



# EARLY LITERACY CHALLENGE

## Dwindling Proficiency Hurts Future Workforce

By Anthony Schoettle

Indiana has a serious problem. And it's jeopardizing the state's talent pipeline and overall economy.

Data from the Indiana Department of Education (IDOE) shows that only 81.9% out of the roughly 82,000 third graders at public and private schools in Indiana passed the 2023 Indiana Reading Evaluation and Determination, also called the IREAD-3 test. That means about one in five Hoosier third graders lack even basic reading skills.

The literacy rate has seen a significant drop from Indiana's high of 91.4% during the 2012-13 school year.

Minority populations are especially hard hit by this trend. About 65.6% of Black students and 64% of English language learners passed the multiple-choice IREAD-3 exam in 2023, nearly 10% fewer than in 2019. Hispanic students' pass rates sunk to 68.9% in 2023. This could mean decreased workforce diversity in Indiana's future at a time when a growing number of current and prospective Indiana businesses are seeking diversity.

The number of third graders who could read was already in decline from a decade ago, but the pandemic accelerated the drop, and the rebound has been minimal.

IDOE's goal is that 95% of students in third grade can read proficiently by 2027. As of 2023, only 242 schools – that's about half of all K-12 schools in Indiana – have reached that mark.

### Loud warning

Research shows that reading proficiency by the end of the third grade is a tremendous predictor for how a child will do academically for years to come – including a decreased likelihood in college enrollment. Some never recover from the early reading deficit. Over the years, data has shown it often proves too big a hole for a child to climb out.

The reading decline has set off alarms bells, not just through schools and education administrative buildings from Evansville to South Bend, but also throughout the Statehouse and Hoosier businesses statewide.

"Increasingly, companies in Indiana are looking for a highly skilled workforce. More and more jobs will require some type of education beyond high school," explains Claire Fiddian-Green, president and CEO at Richard M. Fairbanks Foundation Inc., whose mission includes education, health and the vitality of Indianapolis.

She also was the special assistant to the Governor for education innovation before joining the Fairbanks Foundation nine years ago.

"If we don't get a handle on the reading issue of our young people

now, it's going to create a major leak in our talent pipeline that's going to put this state and its businesses at a serious disadvantage in the not-so-distant future," she warns.

### What's happening now

Some steps to address the issue have already been taken.

A state law, which passed with bipartisan support and was signed by Gov. Eric Holcomb last May, requires school districts to adopt a curriculum that's aligned with what's commonly called the "science of reading." As part of the law, Indiana has joined a growing number of states that require schools to use curriculum materials that emphasize phonetic instruction when teaching children how to read.

In December, the Lilly Endowment awarded more than \$20 million in grants to 28 colleges and universities across Indiana through its initiative, Advancing the Science of Reading in Indiana, to help fortify K-12 teachers with literacy training.

Additionally, teachers licensed after June 2025 to teach a content area involving literacy instruction in pre-kindergarten through fifth grade must earn a new literacy endorsement to prove they are proficient in the science of reading standards.

Fiddian-Green says another important step in turning around the literacy issue is the On My Way Pre-K program, which gets young children ready for formal schooling. "The gap in literacy can be seen very early, in kindergarten and even pre-K," she notes.

The grant-based program provides access to free pre-kindergarten education for Indiana children from low-income families.

More than 21,000 Hoosier children have participated in the On My Way Pre-K program since it began in 2015. The effort, which started as a five-county pilot and then expanded to 20 counties in 2017, became a statewide program in 2019.

### 'All-hands-on-deck' approach

Arriving at a consensus on next steps for such a complex problem won't happen overnight or be an easy feat.

But everyone – the Governor, state lawmakers, education officials and the business community – are all prioritizing reading initiatives in the 2024 session, offers Jason Bearce, Indiana Chamber vice president, education and workforce development.

He says there's good reason the issue has galvanized groups and individuals across party lines.

"Adults lacking essential reading and literacy skills face numerous challenges just navigating daily life, let alone securing stable, living-

wage employment,” Bearce relates. “And, based on the data, we know that reading deficiencies are at the center of the learning loss and achievement gap challenges in our K-12 schools.”

Indiana Secretary of Education Dr. Katie Jenner says there’s an “urgent” need for a coordinated statewide effort to address the literacy issue.

“It has to be an all-hands-on-deck approach,” she insists. “Schools cannot do this alone. We’re going to do everything we can, everything in our power to make sure kids can read, but we need everyone at the table, helping us with this ... helping us provide the other out-of-school support that may be needed.”

### Retain to gain?

One idea is holding back third graders who can’t pass the IREAD test.

House Speaker Todd Huston (R-Fishers) emphasizes that lack of foundational reading skills is linked to a greater likelihood of incarceration and use of government assistance later in life. He said passing a student to the

next grade despite reading deficiencies is “just not fair to the kid.”

According to a state law that dates to 2010, Indiana third graders who fail the statewide reading exam can be held back. However, there are numerous exceptions, and deciding how to implement the state policy is ultimately left up to schools.

For his part, the Governor – through his 2024 Next Level agenda and with the support of Jenner and IDOE – is trying shore up those loopholes to only include a good cause exception and if the student has already been retained for a year. Under that proposal, the trigger for a third-grade student being retained would be two failed attempts (spring and summer) at passing IREAD.

Indiana State Teachers Association President Keith Gambill says his organization supports assuring Hoosier students achieve reading proficiency but cautions that increasing the number of students held back could create a logjam in the third grade that would create larger class sizes and staffing issues. These

problems, he stresses, could exacerbate things.

Holding back reading deficient children would certainly be expensive. A statewide law causing just 10% of third graders to repeat the grade could cost taxpayers more than \$105 million annually, educators estimate.

Huston argues this issue shouldn’t come down to money. Legislators, he promised, “will figure out the budget (part of this). We’ll have to figure it out because if it’s going to cost us more money, we should pay more money.”

There would certainly be a return on that investment.

“Research suggests that retention can be an effective strategy for improving reading skills,” Bearce asserts. “Studies have shown that retained students often make significant gains in the following year and are more likely to catch up to their peers.

“Students who struggle with reading are at a significantly higher risk of dropping out of high school,” he adds. “By addressing reading difficulties early on, retention can potentially help students stay on track for graduation.”

**RESOURCES:** Jason Bearce, Indiana Chamber of Commerce, at [www.indianachamber.com](http://www.indianachamber.com) | Claire Fiddian-Green, Richard M. Fairbanks Foundation, at [www.rmff.org](http://www.rmff.org) | Keith Gambill, Indiana State Teachers Association, at [www.ista-in.org](http://www.ista-in.org) | Todd Huston, Indiana House of Representatives, at [www.indianahousepublicans.com](http://www.indianahousepublicans.com) | Katie Jenner, Indiana Department of Education, at [www.in.gov/doe](http://www.in.gov/doe)



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