

The Cost of Educational Failure - Revisited

Written by: Bob Hoglund

Businesses and education are facing budget constraints for a number of reasons. The national and local economic recession, unnecessary spending, increased fuel costs, etc., are all given as reasons for the cutbacks. The late W. Edwards Deming, a world leader in the area of quality, believed that up to 95% of all business problems are due to ineffective management of the system.

An aspect of education that gets lip-service, but little real attention or understanding from any reform movement, is that quality, in the long-run, does not cost more money. Granted, an initial expenditure for training or to correct ineffective practices may be necessary, but costs will ultimately drop when a true focus on quality is implemented.

Emphasis on the student as a consumer, needing facilities, supplies and materials, is a must if real learning is to occur. Leaders must focus on providing these ingredients and providing the guidance, support and freedom for teachers to carry out their mission. Deming strongly believed that management must constantly improve the system of production and/or service.

I wrote the above paragraphs in 1990!

Deming's Perversity Principle states that when a business or service tries to increase productivity and cut costs by imposing restraints on a system, it will only succeed in increasing the costs elsewhere in the system. Once again, this principle is being ignored all over the country, budget cuts are being implemented for education and other government services.

In a 1990 article that I wrote for the Journal of Reality Therapy entitled *The Cost of Educational Mediocrity and Failure*, I cited statistics from Gonzales High School in the small, rural, agricultural community of Gonzales, California.

Data showed that, with a failure rate of close to 10%, student failure cost the District \$128,000 in one semester. With a cost of \$7100 per class; there were 581 F's in the semester, which was the equivalent of 18 classes with a class size of 30.

In 1990, The State of California, like many others, focused on managing for the short-term in order to cut a state budget deficit. With budget cuts, Gonzales High School lost teachers, counselors and combined two separate roles into one Principal/Superintendent position.

With Gonzales' failure rate of close to 10%, it was logical to project that failure would increase after spending cuts eliminated or decreased services, increased class size and limited access to the school library. All of these were, in fact, the result of the budget constraints.

In 2008, this same budget cutting process is being repeated in Florida, Arizona and many other states. With more failure, more economic waste occurs. This doesn't include the possible implications of increased social programs that are necessary to serve those that are uneducated or unskilled.

If we look at current data, in a Florida District, the cost per pupil is approximately \$6000. Florida Statutes have set class size limits which are used in the following calculations. The enrollment figures are representative of an average between large and small school populations. Table 1 shows the costs

Table 1: Enrollment, Per Class Costs and Total Costs

	Enrollment	Class Size	Per Class:	# Classes	Total Cost
Pre K - 3	750	18	\$ 108,000.00	42	\$ 4,500,000.00
4th - 8th	1,000	22	\$ 132,000.00	45	\$ 6,000,000.00
High School	1,800	25	\$ 150,000.00	72	\$10,800,000.00

There is no need to identify specific schools to demonstrate the cost of failure in today's dollars. The calculations are based on a 10% failure rate at each level.

Table 2: Cost with 10% Failing

	Class Size	Failures	per class:	School-wide	Total Cost
Pre K - 3rd	18	1.8	\$ 10,800.00	75	\$ 562,500.00
4th - 8th	22	2.2	\$ 13,200.00	100	\$ 750,000.00
High School	25	2.5	\$ 15,000.00	180	\$ 1,350,000.00

The cost of a product or service is not the original sales price or investment. It is the cost of the product plus maintenance and repair. When a student fails a class, especially a required class, they must take the same class over again. Therefore, the District is paying a second time for the student to take the same class.

Dr. Deming said, "It is not enough to do your best. You must first know what to do and then do your best." Ultimately failure is reduced by helping educators "know what to do". Consistent training and updating, based on the latest data and research, is the primary way to improve education.

Focusing only on test scores, minimal standards and failure does not address the true financial cost of continuing traditional management practices and systems. Furthermore, by discussing only monetary considerations, the cost to the individual students that fail and the resulting psychological impact has not been addressed.

Ultimately, quality management processes and tools produce fewer defects and lower costs. This same principle applies to our educational system. If we can't afford to do it right, how can we afford to do it over?