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American Youth Policy Forum

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# **Dorothy Stoneman**

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National Youth Employment Coalition

# James Wagoner

Advocates for Youth

March 31, 2010

Dear Budget Committee Member:

On behalf of the Campaign for Youth, we thank Congress for its commitment to rebuilding the nation's social and economic infrastructure and for recognizing the critical importance of making short and long-term investments in education, workforce development, and service to ensure America's communities and families are strong today and viable in the future. Specifically, we appreciate the ARRA resources that provided jobs and workforce training for youth, opportunities to innovate and rethink education systems, along with great expansion of service and increased access to post-secondary education.

We have an opportunity deficit in our nation. An estimated 5.2 million youth ages 16-24 are out of school and out of work. Without purposeful efforts to connect unemployed youth to jobs, paid work experience, education, and training to prepare them for openings in the new economy, those youth will most likely spend the better part of a decade with few opportunities to work, gain skills, or earn family sustaining wages. As a matter of justice and our economic survival, we must create opportunities for those on the lower rungs on the income and opportunity ladder.

The President's FY 2011 budget proposes an 11% increase to \$1.025 billion for WIA Title I Youth activities. Fifteen percent or (\$153 million) is redirected to create a Youth Innovations Fund that will support youth summer employment activities and services to reconnect disconnected youth to employment and education. At \$153 million, the Youth Innovations fund represents just 60% of the funding level of the Youth Opportunity Program a decade ago- despite the increasingly difficult economic environment for our nation's youth – the worst since before World War II. The budget also proposed an increase for DOL's YouthBuild program of \$17.5 million to \$120 million. This program helps young adults earn their secondary education credentials and learn job skills through the construction of affordable energy efficient housing. We support increased investments to youth employment and training programs and efforts to create summer jobs and critical opportunities for out-of-school and out-of-work youth. However, the Administration's proposal vastly underfunds youth job training initiatives, presents potential cuts to some workforce areas, and, in particular, fails to maintain sufficient funding for summer jobs for youth, a very successful strategy funded under the ARRA.

As you continue to prepare the budget for fiscal year 2011, we ask that you to build on the ARRA investments in the Departments of Labor (DOL). In particular, we encourage you to increase opportunities for low-income and disconnected youth and young adults with limited labor market access to training, education supports, and good jobs that will help spur economic development in local communities across the nation. Specifically, we urge Congress to increase funding for the Department of Labor's youth training and employment programs by \$3 Billion to be allocated as follows:

\$1.5 Billion for expanded summer and year round youth activities through the WIA youth formula and the Youth Innovations Fund;



- \$1 Billion for targeted grants to high poverty communities (similar to Youth Opportunity Grants authorized under WIA) to build pathways that will prepare low income disconnected youth for opportunities in growing areas of the economy; and
- \$500 million for the expansion of DOL youth programs and other programs that have unmet need and demonstrated effectiveness of getting hard to serve youth populations the work and education skills and credentials required for a career in today's economy.

While we certainly recognize that these are tough fiscal times, this request pales in comparison to the tremendous needs faced by youth and young adults- the hardest hit age group by the recession. The number of unemployed youth and young adults, aged 16 to 24, has reached historic proportions. Nearly 3.9 million Americans under 25 are unemployed, and youth of color, youth with disabilities, and those without college degrees are feeling the impact of the lagging economy the most. The unemployment rate for African American teens is a staggering 41% as compared to 9% of the general population age 25 and older. What's more, last summer the Bureau of Labor Statistics reported, "the proportion of young people who were employed in July was 51.4 percent, the lowest July rate on record for the series, which began in 1948. (July is the traditional summertime peak for youth employment)."

Future contributions by our nation's young people are largely dependent on the investments we make in them today. Excluding expenditures from the American Recovery and Reinvestment Act, federal funding for youth employment has fallen over 15 percent (in real terms) over the past 5 years. We must reverse this trend.

In any increasingly globalized world economy in which every worker is important, investments in young people must be central to any federal effort to reinvigorate our economy and rebuild the capacity and competitiveness of America's workforce. We need to do whatever we can to keep youth who are at-risk of dropping out, in school. But, we must also recognize that many of those who have, and will drop out, will never return to traditional schools. Therefore, Congress must adequately invest in youth training and employment and green jobs programs and a variety of education and dropout recovery pathways to help to ensure that all our young people are prepared to continue growing our economy whether through traditional or non-traditional pathways. An investment in our young people is an investment in America. To ensure the strength of our economy, and our democracy, we must provide all of our young people with the opportunity to reach their full potential.

Please look to us as a source of information and guidance throughout the remainder of the budget process. If you have any questions or would like to discuss our recommendations please contact Kisha Bird, Project Director, Campaign for Youth, at (202) 906-8020 or <a href="kbird@clasp.org">kbird@clasp.org</a>. Thank you for your consideration.

Sincerely,

Linda Harris

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