

EXECUTIVE SUMMARY

Solving America's Youth Employment Crisis & Meeting Employer Needs

NYEC's 2017 Federal Policy Agenda

The Challenge

Even as job growth continues and unemployment rates decline, **5.3 million young Americans remain disconnected from school and work.**¹ Disconnected from school and work, "opportunity youth" struggle to support themselves or their families. They also impose significant economic burdens on taxpayers through the costs of support services and forgone tax revenues.²

Moreover, continuing advances in technology and corresponding increases in skill and credential requirements make it difficult for many to compete for living wage jobs: By 2020, it's estimated that 65 percent of all jobs will require some postsecondary education and training, up from 28 percent in 1973.³ Employers report challenges in finding qualified workers, which limits their ability to grow and succeed in the global economy, and costs them time and money.

Our nation has an historic opportunity to create a win-win for employers and young adults

The good news is, **we know what to do.** With access to high-quality pathways to education and careers, opportunity youth can achieve stability, earn professional credentials, and become productive citizens: The employees, entrepreneurs, and leaders who will propel our economy in the years and decades to come.

All we need is the will to make this happen.

The Solution

Building on effective, evidence-based work through existing federal programs, **we can reconnect 1 million young people per year.**⁴ For almost four decades, the National Youth Employment Coalition (NYEC) and its members have documented best practices in connecting young people with employment. We understand what works, and we believe that our nation now has an historic opportunity to create a win-win for employers and young adults by building career pathways and talent pipelines that prepare and connect younger workers to employers with high-demand jobs that can support them and their families.

¹ The annual [Opportunity Index](#) contains valuable, national-level and state-specific information about many aspects of opportunity, including youth disconnection.

² See [The Economic Value of Opportunity Youth](#) report for estimates of the taxpayer and social burden of opportunity youth: for instance, [each opportunity youth imposes an annual social burden of \\$37,450](#) (2011 dollars).

³ See the Georgetown Center on Education and the Workforce's [Recovery: Projections of Jobs and Education Requirements through 2020](#), which also includes breakdowns by occupational clusters and educational level.

⁴ Other proposals lay out paths to radically reducing youth disconnection and strengthening the economy, such as the Campaign for Youth's [Road Map for Investing in the Nation's Talent Pipeline](#) and Civic Enterprises's [Bridge to Reconnection](#).

Three coordinated actions will put opportunity youth to work over the long term:

1. **Train and hire young people.** Like most Americans, young people are eager to work.⁵ They want to earn money and build better lives for themselves and their families. We can help them do this by expanding work-experience models such as transitional jobs, summer jobs, and pre-apprenticeships. Re-engagement strategies and alternative educational options will ensure that education pathways reach all young people, while community organizations will provide the supports that young adults need to succeed in training and employment.
2. **Create aligned systems.** To create employment and education opportunities at scale, employers, educational institutions, and workforce agencies must collaborate. Federal policy can help by aligning measures, reducing barriers to serving youth, protecting access to college, increasing the value of postsecondary credentials, completing the pipeline for the most vulnerable youth, and knitting together the social safety net.
3. **Support local solutions.** In our federal system, systems and programs vary across states, but one thing is constant: Community leaders understand the needs of their communities best. The federal government can do much more to strengthen the capacity of community-based organizations, support local innovation, and align and maximize local efforts across sectors.



Principles and Practices for Successful Youth Employment

Preparing off-track older youth and young adults for employment success takes hard work. Program models and local context vary, but key elements of successful programs include:

- Educating and supporting employers as they work with opportunity youth;
- Collaborating across organizations and agencies;
- Utilizing labor market information;
- Employing two-generation strategies;
- Reaching youth earlier in the pipeline;
- Ensuring high-quality services for youth with disabilities;
- Employing trauma-informed care and related counseling techniques; and
- Incorporating youth in decision-making.



Conclusion

NYEC members include organizations around the country and all aspects of the nation's youth education, training, and employment system. Members are eager to share their knowledge and recommendations with policymakers, to make employment for all young people a reality.

⁵ See, for example, the [Opportunity Road](#) report, which finds most opportunity youth are actively looking for work, even more wish to attain higher education, and the vast majority take responsibility for their future achievement.

Solving America's Youth Employment Crisis & Meeting Employer Needs

2017 NYEC Federal Policy Agenda

The Challenge

Even as job growth continues and unemployment rates decline, **5.3 million young Americans remain disconnected from school and work.**¹ According to the Bureau of Labor Statistics, only 53 percent of 16-to-24-year-old Americans worked in the summer of 2016, and labor-force participation rates for young adults are significantly below what they were near the end of the last century.

Disconnected from school and work, "opportunity youth" struggle to support themselves or their families. They also impose significant economic burdens on taxpayers, through the costs of support services and forgone tax revenues.²

Moreover, continuing advances in technology and corresponding increases in skill and credential requirements make it difficult for many to compete for living wage jobs: By 2020, it's estimated that 65 percent of all jobs will require some postsecondary education and training, up from 28 percent in 1973.³ Employers report challenges in finding qualified workers, which limits their ability to grow and succeed in the global economy, and costs them time and money.

The good news is, **we know what to do.** With access to high-quality pathways to education and careers, opportunity youth can achieve stability, earn professional credentials, and become active and productive citizens: The employees, entrepreneurs, and leaders who will propel our economy in the years and decades to come.

All we need is the will to make this happen.

The Solution

Building on effective, evidence-based work through existing federal programs, **we can reconnect 1 million young people per year.**⁴ For almost four decades, the National Youth Employment Coalition (NYEC) and its members have documented best practices in connecting young people with employment. We understand what works, and we believe that our nation now has an historic opportunity to create a win-win for employers and young adults by building career pathways and talent pipelines that prepare and connect younger workers to employers with high-demand jobs that can support them and their families.

¹ The annual [Opportunity Index](#) contains valuable, national-level and state-specific information about many aspects of opportunity, including youth disconnection.

² See [The Economic Value of Opportunity Youth](#) report for estimates of the taxpayer and social burden of opportunity youth: for instance, [each opportunity youth imposes an annual social burden of \\$37,450](#) (2011 dollars).

³ See the Georgetown Center on Education and the Workforce's [Recovery: Projections of Jobs and Education Requirements through 2020](#), which also includes breakdowns by occupational clusters and educational level.

⁴ Other proposals lay out paths to radically reducing youth disconnection and strengthening the economy, such as the Campaign for Youth's [Road Map for Investing in the Nation's Talent Pipeline](#) and Civic Enterprises's [Bridge to Reconnection](#).

Three coordinated actions will put opportunity youth to work over the long term.

1. Train and Hire Young People

Like most Americans, opportunity youth are eager to work.⁵ They want to earn money and build better lives for themselves and their families. In order to give these young people access to training and good jobs, and to ensure that employers get the skilled workers they need, we need to expand pathways to the mainstream economy.

Our nation has an historic opportunity to create a win-win for employers and young adults

Build on-ramps. Several strategies can immediately address youth unemployment challenges:

- Strengthen access to paid work experience through transitional jobs, summer employment, and internships, which can build work histories and promote workplace success, career exploration, professional networks.
- Expand concurrent enrollment in education and training, which blends paid work with education and training, including adult basic education and high school equivalency programming.
- Expand pre-apprenticeships and apprenticeships, which also combine education and training in in-demand occupational fields, while providing income and industry-valued credentials for participants.
- Incorporate youth training and employment into all infrastructure investments, ensuring that young workers benefit from these public expenditures.

Support alternative schools and re-engagement strategies. Some young people will need additional education and support to succeed in jobs or structured work experience. We can prepare them for work with these proven approaches:

- Expanding re-engagement centers and programming, which facilitate young peoples' successful return to education, training and employment.
- Integrating high-quality college- and career-ready instruction with strong academic and social supports in alternative educational settings.
- Building bridges between high school, high school equivalency, workforce training, and postsecondary education (such as through dual and concurrent enrollment).
- Offering additional supports for at-risk students through at least the first year of postsecondary education to enhance persistence and success.

⁵ See, for example, the [Opportunity Road](#) report, which finds most opportunity youth are actively looking for work, even more wish to attain higher education, and the vast majority take responsibility for their future achievement.

2. Create Aligned Systems

Several federal, state, and local funding streams connect youth with employment, but they use different metrics or come with different restrictions. More flexibility to braid, blend, and align funding streams will help local programs reach more young people.

Align and expand federal systems and programs. The Workforce Innovation and Opportunity Act of 2014 (WIOA) was enacted with overwhelming bipartisan, bicameral support. Each year nearly 200,000 young people, most of whom are out of school and out of work, now receive services through nationwide WIOA Youth formula funding. **This program works: over 65 percent of these young people attain a degree or certificate, or enter employment.**⁶ Other program models, such as Jobs Corps, YouthBuild, Year Up, and Jobs for America's Graduates, have demonstrated impressive results, and new studies are continually uncovering more about what is effective in helping young people with barriers to employment pursue better paths.⁷

Unemployment rates have fallen below five percent for all workers, but are almost three times that level for young adults

However, these programs reach only a fraction of the youth who need them, and many less than they did in the past: Cuts of 30 percent or more have occurred in these programs' funding since 2000. **To reconnect 1 million youth per year, annual appropriations should be increased by \$4 billion** for key programs, including WIOA Youth Activities, YouthBuild, Job Corps, and WIOA adult education and vocational rehabilitation programs.⁸

In addition, guidance from the U.S. Department of Labor could promote alignment and success by:

- Making it easier for youth to access services by allowing them to "self-attest" to their status as, for example, homeless youth;
- Clarifying conditions under which local workforce agencies may forgo competitive procurement of youth services; and
- Ensuring full implementation of the law at the state level through technical assistance, guidance, training for regional and state staffs, and ensuring that accountability mechanisms are enforced.

Protect and expand higher education options and align with the workforce system. One of the nation's most effective avenues for social mobility, the Pell Grant program yearly comes under attack. A good start in protecting Pell involves reinstating past policies: increasing the maximum grant by the rate of the Consumer Price Index, allowing "year-round" access to Pell for students who take courses outside the traditional fall and winter semesters, repealing red tape that prevents the "ability-to-benefit" provision from helping students with multiple barriers, and repealing restricts on access to Pell Grants for prisoners.

The coming reauthorization of the Higher Education Act should include other changes that improve access for youth and young adults to federal financial aid, such as:

⁶ Drawn from [recent DOL data \(https://www.doleta.gov/performance/results/pdf/DOL_Workforce_Rprt_Dec_2015.pdf\)](https://www.doleta.gov/performance/results/pdf/DOL_Workforce_Rprt_Dec_2015.pdf).

⁷ See, for example, [this study](#) of the @LIKE program or MDRC's [literature review of effective programs for disconnected youth](#).

⁸ See YouthBuild USA's *Bridge to Reconnection* proposal for more detail.

- Easing requirements relating to length of programs; and
- Allowing federal funding to follow students, including to non-degree programs that result in skills and credentials valued in the marketplace.

Reauthorizing the **Perkins Career and Technical Education Act** offers another opportunity to eliminate restrictions that impede collaboration across federal programs, including by aligning definitions with those in WIOA and utilizing secondary and postsecondary CTE programs as re-entry points for opportunity youth.

Make college certificates and degrees more valuable. Both education and workforce funds support public colleges, yet many college degrees don't align with each other or with employers' needs, making occupational credentials like those in the nursing profession confusing and overly expensive. There are several ways to make programs easier to navigate, help more students complete certificates and degrees, and better prepare students for employment:



- Better stack credentials so that certificates and degrees fit together in a logical progression of course and skill mastery, such as from certified nursing assistant to licensed practicing nurse to registered nurse.
- Eliminate the need for remedial education at public colleges, such as by instituting remedial summer boot camps before freshman year, providing wraparound supports to students who are struggling in credit-bearing courses, and using co-requisite models to integrate remedial and credit-bearing material.
- Align public college majors with high demand occupational fields, guided by regional labor market information and local employers.
- Increase relevance of general education or core courses by infusing industry-specific examples and concepts.
- Provide first-year students with a career exploration course that allows them to try on different career ideas.

Complete the pipeline for vulnerable youth. Any talent development strategy is critically flawed without a plan for ensuring access to education, training, and employment for the millions of youth who are connected to the nation's public care systems –juvenile justice, foster care, behavioral health, and others – and those who are homeless, pregnant and parenting, victims of trafficking, or undocumented. A complete pipeline includes:

- Ending youth confinement in prisons, which decades of research shows will reduce recidivism rates and save taxpayers enormous amounts of money, and returning savings to the education, training, and employment opportunities described above.
- Providing intensive “aftercare” supports to youth aging out of foster care.
- Bringing undocumented youth fully and permanently into the mainstream labor market, and preparing programs that would serve undocumented youth for an influx of participants as these workers seek to improve their skills.
- New resources for street outreach, mobile service units (such as the one at right, operated by [Tumbleweed in Phoenix](#)), emergency housing, and other proven approaches to connecting the most vulnerable young people with education and employment.



Knit together the social safety net. Education and training programs are ineffective when young people’s basic needs are not met. Most opportunity youth depend on programs such as the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Medicaid, Supplemental Security Income (SSI), or Social Security Disability Insurance (SSDI) for these needs. **Cuts, eligibility changes, or new bureaucratic requirements will reduce their chance of contributing to the nation’s economy.**

However, sensible reforms could improve programs, such as making it easier for TANF funds to be spent on training programs that help recipients get ready to work⁹, working with states to align performance measures between safety-net and education and training programs, and changing incentives to increase community options for SSI and SSDI recipients.

3. Support Local Solutions

In our federal system, systems and programs vary across states, but one thing is constant: Community leaders understand the needs of their communities best. The federal government can do much more to strengthen the capacity of community-based organizations to effect these changes.

Build community capacity and support innovation. The best ideas for serving youth with barriers to employment often arise organically from community-based organizations trying something new. Tight administrative spending limitations and constantly rising performance targets do not incentivize this. To encourage local innovation federal legislation should include:

⁹ See, for example, National Skills Coalition’s [Skills for Good Jobs Agenda](#) for specific recommendations.

- Higher administrative set-asides, such as 10 percent¹⁰;
- Small, easily accessible planning grants, directed to community-based organizations;
- More funds for convening and technical assistance; and
- Discretionary innovation spending across programs, in addition to any programs led by the federal government.

Grow community coalitions that organize across systems. The network of training providers, employers, and government organizations looks very different across communities, and is always complex. Communities often struggle to maximize resources because of the array of funders, eligibility criteria, and performance measures with which they must contend. However, decades of experience shows that communities can align goals, share information, and better serve youth, by working together in cross-sector planning groups that bring all the players together. Whether called local youth employment coalitions (which NYEC organized in the 1990s), backbone organizations, intermediaries, or another term, this is a critical set of high-leverage functions that the federal government can support with small infusions of funding.

Principles and Practices for Success

Preparing off-track older youth and young adults for employment success takes hard work. These elements are needed to develop a federal youth employment and career strategy that meets employers' needs, maximizes existing resources, aligns systems, and appropriately promotes employment success for young adults.

- **Educating and supporting employers as they work with opportunity youth.** The most effective-youth serving organizations set clear expectations with employers before placing youth, offer trainings for managers on how to set up disconnected youth to succeed, and provide support to employers throughout placements to deal with any issues that arise.
- **Collaborating across organizations and agencies.** To best serve young people with multiple barriers to employment, administrative or legislative approaches to youth employment should encourage interagency collaboration, the braiding or blending of federal funding streams, and flexible approaches to performance measures.

The Power of Intermediaries

The [Philadelphia Youth Network \(PYN\)](#) is an intermediary organization that convenes cross-sector leadership to address youth-related challenges. PYN manages citywide campaigns supporting youth employment and dropout recovery and re-engagement. PYN also provides critical backbone support, supporting the local workforce development board's youth committee, managing neighborhood-based youth centers, funding research, and investing in innovative practice aimed at improving services for high-need youth.

¹⁰ For example, [Charity Navigator, generally awards its highest score for administrative expenses](#) to organizations with less than 15 percent of expenses devoted to administration.

- **Utilizing labor market information.** All youth-workforce efforts must be designed with the future needs of local economies in mind, and must ensure training programs will meet those needs.
 - **Employing two-generation strategies.** Connecting care and education for young children with adult education and training is important for opportunity youth: an estimated 21 percent have children under eight years old; even more if noncustodial parents are included. Ensuring child care is available when adult-education courses are scheduled can radically increase participation and success while improving child development and school readiness.
 - **Reaching youth earlier in the pipeline.** Youth providers face many barriers to providing cost-effective and impactful services to youth before they are officially enrolled in programs. These items, such as small incentives for program participation, bus passes, or initial assistance in areas such as emotional regulation, often markedly increase youth involvement and success. Federal guidance and any new initiatives must consider ways to remove barriers to providing these services and support their expansion.
- 
- **Ensuring high-quality services for youth with disabilities.** Youth with disabilities increasingly have access to services, whether through the Vocational Rehabilitation system or not, but too often these services do not set high expectations for youth with disabilities, or place them in training and employment environments that are segregated from youth without disabilities.
 - **Employing trauma-informed care and related counseling techniques.** Research documents the long-lasting effects that trauma in childhood – much more common for youth growing up in poverty – has on brain physiology and chemistry. Programs that directly acknowledge and address that trauma, such as through cognitive behavioral therapy, mindfulness approaches, or using life coaches in case-management roles, are more likely to help opportunity youth.
 - **Incorporating youth in decision-making.** Opportunity youth understand their challenges and needs better than anyone; their views and ideas must be incorporated in program design and implementation, and policy development. At the program level, incorporating youth voice has proven to increase program retention and decrease recruitment costs.

Conclusion

NYEC members include organizations around the country and all aspects of the nation's youth education, training, and employment system. Members are eager to share their knowledge and recommendations with policymakers, to make employment for all young people a reality.