YOUTH EMPLOYMENT MATTERS!

Strengthening the Youth-To-Work Pipeline Through High-Quality Youth Employment Opportunities

– Policy Brief
THE JOB SKILLS GAP LIMITS THE SELF-SUFFICIENCY OF VULNERABLE YOUTH

Millions of young Americans lack the skills, knowledge, and experiences needed to succeed in school or in jobs. For about 6.7 million youth, it’s because they failed to earn high school diplomas, obtain post-secondary education, or connect with the workforce. For others, it’s because what they learned in high school didn’t prepare them for college: nearly one-third of high school graduates (31%) cannot meet any of the benchmarks for college readiness as measured by the ACT test, and about 20% require remedial courses in college. Another 34% graduate from high school but don’t enroll in college, despite national efforts to increase college access, and only half of that group (51%) has a job.

The skills gap disproportionately affects some of this country’s most vulnerable youth. For young people of color and those in low-income families:

- **The high school dropout rate is higher.** In 2012, the high school dropout rate for African American and Hispanic youth was double and triple the rate of white youth (8% and 13%, respectively, compared with 4%). Nearly a third of youth in low-income families (29%) fail to earn a high school diploma, about three times the percentage of youth from middle-income families and six times the percentage of youth from high-income families.
The college attendance rate is lower. In 2013, just under 60% of African American and Hispanic youth who graduated from high school enrolled in college (White high school graduates enrolled at a rate of 67%). One of the main obstacles to obtaining post-secondary education, especially for low-income youth, is a fear that college is too expensive and that financial aid is not available—yet many of these individuals do not even apply for financial aid, according to a survey of more than 1,800 high school students by the Institute of Higher Education Policy.

Employment is less likely. In 2011, the rate of unemployment or underemployment was highest for teens (aged 16-19) who were African American (60%) or Hispanic (52%) compared to their White counterparts (35%). In fact, the unemployment rate for African American teens was more than double the national average for teens overall (25%), a trend that is especially troubling when coupled with disproportionately high arrest, incarceration, and teen pregnancy rates. Fewer than 20% of teens in low-income families are employed, compared with roughly 27% of teens in families earning $40,000 or more per year. According to the Department of Health and Human Services’ Office of the Assistant Secretary for Planning and Evaluation, less than half of youth from low-income families (44%) “remain consistently connected to school and/or the labor market between ages 18 and 24, a lower share than among youth from middle- and high-income families (67% and 75%, respectively).
The nation’s slow recovery from the economic crisis of 2008-09 has increased the severity and consequences of the job skills gap. Between 2000 and 2011, employment rates fell to 24% for teens aged 16-19—the lowest employment rate in the country in over sixty years. Concurrently, the rate of unemployment and underemployment grew to 57% for high school dropouts and 48% for high school graduates not enrolled in post-secondary education.

These young people—young adults not connected either to school or to work—are known as “disconnected” or “opportunity” youth. Some are chronically disconnected, having no schooling or work experience after age 16. Others are “under-attached,” having graduated from high school but lacking a steady connection to further education or work. If these youth are not reconnected—or, better yet, prevented from disconnecting in the first place—they face dire prospects.

From an economic perspective, the opportunity costs of disengaged youth are staggering. Each young person who disconnects from school or work costs an estimated $704,020 over his or her lifetime in lost earnings, lower economic growth, lower tax revenues, and higher government spending. For all disconnected youth in this country, the aggregate taxpayer burden is $1.56 trillion and the social cost is $4.75 trillion. Many youth lose their connection to school and work before age 19—which coincides with the age at which school dropout and unemployment rates are highest. Therefore, early intervention is essential.

Clearly, the pipeline to success for many young Americans is broken, and policymakers face a choice: either invest in fixing it now, or pay more to remediate it later. Fixing it will require proactive interventions that help young people become more marketable more quickly—before they disengage and fall into a hole too deep to escape. In particular, youth who are at risk because of low academic achievement or socioeconomic factors require messages and opportunities that underscore the importance of high school graduation, college entrance, and employment, because the decision not to seek post-secondary education or training is made well before high school graduation.

There is a solution. Comprehensive early employment and youth development programs can help close the gap.

**EARLY EMPLOYMENT PROGRAMS HELP CLOSE THE GAP**

Programs that connect youth with job training, mentoring, and internships offer a cost-effective way to act on this urgent problem before young people disconnect from school and jobs. These programs give youth what they most want: authentic experiences. In fact, 81% of high school dropouts responding to a survey commissioned by the Bill and Melinda Gates Foundation said that having real-world experiences that connected school with work would have helped keep them in school. High-quality youth workforce development programs provide vital support systems that young people need, and they can dramatically improve young people’s academic, social, and financial outcomes in numerous ways.
Early work experiences help participants graduate from high school and attain higher levels of education. Working while in high school has been linked to improved academic performance, decreased dropout rates, and increased rates of General Educational Development (GED) and vocational certificates. Research conducted at Northwestern University showed that high school programs “with a work experience component can increase the likelihood of students’ enrolling in college after graduation.” These educational outcomes are important because more than half of all new jobs in the next decade will require some postsecondary education, and youth who stay in school and graduate from college are almost twice as likely as high school dropouts to be employed (83% vs. 46%). High school graduates, in turn, have lower rates of criminal behavior, depend less frequently on social services, and are more likely to have better health and longer life expectancies and be more engaged in their communities, including voting and volunteering.

High-quality early work experiences influence young people’s desire and ability to succeed. Youth who work during high school are more motivated, perform better in school, and are more likely to connect school work with future success. In studying supplementary education, researchers Edmund Gordon, Beatrice Bridglall, and Aundra Meroe found that “high-quality programs [that] enable young people to examine various topics, skills, or projects that interest them deeply but may not be clearly linked to the school curriculum…increase[e] capacity for creative thinking and problem solving.”

Programs that provide youth with real-world work experience while still in school help participants gain necessary “soft skills,” such as the ability to work in teams, communicate, solve problems, and dress and behave appropriately in a professional setting. Youth indicate that their work experiences help them take responsibility, develop time-management skills, and overcome shyness with adults. Other skills gained include perseverance, responsibility, and self-discipline. Research by Nobel Prize-winning economist James J. Heckman shows that skills like these are essential to success in terms of educational attainment, future wages, and life outcomes.

Early work experiences help young people develop a stronger sense of self-efficacy, especially if the jobs pay well and provide opportunities to advance. Adolescent workers also begin to acquire “work values,” which lay the foundation for decision making about education and careers.
Early employment predicts future employment. Early work experiences alleviate the challenge of obtaining a first job and gaining job experience, leading to smoother transitions into the workforce and greater success once there. Having worked in a given year increases teens’ chances of being employed the following year by as much as 86 percentage points, while older youth have almost a 100% chance of being employed if they worked more than 40 weeks the previous year. Moreover, participating in a youth employment program can increase a participant’s salary by as much as 11% up to as many as eight years after high school. Meanwhile, youth who do not work while in high school and do not enroll in post-secondary schools often face lower employment rates and earnings later on.

Early work experiences are especially important for low-income youth and those at risk of dropping out of school, because these populations face an increased risk of poor life outcomes, such as extended unemployment, poverty, poor health, substance abuse, and incarceration. Young people who live in poor communities are more likely to drop out of high school due to family responsibilities, homelessness, or other stressors caused by poverty, and those who do graduate from high school may not continue with post-secondary education for the same reasons.

According to a MDRC paper, many low-income youth live in families and communities “where relatively few adults work in the mainstream economy.” Without early exposure to the workplace and job training, young people are less likely to acquire the soft skills and social networks necessary to get and keep a good job. Having been employed during the previous year, however, mitigates the impacts of family poverty, race, and lack of education on employment on young people aged 16-24. Studies of several employment and development programs for low-income youth indicate that these programs have positive results on school performance, employment, and earnings. In particular:

- Low-income adolescents who start working earlier are more likely than their peers to complete high school; and
- Having stable employment as a teen improves low-income youth’s chance of attending college—at higher rates for males than for females.

Data from the Youth Development Study, which has tracked 1,000 youth for nearly three decades, reveal that youth “exercise agency as they build human capital during high school through education and work experience.”


THE MOST EFFECTIVE PROGRAMS ARE COMPREHENSIVE AND ENGAGE YOUTH BEFORE THEY BECOME DISCONNECTED

Effective youth employment and development programs have several characteristics that enable them to help at-risk young people get and stay on track:

- They connect with youth early, when research shows intervention is most effective, especially for young people who are at-risk.\(^{59}\)
- They provide a comprehensive array of services, including academic material, counseling, career guidance and mentoring, and work experience, such as internships and job readiness activities.\(^{60}\)
- They follow youth development principles, which position young people as resources to be nurtured and partners in producing positive results.\(^{61}\) Effective programs build positive relationships between youth and caring adults\(^{62}\) and engage young people with adults they can count on\(^{63}\) and who will foster young people’s responsibility and leadership skills.\(^{64}\) These programs create age-appropriate opportunities (such as experiential, hands-on internships or work experience for older youth)\(^{65}\) and help participants acquire a positive self-image and identification with larger groups, such as an internship class.\(^{66}\)
- They provide financial incentives, such as payments and allowances.\(^{67}\)
- They provide follow-up services after the students’ participation ends.\(^{68}\)

Few programs combine all of these elements in a package targeted to low-income high school students who are at risk of dropping out or may graduate but not go on to post-secondary education or employment. Fewer programs are equipped to serve as the liaison between these youth and potential employers. However, Urban Alliance is a notable exception.

URBAN ALLIANCE: A MODEL FOR HELPING AT-RISK YOUTH SUCCEED

The nonprofit Urban Alliance’s year-long High School Internship Program offers a successful model for youth workforce development that encourages youth to stay in school, graduate, enroll in college, and obtain long-term careers and self-sufficiency. Urban Alliance, founded in 1996, is a nonprofit organization working in Washington, DC, Baltimore, Chicago, and Northern Virginia to help under-resourced youth aspire, work, and succeed through paid internships, training, case management, and mentoring. Urban Alliance recruits seniors from high schools that have large populations of youth at risk because of academic and economic factors. The typical Urban Alliance participant is a C-average student who will probably graduate but lacks direction and does not know how to plan his or her next steps.
Funded through tax-deductible corporate sponsorships of $12,500 per intern, Urban Alliance’s program imparts skills, experience, long-term planning assistance, and continued support through five essential elements.

1. **Job skills training.** At the beginning of each school year, program applicants are invited to attend up to six weeks of unpaid “pre-work” job skills training. This training teaches participants how to: communicate effectively (e.g., ask for assistance, accept feedback, and write professional emails); dress appropriately for the workplace; set goals; and select strategies for achieving those goals. The training concludes with a mock job interview conducted by program staff. Program applicants who attend regularly and demonstrate a positive attitude are accepted into the internship program.

2. **Placement in a paid internship.** Participants work part-time during the school year and full-time in the summer, gaining up to 600 hours of work experience. Internship sites range from small local businesses to large multi-national corporations and are in all industries including information technology, social services, financial services, law, and hospitality. Interns learn a variety of hard and soft skills, including office administration, technology, presentation skills, customer service, research, communications, goal setting, critical thinking, and professional etiquette. Participants also attend weekly workshops that dovetail with their internship roles and responsibilities.

3. **Career mentoring.** Every Urban Alliance participant gets a corporate partner mentor who acts as a job site supervisor, providing feedback and direction on projects and tasks. Mentors serve as the participants’ first point of access to a professional network, including other employees and colleagues who can give advice on career direction and
job prospects. The mentor also evaluates the intern four times over the course of the internship. The evaluations assesses progress acquiring 20 key skills, half of which are soft skills; results are used to chart a path for growth and to reinforce the practice of soft skills.

4. **Case management.** Every Urban Alliance intern has a program coordinator who helps him or her navigate relationships with the mentor and workplace. The program coordinator helps the intern link his or her chosen pathway with career aspirations. Activities may include assisting the college application process (e.g., navigating financial aid, helping assess the “fit” of a school) and identifying alternate pathways, such as a trade school or program. With the program coordinator’s help, each intern completes a post-high school plan, which tracks progress towards the interns’ identified goals. Program coordinators conduct weekly workshops that reinforce skills learned on the job and help students plan for the logistical and financial challenges of life after high school. And the coordinators act as counselors, providing advice on an array of issues from work and family relationships to the student’s future.

5. **Ongoing support.** Urban Alliance alumni receive additional services as they progress through their career. Alumni coordinators review former participants’ resumes and cover letters, conduct mock job interviews, circulate job announcements, and provide post-secondary coaching. Urban Alliance alumni also may return for college internships that align with their career interests.

Urban Alliance’s results are impressive: 100% of interns graduate from high school on time, more than 75% enroll in college, and more than 80% of those who go to college re-enroll for a second year. More than 90% of program alumni report that they now feel comfortable in a professional office environment. Anecdotal evidence indicates that interns also obtain financial security at a higher rate than their peers.

Being out of school and out of work takes young people—especially those who are poor and poorly educated—off the path to a self-sufficient, upwardly mobile life. When 6.7 million young Americans are neither in school nor at work, the potential negative impact on society is alarming. But the opportunity to close the skills gap is just as compelling. The more young people we catch before they fall through the cracks, the fewer disconnected youth there will be.

**We know what it takes to address the challenges.** Urban Alliance is doing its part: The organization has engaged more than 1,500 high school students in job internships; partnered with more than 250 businesses to fund and host the interns; and delivered job-training workshops to more than 15,000 youth.

**With a few policy changes, we can all accomplish even more.** The cost of not taking action—of continuing to leave so many young futures to chance—simply is too great.
POLICY RECOMMENDATIONS

Greater investment in youth workforce development programs like Urban Alliance’s High School Internship Program could put a generation of American citizens and businesses on more solid financial footing. In particular, policy and decision makers at the federal, state, and local levels can take the following actions.

1. Help more at-risk youth transition into the workplace through comprehensive programs that develop job skills while also providing mentoring, case management, job placement, and continuing support.

   ✓ Strengthen incentives for employers to partner with youth workforce development programs and to provide internships and apprenticeships for young people. Many states already prioritize the hiring of certain populations and offer incentives to organizations hiring historically hard-to-staff groups, and expanding these preferences to include disengaged youth would be helpful.

   ✓ Invest in developing and expanding youth workforce development, internship, and apprenticeship programs that offer comprehensive services and support, especially those that target disconnected and low-income youth.

2. Actively promote pathways to employment by encouraging career training and job experiences for high school students and providing structure through links between high schools and employers. Establish policies that:

   ✓ Offer high school course credit for internship experiences;

   ✓ Allow flexible high school schedules, granting early release to working students;

   ✓ Promote soft skills training in high school;

   ✓ Support early college and dual enrollment for high school students; and

   ✓ Train high school counselors and teachers to connect students with job prospects and professional networks (e.g., by helping students write resumes and cover letters, by mapping students’ career aspirations to high school courses and post-secondary plans).

3. Invest in data collection and analysis to track the results of high-quality interventions and encourage their use.

   ✓ Encourage government agencies to track outcomes for young people involved in early work development programs by linking K-12 school records with data on college enrollment, persistence, and graduation.

   ✓ Publicize data on positive results to encourage more school districts to enroll young people in early workforce development programs and more businesses to partner with youth workforce development programs.


48. Sum et al. (2014), op. cit., pp. 9, 16.

49. Holzer, op. cit.

50. Ibid.


52. Ibid., p. 19.


55. Ibid.

56. Sum et al. (2014), op. cit.

57. Ivrey and Doolittle, op. cit., p. 10.


63. Ivrey and Doolittle, op. cit..


65. O’Sullivan, K., op. cit.

66. Ibid.
