

Solving America's Youth Employment Crisis & Meeting Employer Needs

NYEC's 2018 Federal Policy Agenda

The Challenge

Even as job growth continues and unemployment rates decline, **about 5 million young Americans remain disconnected from school and work.**¹ Disconnected from school and work, "opportunity youth" struggle to support themselves or their families. While the unemployment rate for 20-24 year olds fell to 7.4 percent in 2017, the labor-force participation rate hasn't budged: 71.3 percent of 20-24 year olds were in the labor force in 2017, the same as in 2011.² Unfortunately, in program year 2015 the core youth-serving programs at the Department of Labor served only 216,103 young people.³

We know what works to reconnect young people. All we need is the will to do it.

Like all Americans, young people are eager to work.⁴ They deserve the chance to earn money and build better lives for themselves and their families. Reconnecting opportunity youth with school and work would significantly increase tax revenues, help employers grow in a tight labor market and succeed in the global economy, and reduce spending on safety-net programs.⁵

The good news is, **we know what works to reconnect young people with education and employment.** With access to high-quality training, credentials, and work experiences, opportunity youth can achieve economic independence and thrive, becoming 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.**⁶ 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.

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

² See [Bureau of Labor Statistics tables](#) for these and other historical data.

³ Department of Labor [data](#) for WIOA Youth (156,834 participants), YouthBuild (6,854), and Job Corps (52,415).

⁴ 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 see themselves as responsible for their future achievement.

⁵ 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).

⁶ Civic Enterprises' [Bridge to Reconnection](#) report lays out appropriations targets to achieve this rate of reconnection. See also the Campaign for Youth's [Road Map for Investing in the Nation's Talent Pipeline](#) for another vision of increased employment.

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

1. **Adequate funding and program integrity for existing programs.** Congress must ensure adequate funding to meet the needs of the core federal programs serving opportunity youth, and reject attempts to undermine the integrity of these programs. In spite of bipartisan support for the program, WIOA state workforce formula funding has fallen 38% in inflation-adjusted terms since 2001. Similar cuts have befallen Job Corps and YouthBuild funding streams. Congress must also protect these critical funding streams from attempts to undermine their authorized purpose, such as new transfer authorities or consolidations.
2. **Safety and security for opportunity youth.** Three major federal legislative efforts can increase the safety and security of some of the largest subpopulations of opportunity youth:
 - a. Juvenile-justice reform, starting with JJDPA reauthorization;
 - b. Comprehensive immigration reform; and
 - c. Strengthened and stabilized entitlement programs, including SCHIP and Medicaid.
3. **Expand higher-education options.** The coming reauthorization of the Higher Education Act (HEA) should include changes that improve access for youth and young adults to federal financial aid, and to programs that most benefit young people facing barriers to postsecondary education. Any changes to HEA will be meaningless without a strengthened Pell Grant; this includes increasing the maximum grant by the rate of the Consumer Price Index and repealing restrictions on access to Pell Grants for prisoners. Reauthorizing the Perkins Career and Technical Education Act offers another avenue for increasing postsecondary access for opportunity youth.



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:

- Access to paid work experience;
- Supporting and educating 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
- Empowering young people to make decisions about programs and budgets.

NYEC Members Are a Resource

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. For more details on our agenda see <http://nyec.org/federal-policy-agenda/>.

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Elements of the 2018 NYEC Federal Policy Agenda

NYEC's 2018 policy agenda is organized around three major, coordinated actions that will put opportunity youth to work over the long term.

Adequate Funding and Program Integrity for Existing Programs

Congress must ensure adequate funding to meet the needs of the core federal programs serving opportunity youth, and reject attempts to undermine the integrity of these programs.

Adequate funding. Funding for state workforce grants, which WIOA reformed to be more responsive to industry needs, have been cut by 38 percent since 2001 when adjusted for inflation. Similar cuts have befallen Job Corps and YouthBuild funding streams. These services are desperately needed: while the unemployment rate for 20-24 year olds fell to 7.4 percent in 2017, the labor-force participation rate hasn't budged: 71.3 percent of 20-24 year olds were in the labor force



in 2017, versus 70.8 percent in 2014 and 71.3 percent in 2011.⁷ Getting more young people on the path to economic self-sufficiency requires supports to help them tackle the barriers they face. Unfortunately, in program year 2015 the core youth-serving programs at the Department of Labor - WIOA Youth, Job Corps, and YouthBuild - were only able to serve 216,103 young people.⁸ Congress should fund programs that serve opportunity youth at levels sufficient to reconnect 1 million youth per year⁹, and must fund WIOA Youth and Job Corps at least at authorized levels in fiscal year 2019 (\$943 million and \$1.942 billion, respectively), and YouthBuild at fiscal year 2011 allocated levels (\$102 million).

Program integrity. In 2014, the Workforce Innovation and Opportunity Act (WIOA) was signed into law after being passed by wide bipartisan majorities in the House (415-6) and Senate (95-3). WIOA contains significant changes that better meet employer needs and encourage best practices in serving young people. These include streamlined funding streams, fewer and better aligned performance

⁷ See [Bureau of Labor Statistics tables](#) for these and other historical data.

⁸ Department of Labor [data](#) for WIOA Youth (156,834 participants), YouthBuild (6,854), and Job Corps (52,415).

⁹ Civic Enterprises' [Bridge to Reconnection](#) report lays out appropriations targets to achieve this rate of reconnection. See also the Campaign for Youth's [Road Map for Investing in the Nation's Talent Pipeline](#) for another vision of increased employment.

metrics (including a measure of employer satisfaction), a simpler structure for workforce boards, and integration of best practices such as career pathways. States are now implementing WIOA to align employment and training programs with regional economic development strategies that benefit businesses and workers alike. Congress must reject attempts to undermine the authorized purpose of these programs, such as new transfer authorities or consolidations.

Safety and Security for Opportunity Youth

Three major federal legislative efforts can increase the safety and security of some of the largest subpopulations of opportunity youth.

1. **Juvenile-justice reform, starting with reauthorization of the Juvenile Justice Delinquency Prevention Act.** Similar bipartisan JJDA bills have passed both chambers, but must be reconciled. Both bills include provisions to strengthen the law's core protections by reducing the placement of youth in adult jails pre-trial, providing more structure to the requirement to decrease racial and ethnic disparities, and phasing out exceptions that allow the detention of youth who have engaged in status offense behaviors. They also promoted the use of alternatives to incarceration, improved conditions and educational services for incarcerated youth, and increased accountability.
2. **Comprehensive immigration reform.** A "clean DREAM Act" is a critical first step for our nation to ensure economic self-sufficiency for young immigrant youth. Of approximately 800,000 DACA recipients, 97 percent are working or in school.¹⁰ Without a DREAM Act, these young people are likely to fall out of the labor force or leave school, adding barriers to their economic self-sufficiency and depriving our nation of the talent it needs to compete. Comprehensive immigration reform is needed to protect the most vulnerable young immigrants, who may be eligible for DACA because of high mobility, status offenses, or other barriers.
3. **Strengthened and stabilized entitlement programs, including SCHIP, Medicaid, SNAP, and TANF.** As opportunity youth pursue economic self-sufficiency, they often are supporting others: a study of a transitional jobs program found participants contributed an average of 78.5 percent of their household's income.¹¹ Approximately 28 percent of opportunity youth receive health care through Medicaid¹². Safety-net programs ensure that young adults are able to work or enroll in training programs.



¹⁰ "[DACA Recipients' Economic and Educational Gains Continue to Grow](#)," Center for American Progress, 2017.

¹¹ From [Chicago Neighborhood Job Start: Full Evaluation Report](#).

¹² See [The Economic Value of Opportunity Youth](#) for this and other population-specific estimates.

Expand Higher-Education Options

More opportunity youth need access to a wider range of postsecondary options. Congress has several chances to tackle this problem in 2018.

Reauthorize the Higher Education Act. The coming reauthorization of the Higher Education Act (HEA) should include changes that improve access to federal financial aid, to student support services that increase retention, and to programs that address barriers to completion.

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 making permanent past or temporary policies: automatically increasing the maximum grant by the rate of the Consumer Price Index, ensuring year-round access to Pell for students who take courses outside the traditional fall and winter semesters, and making it easier for young people without high school diplomas to Pell Grants under the "ability-to-benefit" provision.

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:

- Expanding Pell eligibility for students enrolled in high-quality, short-term training programs that are at least 150 clock hours of instruction time over a period of at least 8 weeks;
- Increasing clarity about minimum program length to encourage more career-pathway programs;
- Simplifying the process for applying for federal financial aid so that the FAFSA is not a deterrent or burdensome progress for low-income, first generation college goers; and
- Preserving and strengthening key consumer protections in HEA that prevent youth from falling victim to predatory lending practices and poor-performing institutions, including the so-called 90/10 rule related to revenue derived from federal sources and the gainful-employment provision.

Make postsecondary credentials more valuable with work experience. 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, and align with relevant state licensing requirements.
- Increase relevance of general education courses with industry-specific examples and concepts.



- Provide first-year students with a career exploration course that includes work experiences.
- Radically expand the availability of paid and unpaid work-based learning: through practicums, paid internships, or fellowships, these experiences should be designed and executed by institutions of higher-education or partner organizations in close collaboration with employers.
- Align public college majors with high demand occupational fields, guided by regional labor market information and local employers.
- Accelerate progress through higher education and reduce the need for remedial education, such as by instituting 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.

Reauthorize the Perkins Career and Technical Education Act. A bipartisan Perkins Act reauthorization passed the House last year but the Senate took no action. This year Congress must pass a reauthorization bill that increases postsecondary access for opportunity youth, including by aligning definitions between Perkins and WIOA and utilizing secondary and postsecondary career and technical education programs as re-entry points for opportunity youth.



About the National Youth Employment Coalition

The National Youth Employment Coalition builds the capacity of youth-serving organizations and advocates on issues related to opportunity youth. NYEC members include organizations around the country and all aspects of the nation's youth education, training, and employment system. NYEC members across the country are eager to share their knowledge and recommendations with policymakers, to make employment for all young people a reality.