposals intend to make ESEA a

vehicle for raising educational standards for all children and reforming schools. They increase the amount of Chapter 1 funding directed towards areas with higher concentrations of poor school children. The proposals also include modifications of Chapter 1 to facilitate greater participation of LEP children and changes in the Bilingual Education Act that would seek to strengthen the act in many ways, including fostering the professional development of teachers.

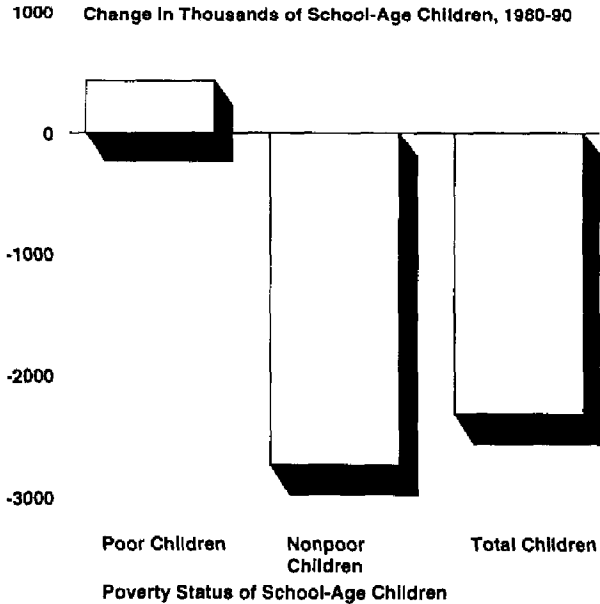
THE NUMBER OF POOR SCHOOL-AGE CHILDREN INCREASED BETWEEN 1980 AND 1990, EVEN THOUGH THE TOTAL NUMBER DECLINED

Between 1980 and 1990, the number of poor school-age children increased by more than 400,000 to 7.6 million. This occurred even as the total school-age population declined by 5 percent, or 2.3 million, to 44.4 million (see fig. 1). Because of both of these changes, the national poverty rate for school-age children--the percentage of all school-age children who live in poor families--increased from 15.3 percent in 1980 to 17.1 percent in 1990. The poverty rate for all children has continued to increase since 1990. Recent evidence suggests that since 1990 both the total school-age population and the number of poor children have increased.<sup>5</sup>

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<sup>5</sup>The increase in the number of all poor children is based on the Bureau of the Census' 1992 Current Population Survey (CPS). Poverty rates based on CPS data, however, are not directly comparable to our decennial census data because CPS does not collect annual data on school-age children.

Figure 1: The Number of Poor School-Age Children Increased Although the Total Number of School-Age Children Declined



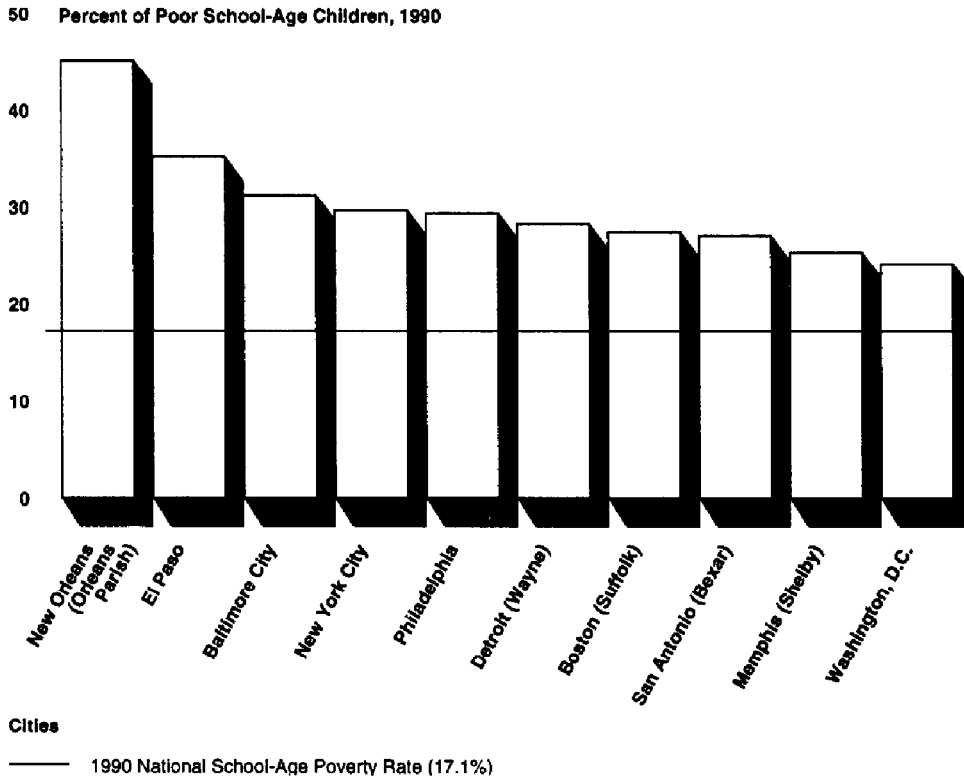
POOR CHILDREN REMAINED CONCENTRATED IN POCKETS THROUGHOUT THE COUNTRY

Large numbers of poor school-age children remained in areas that traditionally have had high concentrations of such children, including large cities in the East and South, rural counties, and the South. Overall, about 50 percent of all poor school-age children lived in either counties containing the nation's 25 largest cities or in rural counties. Urban and rural areas also exhibited high poverty rates. In 1990, the counties containing the nation's 25 largest cities registered a collective school-age poverty rate of 21.6 percent, while all rural counties registered a poverty rate of 20.4 percent.

Urban school-age poverty also remained regionally concentrated. Of the 10 cities with the highest 1990 school-age poverty rates, 7 were located in either the East or the South (see fig. 2). For example, the poverty rate for Suffolk county, which contains the city of Boston, registered a poverty rate of 27.4 percent--over 10 points above the national average.



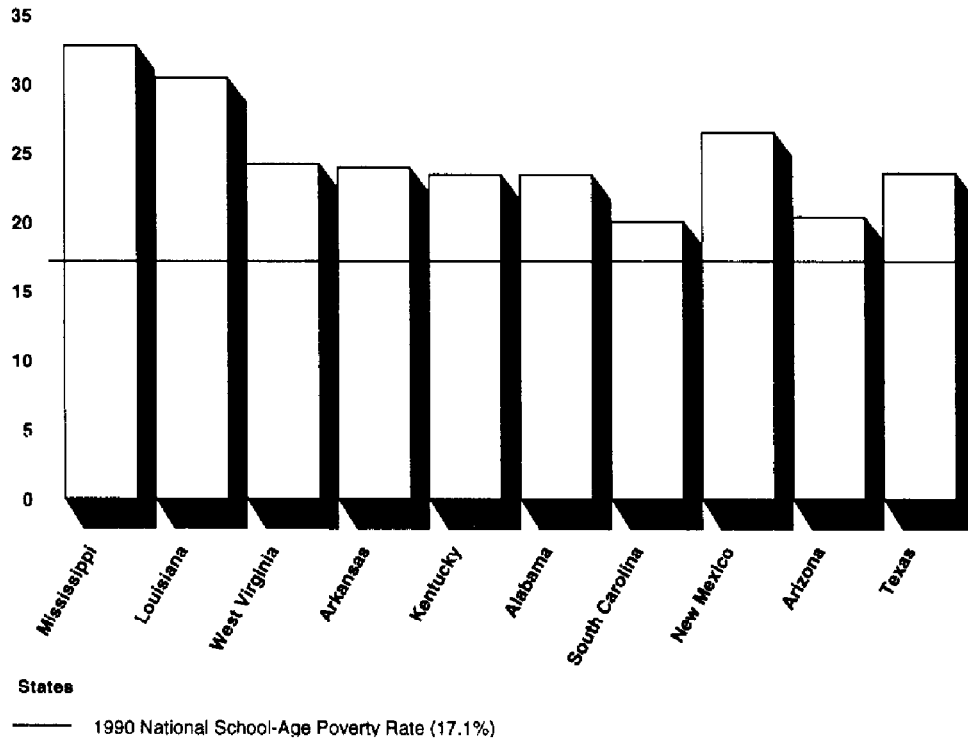
Figure 2: Seven of the 10 Cities With the Highest 1990 School-Age Poverty Rates Located in the East and South



Southern states continued to have some of the highest school-age poverty rates in the nation. In Mississippi, for example, in 1990 about one-third of all children were poor, almost twice the national average. Of the 10 states with the highest school-age poverty rates in the nation, 8 were located in the South or were "border" states such as Kentucky and West Virginia (see fig. 3). Further, poverty rates increased in 7 of these 8 "high poverty" states during the 1980s.

Figure 3: Eight of the 10 States With the Highest 1990 School-Age Poverty Rates Were in the South or in "Border" States

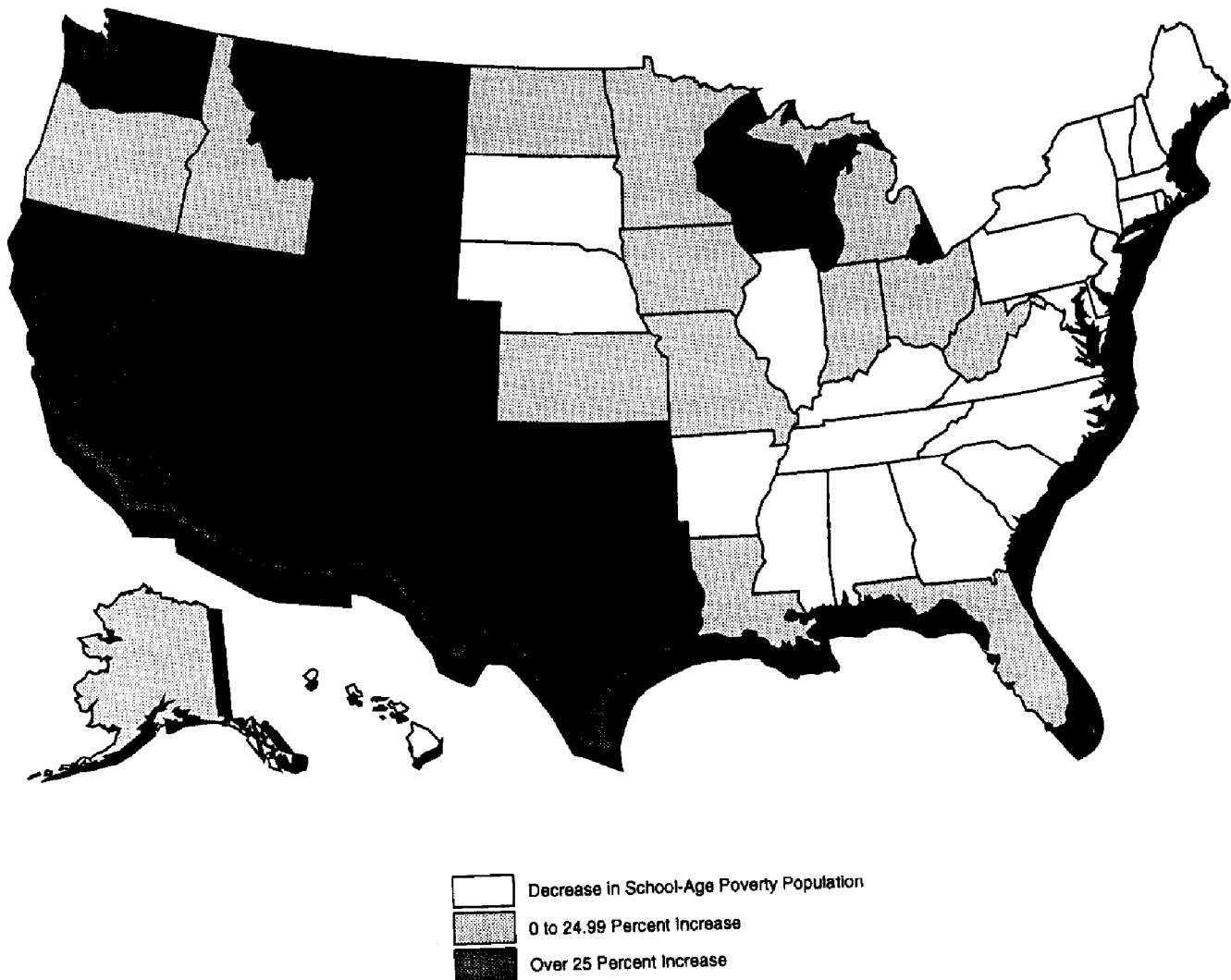
Percent of Poor School-Age Children, 1990



NUMBER OF POOR SCHOOL-AGE CHILDREN INCREASED SIGNIFICANTLY IN THE WEST AND THE SOUTHWEST

The number of poor school-age children grew substantially in the West and Southwest during the 1980s. Of the 12 states where the number of poor school-age children increased by more than 25 percent, 11 were located in the West and Southwest (see fig. 4).

Figure 4: Growth in School-Age Poverty Was Substantial in the West and the Southwest



Poverty rates in all 12 of these states grew more than the national rate, as did the concentration of total school-age poverty. California and Texas, the two states with the largest number of poor school-age children in 1990, also registered the largest numerical increases in poor school-age children between 1980 and 1990. Together, these two states gained almost 467,000 poor children.

### POOR SCHOOL-AGE CHILDREN BECAME MORE RACIALLY AND ETHNICALLY DIVERSE

Similar to the total school-age population, poor school-age children became more racially and ethnically diverse.<sup>6</sup> The number of poor Hispanic children grew by over 43 percent, increasing by 481,000 to 1.6 million, and the number of poor Asian children more than doubled, increasing by 118,000 to 228,000. However, the number of poor white children declined by 5.9 percent, and the number of poor black children showed little change, falling by about 1 percent.

While the number of black children showed little change, this group experienced the highest rates of school-age poverty in both urban and rural areas. The poverty rate for black children ranged from 36 percent in urban counties to 47 percent in rural counties. Except for Asian children, rural children of each race and ethnic group had the highest school-age poverty rates.

### DRAMATIC INCREASE IN NUMBER OF AT-RISK CHILDREN THROUGHOUT THE COUNTRY

The number of children from at-risk groups such as immigrant and linguistically isolated (LI) households and LEP children grew substantially during the 1980s.<sup>7</sup>

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<sup>6</sup>We based our designations for race and ethnicity on the 1990 decennial Census question regarding Hispanic origin. The categories "white," "black," "Asian," and "American Indian/other" refer only to non-Hispanic members of these racial groups. All Hispanics, regardless of race, are included in the Hispanic category.

<sup>7</sup>Children from immigrant families are children who are foreign born or native born in families with a mother who came to the United States during the 10 years before the decennial Census. The Census Bureau classifies the ability to speak English into five categories: "speak English only," "speak English very well," "speak English well," "do not speak English well," and "do not speak English at all." Children in LI households are those living in households where no persons 14 years or older speak "English only" or no persons 14 years or older who speak a language other than English speak "English very well." LEP children are those in the last three of the five categories.

Although in 1990 their numbers remained fairly small--between 1.7 million to 2.3 million children or between 4 and 5 percent of all school-age children--each group increased by at least 20 percent during the 1980s.<sup>8</sup> For example, the number of children living in immigrant households rose by 24 percent during the decade, and the number of LEP children grew by almost 26 percent.

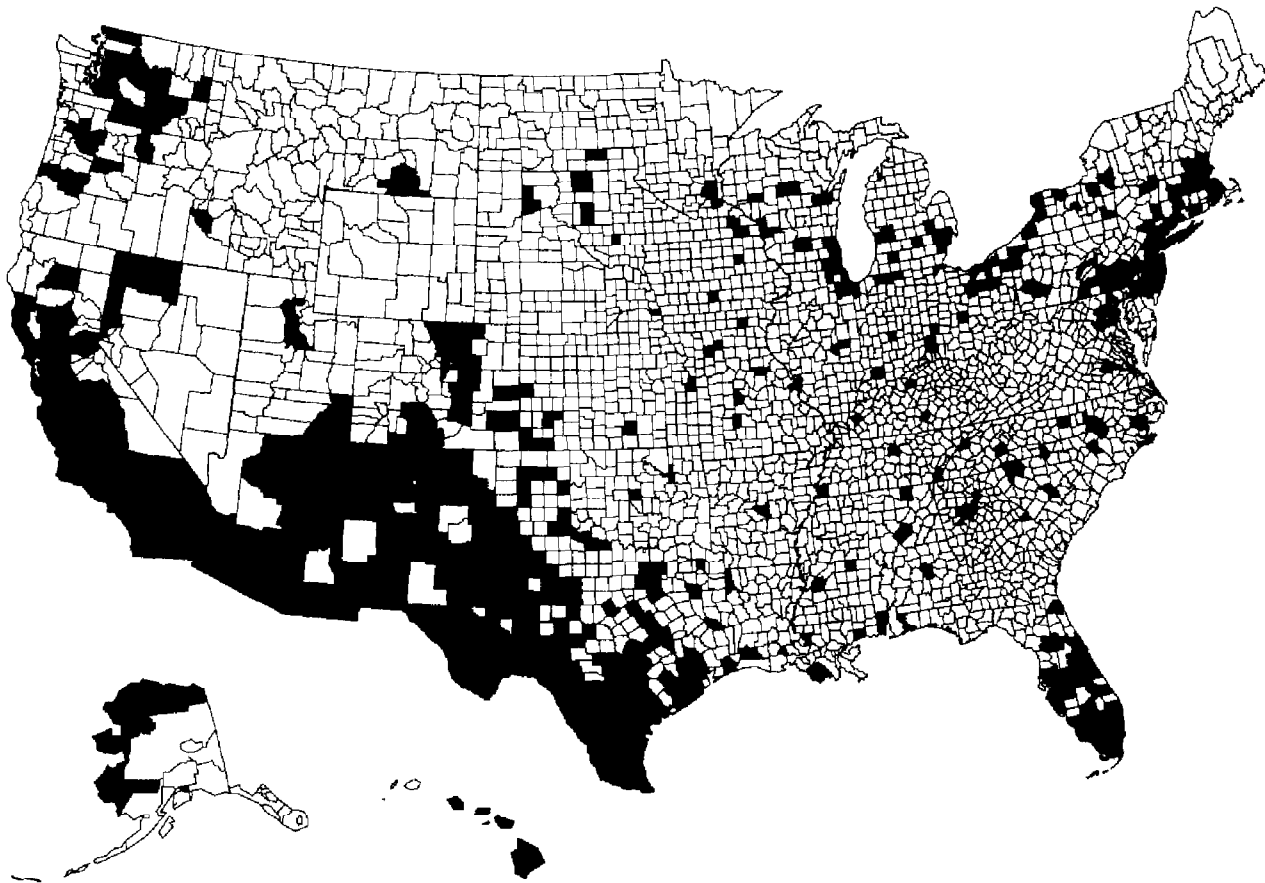
Large numbers of these at-risk populations were scattered in counties throughout the country. In 1990, about one-sixth of all counties (533 out of 3,140) located in 47 states had school-age populations where at least 500 children or 5 percent of all children were LEP (see fig. 5). Within these LEP concentrations, there also was considerable linguistic diversity. Almost one-third of the 533 counties had 10 or more languages represented.

However, significant numbers of at-risk children lived in only a few states. For example, California and Texas contained almost 50 percent of the nation's LEP children in 1990, and California alone accounted for nearly 40 percent of the national school-age immigrant population. New York, Illinois, and Florida also experienced significant concentrations of at-risk school-age children.

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<sup>8</sup>The immigrant, LI, and LEP populations are not additive because some children fall into more than one of the categories. In 1990, over 686,000 school-age children were in all three categories, but 2.3 million children--over 5 percent of all school-age children--were in one of the three categories exclusively.

Figure 5: More Than 500 Counties Had Substantial Numbers of LEP Students in 1990



Note: Shaded areas indicate the 533 counties in which at least 5 percent or 500 students were LEP, according to 1990 decennial Census data. We chose 500 because this definition parallels the Emergency Immigrant Education Program under Title IV, which provides funds to districts if 500 or more (or 3 percent or more) of the students are immigrants who have been attending U.S. schools for less than 3 academic years.

CHANGES IN SCHOOL-AGE POPULATIONS SIGNAL EXTRAORDINARY PROBLEMS FOR SCHOOLS

The recent increases in the number of poor and at-risk school-age children pose problems for many schools across the nation. Compounding these problems is the increased mobility associated with poor and at-risk children. Because of the growing number of poor children, schools must contend with more children who are potential low achievers and have other difficulties. The diversity of poor and at-risk children could require schools to consider new educational strategies as well.

### Schools Face Difficulties in Educating Children Who Change Schools Frequently

Poor and at-risk children face many difficulties in achieving academic success. One problem, for example, is the greater tendency for these children to change schools frequently. We found that 1 in 6 of the nation's third-graders changed schools frequently, attending at least three different schools since the beginning of first grade. These proportions were even greater for poor and some at-risk children.<sup>9</sup> Such change can disrupt children's educational programs, making learning and achievement difficult. Children who change schools frequently also are more likely to have behavior problems and have more problems related to nutrition and health than children who change schools less frequently. We reported that 41 percent of the children who changed schools frequently read below their grade level, compared with 26 percent of those third-graders who had never changed schools.

### Children's Educational Needs Greater in Schools With High Poverty Concentrations

Our findings on the composition of school-age America also have implications for schools with high concentrations of poor children. We reported that schools with large numbers of poor children have a disproportionately higher share of low achievers than schools with fewer children in poverty.<sup>10</sup> One study recently reported that children in high-poverty schools were also more likely to have been retained in grade at some time during their school career and to have higher rates of absenteeism.<sup>11</sup> Teachers in these schools are more likely to report that their students have difficulties that may affect their ability to perform in school, including health/hygiene problems and inadequate nutrition or rest. Because poor school-age children have become increasingly concentrated, many schools serve more low-achieving children than ever before and thus will have to serve children with more needs than ever before.

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<sup>9</sup>See Elementary School Children: Many Change Schools Frequently, Harming Their Education (GAO/HEHS-94-45, Feb. 4, 1994).

<sup>10</sup>See Remedial Education: Modifying Chapter 1 Formula Would Target More Funds to Those Most in Need (GAO/HRD-92-16, July 28, 1992).

<sup>11</sup>Prospects: The Congressionally Mandated Study of Educational Growth and Opportunity, The Interim Report, U.S. Department of Education, July 1993.

## Many School Districts Face a Growing Educational Challenge in Meeting LEP Children's Needs

The nation's ability to achieve the national education goals is increasingly dependent on local districts' ability to educate children who are at-risk, such as immigrant, LEP, and LI children. Districts that serve large numbers of LEP children are in almost every state in the nation. They face a multitude of challenges beyond the obvious one of the language barrier because LEP children are often poor and have significant social, health, and emotional needs.

We found that many districts are struggling to educate large numbers of LEP children who also are linguistically and culturally diverse.<sup>12</sup> Some districts have difficulties in obtaining sufficient numbers of bilingual teachers and material in most languages. This situation was particularly true when student populations were diverse in language; one district that reported such difficulty, for example, had students from almost 90 different language backgrounds.

### IMPLICATIONS FOR EDUCATION POLICY

Ignoring these demographic changes--the growing number of poor and at-risk children in many parts of the nation--could mean a grim future for America and its children. To address these changes, policymakers and school officials will have to develop new strategies to assist poor and at-risk children to achieve at high levels that will be demanded by new education standards. For example, schools will have to develop new ways to address the educational disruption experienced by children who change schools frequently, as well as the needs of children from varying languages and backgrounds.

ESEA, as the federal government's primary vehicle for addressing the educational needs of poor and at-risk children, will play an important role in the national response to the changes we have identified. As more schools serve growing numbers of needy children, they may require more Chapter 1 funds to serve them. In addition, many schools are facing large increases in LEP children even as federal funding has not kept pace in real terms. The Congress will encounter difficulty, however, assisting schools with many poor and at-risk children, given current fiscal constraints. This will challenge lawmakers and school officials to ensure that every dollar spent on education is spent wisely.

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<sup>12</sup>See Limited English Proficiency: A Growing and Costly Educational Challenge Facing Many School Districts (GAO/HEHS-94-38, Jan. 28, 1994).



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This concludes my statement. I will be glad to answer any questions you may have.

RELATED GAO PRODUCTS

Elementary School Children: Many Change Schools Frequently, Harming Their Education (GAO/HEHS-94-45, Feb. 4, 1994).

Limited English Proficiency: A Growing and Costly Educational Challenge Facing Many School Districts (GAO/HEHS-94-38, Jan. 28, 1994).

Poor Preschool-Aged Children: Numbers Increase but Most Not in Preschool (GAO/HRD-93-111BR, July 21, 1993).

Remedial Education: Modifying Chapter 1 Formula Would Target More Funds to Those Most in Need (GAO/HRD-92-16, July 28, 1992).

Rural Children: Increasing Poverty Rates Pose Educational Challenges (GAO/HEHS-94-75BR, Jan. 11, 1994).

School Age Demographics: Recent Trends Pose New Educational Challenges (GAO/HRD-93-105BR, Aug. 5, 1993).

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