

Tackling the Root Cause of the College Dropout Epidemic

by Nicholas Hager, August 11, 2010

Since the turn of the century, the United States has been losing ground on the higher education front—we've dropped from leading the world in graduation rates to 12th among 36 developing nations, according to the College Board. The Obama administration went on record to reaffirm their goal of having the highest proportion of college graduates in the world by 2020, including aiming for a 60 percent college-graduation rate among young Americans.

To meet this goal, programs that encourage higher education and address the almost 50 percent college dropout rate need to be in place. A nonpartisan public policy research firm, Public Agenda, found that the leading reasons students gave for dropping out of college were due to financial constraints. Seventy-one percent of those surveyed answered, "I needed to go to work and make money" while 52 percent stated, "I just couldn't afford the tuition and fees."

To combat the college dropout rate and train the next generation of college students, the Southern California chapter of the Simon Scholars Program held their 2010 Summer Conference at Chapman University. More than 100 college-bound students who received a scholarship from the Foundation took part in a three-day program which featured life skills training, academic preparation, team-building activities and a hands-on financial education event called the Real Money Experience.

The Real Money Experience (RMX) event, hosted by the National Financial Educators Council, had students buzzing with excitement as they visited 12 different stations where they made life decisions that will impact them when they move away from home. With a DJ playing on stage, students made their way through several booths, including credit, income, skills, investment, transportation, housing and service booths.

Melanie Gomez, volunteer and founder of Travel 4 Education, was having fun with students at the RMX career booth. "We are here encouraging students to follow their passions and helping them find way to make money doing what they love," she said. "By doing so, we can increase their chances of earning a degree and enjoying life after they graduate college."



Students at the investment booth making the financial decisions they will face later in life.

Students quickly learned the importance of managing their college debt and discovered that a \$42,000 salary may not go as far as they think. "It's kinda hard getting only \$3,500 per month with all the taxes and Medicare," said Victor, a Simon Scholar who participated in the event.

"I wish many of my clients received this training when they were younger," stated Kurtis Kooiman, a volunteer from Straightline Financial Coaching. "Having advised thousands of people, I noticed that many of my clients started getting into financial trouble during their college years, and this often is a black cloud that hangs over their head for many years after they graduate."

An overriding theme of the Simon Scholars' Summer Program was community service. The Real Money Experience featured a service booth where students could create a care package to support StandUp for Kids, an organization that helps homeless teenagers nationwide. As he was putting together a care package, David, a Simon Scholar participating in the event, added, "It's a big hug in a little package. As soon as they open it, it's like someone cares."

"I was impressed with the Simon Scholar students and know the program's national expansion will continue to make a difference in the lives of students facing difficult life and economic circumstances," stated Vince Shorb of the National Financial Educators Council and producer of the RMX event. "The service they are providing will not only have a major positive impact on the lives of those they touch, but it will also strengthen the foundation of our country."

Eleven million more students would need to graduate by 2020 in order for the United States to regain the highest graduation rate in the world. To help support that goal and make a lasting difference in the lives of those students, please visit www.SimonScholars.org.

To learn more about the Real Money Experience visit the National Financial Educators Councils' website at www.FinancialEducatorsCouncil.org.