



OUR YOUTH, OUR ECONOMY, OUR FUTURE

A NATIONAL INVESTMENT STRATEGY FOR RECONNECTING AMERICA'S YOUTH

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As a nation, we face a challenge of tremendous consequence that we cannot continue to ignore. The economic future of our country depends on the next generation of young Americans becoming ready for college, work, and life. Sadly, however, many of our young people are reaching young adulthood without the skills and competencies they need to succeed. Millions of youth are being left behind, disconnected from the societal and economic mainstreams, and are falling into harm's way. We overlook disconnected youth at our own peril. One in three youth—and more than 50 percent of minority youth—who start high school will not graduate four years later. Employment for teens is at the lowest level in 57 years, with as few as 20 percent of black teens employed at any one time. It is our moral obligation to make sure all American youth have the opportunity to succeed, and it is our responsibility to ensure our nation's economic health. As the "baby boom" generation prepares for retirement, and as an increasingly competitive global market requires healthy workers with higher skills and education, our nation's youth must provide the brainpower and manpower to fuel our economy, fill our skilled jobs, renew our civic life, and keep our nation safe. Only comprehensive investments—made now—will reconnect these youth and secure their future and those of their families, their communities, and the nation as a whole.

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A NATIONAL INVESTMENT STRATEGY FOR DISCONNECTED YOUTH

The Challenge

Since its inception in 2002, the Campaign for Youth has addressed the issues confronting low-income youth ages 16 to 24, elevating these issues in the public policy arena. These issues—unacceptably high school dropout rates, high levels of youth unemployment, insufficient public investment in quality education and training options to prepare youth for 21st-century labor market opportunities, lack of effective alternatives to incarceration, the absence of transition support to youth who are runaways and homeless or in our juvenile justice or child welfare systems—are as pressing today as when the campaign began.

EDUCATION MATTERS TO THE FUTURE OF OUR NATION'S YOUTH

One in three youth who start high school will not graduate four years later.¹ More than half of youth of color in low-income communities will drop out.² In 2004, two-thirds of large school districts had four-year graduation rates of less than 60 percent.³ However, this is not just an issue of race; nor is it simply an urban issue. Poor white youth and youth in poor rural areas face virtually the same bleak future.

The implications of this phenomenon are staggering—more than 540,000 students dropping out of high school each year.⁴ The statistics are astonishing:

- The United States is 17th among developed nations in terms of the percentage of youth who graduate high school.⁵ U.S. dropouts' literacy skills are lower than those of most industrialized nations, performing comparably only to dropouts from Chile, Poland, Portugal, and Slovenia.⁶ This does not bode well for our economic competitiveness.
- In an analysis of 2003-04 teen employment statistics, the Center for Labor Market Studies determined that teen employment was at its lowest level in 57 years.⁷ It is predicted to drop again in 2007.⁸
- The situation is particularly dire in minority communities. For example, as few as 20 percent of black teens are employed at any time. At any given time, about 50 percent of young black men ages 16 to 24 who are not enrolled in school are unemployed, and approximately one-third of all young black men are involved with the criminal justice system.⁹
- Three-fourths of state prison inmates are high school dropouts, as are 59 percent of inmates in the federal system. At any point in time, approximately 16 percent of all young men ages 18 to 24 without a high school degree or GED are either incarcerated or on parole.¹⁰
- The death rate for persons with less than 12 years of education is 2.5 times higher than for those with 13 years of education or more.¹¹
- The earnings gap widens with years of schooling and formal training. In 2003, high school graduates earned 50 percent more than dropouts, and college graduates earned three times as much as dropouts. Also, male dropouts' earnings fell compared to earlier years.¹²
- If just one-third of dropouts were to earn a high school diploma, savings on food stamps, housing assistance, and Temporary Assistance for Needy Families (TANF) would amount to \$10.8 billion—more than enough to cover the cost of investing in these young peoples' education.¹³

YOUTH UNEMPLOYMENT HAS BEEN REMARKABLY PERSISTENT

An estimated 3.8 million youth ages 18 to 24—roughly 15 percent of all young adults—are neither employed nor in school. Since 2000 alone, the ranks of these disengaged young adults have grown by 700,000—a 19 percent increase. By 2010, the population of youth ages 16 to 24 is projected to grow by 3.6 million, or 10 percent, with the greatest increases in minority groups. For many in these burgeoning minority populations, English is a second language.¹⁴

Enormous talent, intelligence, and positive energy are being wasted as these young people are being left behind. Those of us who advocate for more opportunities have witnessed thousands of times the transformation of attitude, identity, skills, and aspirations that comes with the right set of opportunities and experiences. However, because opportunities are scarce, a substantial proportion of our young people are left unprepared to meet the needs of employers or the challenges of higher education. Most young people without a high school diploma lack the requisite skills for success in even entry-level employment. According to a report by Public/Private Ventures, “[n]ationwide, 15 million people between the ages of 16 and 24 are not prepared for high-wage employment. Inadequate education or training is a major reason.”¹⁵ A patchwork of second-chance programs are succeeding against the odds in transforming the future for the youth they touch. However, federal investment in such programs has been paltry.¹⁶

The time between ages 16 and 24 is developmentally important, as young people prepare to take on adult responsibilities. This is the time to lay the foundation for successful labor market participation and civic responsibility, through exposure to work and learning, career options, training, community service, leadership opportunities, access to postsecondary education, and progressively challenging employment experiences. We are losing ground internationally in terms of the skill levels young Americans bring to the workforce. Thus, it is against our national interest to allow millions of young people to spend this critical period only marginally attached to the labor market; increasingly reliant on the underground economy for their livelihoods; disconnected from social supports and constructive guidance; and learning their survival skills from the streets instead of from the classroom, the workplace, and adult mentors.

Current school reform efforts, while much needed and long overdue, most likely will not touch this group of youth who are no longer on the school rolls, are too old for traditional school settings, lack academic skills and credits, and are in need of much different kinds of support. Addressing the needs of this population of youth will require a different kind of innovation. Public youth-serving systems must engage with education, business and industry, and the community to structure programs and pathways that support the transition of these young people from the streets to the classrooms, to hands-on learning and service environments, to college campuses, to leadership opportunities, to apprenticeships and internships, and ultimately to opportunities in the workplace that lead to economic success and lifelong citizenship.

This movement must take shape in communities across the country, and it will require leadership at the national level and sustained federal investment. Concentrated public will, relatively modest public investment, and the implementation of best practices with proven records of success will enable us to be more productive as an economy and more just as a society, to change the life trajectory of substantial numbers of youth, and to achieve a sustained quality of life for generations to come.

The National Investment Strategy

The Campaign for Youth advocates a national policy platform that will involve all levels of government and sectors of the community in an effort to reconnect our youth. We advocate for building on the good work that has been done and the lessons already learned about creating pathways for these youth, and we advocate for connecting the systems and resources in communities to make this happen. This national initiative should be fueled by a federal investment strategy that builds on the following key components:

1. Make reconnecting our youth a national priority: reconnect them to education, employment, service, and citizenship

To do this we need leadership within the White House to coordinate all federal efforts for youth. Current efforts to reach young people are insufficient and fragmented into narrow silos—no one is in charge; no one is accountable. Leadership is needed to support, advance, and connect federal, inter-agency efforts to promote the healthy development of this generation of youth. We recommend policies to:

- Create a White House Office of Youth Policy to coordinate federal efforts on behalf of our nation’s youth
- Designate a White House Director of Youth Policy to lead and coordinate efforts across federal agencies
- Activate the Federal Youth Development Council (FYDC), which was created in federal statute but never established, and have it report to the White House Director of Youth Policy
- Charge the FYDC, in concert with the director, with supporting and advancing federal strategies for solving the problems that disconnected youth face in the context of our emerging global economy
- Support the FYDC through grants to state and local youth development councils and community collaborations that mirror the work of the FYDC to bolster their work in bringing together systems and resources to put in place comprehensive, “on the ground” solutions

2. Invest in building the youth service delivery capacity in communities of high youth distress

Communities need to be supported in undertaking aggressive efforts that produce real change on the ground in the way public systems work with community- and faith-based providers, the business community, and private foundations to create a comprehensive and coherent youth service delivery system. Nobody is currently accountable for youth who leave school prematurely or fall between the cracks as they transition between systems. Leadership at the local and state levels needs to be supported to create a locus of responsibility for out-of-school, unemployed young people.

In order to address this issue at a scale sufficient to make a measurable difference in education and labor market outcomes, communities will need to rethink and realign the ways in which systems and resources come together to support vulnerable youth. In communities where one-third to one-half of youth leave school prior to graduation, these systems are under considerable strain in terms of both resources and the regulatory environments that govern them. These communities will need financial support and assistance to integrate new and existing services and funding streams to support youth programming. Though its funding was short lived, the Youth Opportunity program, which provided communities with federal funding to do just that, had a tremendous impact, helping many communities to realign their delivery systems. It had considerable success in engaging youth and connecting them to work experiences, postsecondary options, training, and employment. We recommend policies to:

- Support community efforts to build a robust youth service delivery infrastructure that involves all systems and sectors, including efforts to bring community providers, the business community, and private foundations together with public youth-serving systems

- Provide communities with incentives and assistance to integrate new and existing services and funding streams to support youth programming

3. Recognize best practices and invest in scaling them up to meet the need for high-quality programming

Increased federal investment is also needed to enable communities to replicate and take to scale those existing programs of demonstrated effectiveness for which there is great demand. We don't need to reinvent the wheel to serve our nation's youth—we know and have documented a great deal about what works. Numerous programs around the country have a consistent, proven track record for transforming young lives; but demand for these programs far outpaces the supply. The tremendous resources, talent, and infrastructure that exist in the current youth delivery system must be built upon and strengthened. Those national and local programs that attract waiting lists of disconnected young people and achieve good outcomes in education, job placement, personal responsibility, low recidivism rates, community service, and civic engagement should be expanded as a matter of basic public policy, to reach the goal of reconnecting all youth. We recommend policies to:

- Replicate and take to scale existing best practices that have demonstrated success and for which there is strong demand
- Invest in promising innovations that may become best practices once successful outcomes are documented
- Strengthen the youth development workforce by increasing professional development opportunities, training, and professional recognition

4. Create “on ramps” and pipelines connecting youth to high-skill, high-wage career opportunities

Too many of our young people take wrong turns and end up in dead-end jobs. We must prepare youth for and connect youth to highly skilled opportunities. The challenge is that the educational profile of these youth run the gamut from well below sixth-grade literacy level to levels just short of high school diploma or GED, with most falling on the lower end. The objective is to work with the education system, workforce system, youth practitioners, and the private sector to create pathways that will lead to secondary and postsecondary credentials, impart skills that are marketable in the emerging economy, and provide supports that will help youth navigate in a complicated labor market environment. This will take leadership and cross-system capacity building to construct more flexible learning environments that incorporate contextual learning, innovative instructional technologies, alternative methods of awarding credit, and alternate vehicles for financing education. There is considerable documentation of quality alternative programming that has been successful for at-risk and out-of-school populations. Communities will need resource support to design and implement a menu of options, drawing from the best practices appropriate for their youth population and the regional economy. Successful programming will require the following:

- **The role of business must be greatly expanded** as communities strategically design their delivery systems, to ensure the pathways that are built and skills sets that are imparted are aligned with industry needs and standards. Young people can't aspire to be part of occupations, industries, or work environments of which they are unaware. Expanding these youths' horizons and their understanding of the opportunities that are available—and the ways to access them—are key to transforming their future. Providing such access and exposure will require aggressive business involvement far beyond an advisory role. *Business participation is needed.* Business and industry representatives will be needed in classrooms, to provide relevant training and exposure. More workplaces will need to serve as learning environments, and supervisors will need to serve as mentors. There must be a call to action to corporate leaders, chambers of commerce, and industry groups to join the effort to prepare youth for

skilled occupations in the growing economy by greatly expanding access to internships, work-study, on-the-job training, apprenticeships, employment, and career opportunities.

- **Programs for work experience and civic engagement must be greatly expanded.** Work skills and work ethic are not learned in classrooms. They are learned in the early years through the experience of parents and other family members and in the teen years through hands-on experience. In communities where youth are afforded fairly limited exposure to work, there is little opportunity to develop the skill set for success. For years, the federal summer jobs programs provided this experience. More recently, YouthBuild, service and conservation corps, and workforce development programs have provided this much-needed exposure. However, the stand-alone summer jobs program has been eliminated, and federal resources for the other opportunities are inadequate to meet the demand. If we want young people to exhibit appropriate work skills and behaviors as adults, we must provide access to paid work experience, internships, apprenticeships, community service, and on-the-job training—and we must take successful work-based programs to scale.

Along these lines, we recommend policies to:

- Create flexible, community- and work-based learning environments that incorporate hands-on learning, employ innovative instructional techniques, and lead to post-secondary skills and credentials
- Engage and incentivize business and industry to create employment opportunities in emerging areas of the economy
- Scale up successful work-based programs, including paid work experience, internships, apprenticeships, community service, and on-the-job training

5. Create a policy and research infrastructure to identify innovations, assess progress, and provide technical assistance to communities to build and sustain such efforts

As states and localities take on this challenge, it is important that vehicles be put in place to seed innovation; nurture new development; provide for research and evaluation to identify and document promising practices that currently exist; and provide resources for the technical support that communities will need to develop the leadership, management, and skills that will be needed for success. We recommend policies to:

- **Help communities develop innovative sustainability plans.** The unfortunate history of youth programming in communities is that programs grow and fold with the vagaries of federal funding. Communities lose considerable talent and delivery capacity as trained staff move on and capable providers close their doors. It is imperative that we find more stable funding vehicles for programming for youth in high-risk situations. Ultimately, successful federal investments should be maintained and taken to scale, deliberately leveraging state and local funds. In the meantime, communities need assistance in developing sustainability plans that include creatively leveraging existing funding streams, accessing foundation funding, generating new revenue streams, fundraising, and creating other income-generation vehicles. It is important that such sustainability planning begin at the start and not at the point when funding is running out.
- **Ensure program quality and accountability.** It is important not only to increase the quantity of programs for young people who need them but also to ensure that they are of high quality. The federal government must engage practitioners, nonprofits, policymakers, and researchers in the development of an accountability, training, and technical assistance system that is aligned across governments departments and agencies and that improves program quality without stifling innovation. We know what works: the National Academy of Sciences has identified the features of positive developmental settings for youth, and the National Youth Employment Coalition has identified a set of quality

standards for youth programs—the Promising and Effective Practices Network (PEPNet)—rooted in research and practice. We also know how to *measure* what works: the High Scope Educational Research Foundation’s Youth Program Quality Assessment meets rigorous scientific criteria. Finally, we know from research that quality programming is dependent upon high-quality youth development staff. Research by the Next Generation Youth Work Coalition found that youth workers are paid half of what teachers are paid—resulting in high turnover and often in low quality. It is imperative that the federal government create an overarching program quality assessment for federal youth programs and nurture the professional development of the youth work field. Alignment and an increase in federal research, data collection, training, and technical assistance efforts are essential for program improvement.

6. Involve young people in finding solutions for their own generation

Too often we talk about young people as a problem. But young people deserve respect, and we should include them in finding solutions. Young people can and should work hand in hand with adults to craft solutions to the challenges their communities face. We wouldn’t dream of creating a commission on the status of women without including women on the commission. But every day, groups of adults discuss the problems confronting young people without ever consulting young people themselves. We recommend policies to:

- Form a National Youth Council, comprised of young people from across the country, to work with the Federal Youth Development Council, bringing young people’s unique perspective to bear on the critical decisions which affect their lives
- Encourage the development of state and local youth councils to bring perspective into local youth programming and to provide input on the work of the FYDC and the National Youth Council

THIS IS OUR CALL TO ACTION!

We need a national vision for youth anchored in the belief that all young people should have equitable access to the promise and prosperity of America. This belief should guide our priorities, our policies, and our actions as individuals in a caring community and as a nation. It should resonate across all levels of government and at the grassroots of community service delivery. Our nation must commit to realizing that vision by making the investments at the scale needed until we eliminate education and labor market disparities for poor and minority youth. Our commitment must be about more than just funding: it must involve rethinking systems, policies, relationships, and collective responsibility. Leadership on this issue begins with acknowledging that the status quo—millions of youth left behind—is unacceptable and that solutions must be bold, systemic, and collaborative. Every sector of the community and every youth-serving system should be mobilized to be part of the solution.

To Sign on to Support Our Campaign for Youth National Investment Strategy

Go to: www.campaignforyouth.org

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