Serving Out-of-School Youth Under the Workforce Innovation and Opportunity Act (2014)

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The federal Workforce Innovation and Opportunity Act (WIOA), signed into law in 2014, is the first major update in nearly 15 years to guide how the public workforce system helps job seekers access education, training, and employment. Compared with its predecessor — the Workforce Investment Act of 1998 (WIA) — the new law puts greater emphasis on serving out-of-school youth through training and services that are employer driven and linked to labor market demand. WIOA defines out-of-school youth as 16- to 24-year-olds who are not attending any school and who have one or more barriers to employment, such as young people who are homeless, are parenting, have disabilities, or have a juvenile or criminal record.1

This report draws upon available research and the MDRC staff’s on-the-ground experience to summarize existing knowledge that can guide implementation of key WIOA provisions on serving out-of-school youth. It is organized in four sections: The first two sections focus on strategies for reaching and engaging a greater number of out-of-school youth, especially those who are most vulnerable; the third section reviews evidence on career pathway programs; and the final section discusses strategies for engaging private sector employers in job-related initiatives for youth.

Reaching and Engaging Out-of-School Youth

WIOA requires that a much higher percentage of available state and local youth funds go toward out-of-school youth — 75 percent versus 30 percent under WIA — and increases the age range for out-of-school-youth eligibility to 16 to 24, from 16 to 21. States and local areas must incorporate strategies for recruiting and serving more of these young people than ever before.

A large portion of out-of-school youth who are not working — those often referred to as “disconnected” or “opportunity” youth — are involved to some extent with public systems, such as welfare services, foster care, and the juvenile or criminal justice systems. They often seek services from community-based public and private organizations. In recent MDRC evaluations, including a national evaluation of YouthBuild, youth training and employment programs have reported partnering with community-based providers such as child welfare agencies, social service organizations, group homes, probation or parole officers, and even the local schools, to “catch” at-risk young people before they become disconnected.2

While a majority of the out-of-school youth seek out opportunities to connect to training and work, youth programs often report difficulties in sustaining participation after the initial connection is made. WIOA-funded service providers will not only have to reach more out-of-school youth, they will also need strategies to stimulate sustained, intense engagement in services.

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1United States Department of Labor, Employment and Training Administration (2015).
2Wiegand et al. (2015).
Past studies indicate that young people are more likely to engage when the following elements are present:

- **Financial incentives and opportunities for paid training and work.** Incentives and stipends are a key form of positive reinforcement to sustain motivation, especially when tied to benchmarks such as earning academic credentials or acquiring specific competencies. They also can be an important source of support to meet the economic challenges these young people face. But recent evaluations suggest that the quality of the work experience may also matter. Low-wage work that is not connected to a career pathway or that young people perceive to have no value may not be as effective as work experience that gives them a sense of future advancement or the satisfaction of providing a needed service to the community. For example, a 2014 MDRC survey of more than 100 YouthBuild program directors found that working on construction projects in the community offers young people the experience of producing something of tangible value, often for the first time in their lives, and is a motivating experience for young people even if they do not pursue a career in construction. (A majority of YouthBuild programs provide construction training whereby participants work on affordable housing projects.)

- **Opportunities to feel connected to caring adults and to a community.** Many out-of-school youth experience instability in their family and neighborhood and lack adult support and supervision. The presence of caring, committed adults who provide moral and emotional support appears to be an important feature of successful youth programs, as is creation of a family-like atmosphere and a sense of belonging. A scan of implementation literature points to a few factors that may assist in building such an environment and relationships:

  o Some programs say that enrolling young people in a series of small cohorts, as opposed to admitting them on a rolling basis, can encourage engagement by facilitating peer relationships and feelings of community.

  o Staff retention is key, as turnover among staff members whom participants have come to trust and rely on can be disruptive to engagement during the program, as well as during the follow-up period. A manageable caseload and competitive salaries are obviously necessary to minimize staff burnout; regular communication and feedback from supervisory staff members and professional development opportunities are also important.

  o Staff members at youth programs often emphasize the importance of shared experiences and similarities — including race or ethnicity, family backgrounds, and life choices and consequences — in building lasting connections with young people. Some programs encourage hiring staff whose socioeconomic and community backgrounds reflect those of the young people they serve, and programs may formally or informally involve graduates in provision of services.

- **Support services that address a young person’s barriers to participation.**

  o Transportation is one of the most often mentioned issues when it comes to providing services for young people. Most at-risk young people in urban areas rely on public transportation, so

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3 A summary of some of the most reliable research on job-related programs for youth is attached.
4 Hossain and Bloom (2015).
5 Ferguson, Snipes, Hossain, and Manno (2015).
6 Hossain and Bloom (2015).
the programs need to be in accessible locations, and many provide subsidies; for young people in rural areas, transportation is a much bigger hurdle. For those who are parents, child care is also a common barrier. Given that out-of-school youth are a heterogeneous population with a range of experiences and skills, it may be important to take an individualized approach to addressing their personal barriers; however, no one program can directly meet all of a young person’s needs. Partnerships with other agencies and programs can be key to meeting these needs, as long as those services are available in the community and young people can access them easily. A recent process study of Job Corps found that higher-performing centers had partners for outreach and career services that were colocated with the center.\(^7\)

- In recent years, youth programs have also reported seeing increased developmental and mental health needs among the disconnected and disadvantaged young people they serve. These young adults face many threats to their social-emotional development — such as family or housing instability, neighborhood violence, and abuse — that can negatively affect their ability to successfully engage in education and employment activities. Case managers and youth counselors have reported using evidence-informed practices, like trauma-focused cognitive behavioral therapy and motivational interviewing, to address participants’ mental health needs; many programs also establish partnerships with local mental health providers for more intensive clinical therapy. In a recent experimental evaluation by MDRC, a program for young adults with histories of foster care or juvenile justice custody in Tennessee improved employment, earnings, housing stability, and mental health symptoms among participants after one year. Case managers of the [Youth Villages transitional living program](#) worked one-on-one with a small caseload of young people, providing individualized and clinically focused counseling and case management to address their barriers in different areas and to connect them to available resources in the community.\(^8\)

### Engaging the Most Vulnerable Out-of-School Youth

Very few programs target the young people who are the most persistently disconnected, and there is not much evidence on what works in engaging them. Many programs prefer to work with the most motivated participants in order to meet performance standards set by funders, and therefore they use extensive screening processes to recruit participants. A significant share of out-of-school youth do not enroll in education and training programs because they have been alienated from mainstream institutions, like schools and social welfare agencies, due to earlier negative experiences. New strategies to reach and engage alienated and disaffected young people should be a priority.

Some programs — like [Roca](#), [United Teen Equality Center](#), [Safe and Successful Youth Initiative](#), and [Larkin Street](#) — are using street outreach teams to locate the most at-risk young people in their communities and connect them with a host of supports, including employment and education services. While there is yet no rigorous evidence on how effective these programs are in improving education and employment-related outcomes for out-of-school youth, they share a few common features with the previously mentioned Youth Villages transitional living program, which improved employment and earnings among a foster care and juvenile justice population in Tennessee in an experimental study. These features include **intensive case management and one-on-one assistance from a caring adult** to help young people navigate their barriers and the use of **trauma-informed, evidence-backed behavioral interventions** to increase participants’ motivation and skills to deal with life challenges (for example, coping skills to manage high-stress situations in a family or work environment).

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\(^7\)United States Department of Labor (2014).
\(^8\)Valentine, Skemer, and Courtney (2015).
As mentioned above, many programs screen for motivation, which often entails employing a multistep enrollment process that requires participants to travel to the program or engage with the staff on a number of occasions. If young people cannot follow through with all the steps, programs interpret this to mean that they are not motivated or ready for the program. This approach runs counter to theories behind behavioral economics, which posit that humans’ cognitive resources are limited and can be overwhelmed. This is especially true for low-income people because the pressure of negotiating life under conditions of poverty places a particularly high toll on their cognitive resources. Increasing hassle factors associated with enrolling in a program may overwhelm young people who are already facing many barriers, and their inability to follow through does not necessarily mean that they are not “ready” to change their lives. Punitive and uncaring enrollment processes may also engender negative feelings among potential participants about engaging with providers. **Behaviorally informed enrollment and engagement practices** that reduce the cognitive load on young people by decreasing unnecessary hassle factors and that emphasize each person’s strengths may actually inspire and motivate them to take action. Service providers also need resources and incentives to take a chance on young people with greater challenges (both internal and external).

Programs also have to find a balance between allowing vulnerable young adults some flexibility in regard to program requirements (like attendance) to accommodate the challenges in their lives and setting high expectations for performance. Many practitioners say that establishing clear and consistent expectations from the outset is necessary (some programs have handbooks or guides that codify these expectations), as are benchmarks for enrollees who are not initially able to meet the expectations. Young people often purposefully act out or break rules in the first few months of a program to exert autonomy and control over their lives, which they have previously lacked. Youth service providers have to think of strategies to achieve a balance between the authority of the staff and the rules of the organization, on the one hand, and the will of the participants to do as they wish, on the other. Developing processes and practices that allow young people to develop autonomy and leadership are important; for example, asking young people for their input in designing program activities and allowing them to have a voice in program governance.

**Helping participants set individualized short-term and long-term goals** is also considered important to manage their expectations from program services, because many young people do not have a realistic assessment of their own skills. Those with lower levels of academic and vocational skills may become frustrated when they do not make fast progress toward their goal of postsecondary education or employment and may decide not to engage further. Young adults will feel a sense of accomplishment if they are able to achieve some short-term goals and may persist if they can visualize how these achievements relate to their long-term goals.

**Adopting Career Pathways**

WIOA encourages implementation of career pathway approaches that support postsecondary education and training for out-of-school youth to meet the need for qualified workers in local labor markets. The term “career pathway” refers to a range of models or approaches that try to create a clear path for students toward attaining a career in a specific industry or occupational sector by providing them with a structured sequence of education and training opportunities. Pathway programs connect progressive levels of education, training, and support services in a way that maximizes the progress of individuals with varying abilities and need, with each step leading to successively better credentials and job opportunities in specific occupations. Another key component of the pathway approach is that the education and training should be driven by the need for skills among local and regional employers; toward that end,

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WIOA encourages sector-focused strategies that target specific high-demand industries or occupational clusters in local areas.

The evidence of effectiveness of sector-based and career pathway models is still preliminary, especially for young people. Two recent evaluations of sector-based employment programs, which provided short-term training and work experience in a targeted industry sector, yielded promising results for out-of-school youth. Year Up, which provides 18- to 24-year-olds with six months of training in information technology or finance, followed by a six-month internship, produced some positive results on the employment and earnings of participants in a small random assignment evaluation. Another experimental evaluation of three sector-based training and employment programs found impacts on employment and earnings gains for young adults (18 to 26) in two sites: Jewish Vocational Service in Boston and Per Scholas in New York City. These programs offered a combination of sector-specific training (health care and information technology), internships, job placement, and postplacement supports. In all three programs, participants need to have a high school diploma or an equivalent credential to qualify for services.

MDRC is currently evaluating a program model that includes the basic tenets of the career pathway approach to target those who lack a high school diploma or equivalent: The “GED bridge” model focuses on first helping students get their high school credentials and then helping them transition to college or training. It is especially useful in states where a high school credential is required to enroll in public postsecondary institutions. An earlier evaluation of the model at LaGuardia Community College in New York City found very positive results: Students were much more likely to finish the GED bridge course, to pass the GED exam, and to enroll in college. There are four main elements of the GED bridge model:

- **A career-focused, contextualized curriculum.** Programs select an occupational area in the regional labor market where workers are in high demand, and everything is taught in the context of that career.

- **Direct connections to postsecondary institutions.** The courses are designed to resemble college courses in various ways. They are either offered on college campuses or in some other way give students exposure to a college environment.

- **Managed cohort enrollment.** Students are allowed to enroll only at particular times, for example at the beginning of a semester.

- **Support services to help students enter college and a career.** Advisers guide students through the college application process, work with students in and out of the classroom on career assessments, and provide them with individual guidance to help them choose a career path.

A similar “bridge” program in Washington State — Integrated Basic Skills and Training (I-BEST) — has also found promising results in a quasi-experimental study. I-BEST provides basic skills instruction integrated within occupational courses, in order to accelerate students’ transition into and through a college-level occupational field of study. I-BEST students were significantly more likely to advance into credit-bearing courses, persist in college, earn occupational certificates, and make learning gains on basic skills tests than non-I-BEST students. Neither I-BEST nor the GED bridge program that MDRC is working

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10 Roder and Elliott (2014).
11 Maguire et al. (2010).
12 Martin and Brodus (2013).
13 Jenkins, Zeidenberg, and Kienzl (2009). The I-BEST model is currently being tested as part of the Pathways for Advancing Careers and Education study and is also being scaled up and tested in a number of locations outside of Washington State. See the attached list of forthcoming research.
on specifically targets young adults; more research is certainly needed to understand how career pathway approaches can best work for young people.

Since career pathway approaches offer multiple opportunities for workers to advance their education and move up the career ladder, their development and implementation require cross-sector collaboration at the community level, where different programs and services come together to create alternatives for young people. But youth services in many communities across the country are fragmented, which makes it difficult for young people to navigate the on- and off-ramps, especially if they lack substantial financial resources or family guidance.

Communities have to create infrastructure to align service options for young people and guide their transition in and out of education and training systems. Several cities are using “reengagement centers,” which are city-level efforts to connect out-of-school youth to multiple pathways to continue their education through coordination between various agencies and community organizations. These centers reach out to disconnected young people, assess their needs, and connect them with appropriate services, including educational opportunities, mentoring programs, and job-related programs. The National League of Cities gathers data from the reengagement centers in its network, and according to 2013-2014 school year data, 15 sites reported reaching more than 20,000 young people and placing more than 10,000 of them in education or training programs.\footnote{National League of Cities (2014).} Also, as mentioned above, several youth programs are using intensive case management models to help participants navigate available community resources and stay on track, including the Youth Villages Transitional Living Program, Roca in Massachusetts, and the Promotor Pathway program at the Latin American Youth Center in Washington, D.C. The latter two are undergoing evaluation at the time of this writing.\footnote{Brief descriptions of these and other programs currently under evaluation are attached.}

**Engaging Employers**

WIOA aims to make the public workforce system more employer driven, placing emphasis on training that is directly connected to jobs, including on-the-job training and apprenticeships, and in skills that are in demand. In order to create these opportunities, youth service providers must engage employers on a much larger scale, especially private sector businesses.

Federal efforts to engage employers in workforce development for disadvantaged workers have generally relied on financial incentives, such as wage subsidies and tax credits; but even then, participation from private sector employers has been limited. Based on past research, as well as a recent MDRC forum of scholars and experts on demand-side strategies for employing young adults,\footnote{Hossain and Terwelp (2015).} providers should consider the following suggestions when engaging employers:

- **Put more resources and staff into job development.** Youth service providers and local workforce centers often do not have staff members dedicated to serving employers; some employ job developers, but they often lack any business or sales experience or nuanced understanding of the local labor market. In order to create training and work opportunities that are valuable for young people in the long run, workforce development organizations will need to focus more on what the employers need and hire staff members with business expertise who can speak their language.

- **Work with intermediaries to link workers to employers.** Providers can also work with intermediary organizations to better align their services and training with employers’ needs. While rigorous research on their effectiveness on individual outcomes is lacking, workforce intermediar-
ies have shown great promise in leveraging private and public funds, bringing together cross-sector stakeholders who have traditionally operated in separate spheres, and building a common sense of purpose among stakeholders. Intermediary activities can be coordinated by a variety of different kinds of organizations, including — but not limited to — employer organizations (such as chambers of commerce and trade associations), labor-management partnerships, community colleges, federal one-stop centers, community-based organizations, and private placement firms. The activities themselves can also vary widely and may include training, job search assistance, job placement, job retention support, and advancement support.

- **Consider the fact that employers are a heterogeneous group with diverse needs, and thus may have different motivations to participate in workforce development activities.** Employers may respond to financial incentives, but that is not likely to be the only force motivating their decisions. Some studies have pointed to a sense of social responsibility, philanthropy, and public recognition as motivating factors. In the long run, employers are more likely to engage in youth employment efforts if it is easy for them to do so and if they believe it is a positive opportunity for their business. Experts at the MDRC forum on youth employment agreed that any effort to engage employers should include a marketing component to educate them about the potential of a young and diverse workforce and to debunk myths about young workers and public workforce agencies that may be based in stereotypes (for example, a 2006 survey by the Government Accountability Office found that employers engaged local one-stop centers only when hiring for low-skill, low-wage jobs, because they “misperceived the skills of the one-stop labor pool”). Intermediaries can also play a role in “keeping it easy” for employers by providing technical assistance.

- **Consider the changing nature of work and employer hiring practices in this country.** More and more employers are turning to temporary staffing arrangements to increase workforce flexibility, and many are transferring all or part of the recruitment and “onboarding” process to external service providers. Since these third-party actors serve as the first line of contact between many employers and job seekers, workforce development providers must consider these intermediary organizations’ role in the local labor market and consider their potential as job development partners. For example, several social service and workforce development organizations across the country have formed staffing arms to place economically disadvantaged job seekers with employers who use contingent staffing arrangements. Unlike for-profit temporary staffing agencies, these alternative staffing organizations place a greater focus on supporting workers.

- **Educate employers in effective youth development and supervision practices to ensure engagement and retention.** There is some evidence that even employers who engage the public workforce system and youth education and employment programs have limited knowledge about how the programs work and the supportive services that are available to young people. Moreover, frontline staff who manage young workers often do not receive any training or guidance in supporting the development and professional growth of young adults. Programs should explore how they can engage and educate work supervisors on low-effort, strength-based ways to support young workers, without focusing too much on their barriers or stigmatizing them, to potentially improve their performance and retention.

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Conclusion

WIOA aims to improve the public workforce system by promoting the use of evidence-based practices and demand-driven strategies to meet the needs of job seekers, workers, and employers in our economy. Many aspects of the legislation were informed by research and evaluations, and it is important that their implementation continue to be informed by current and future research. Toward that end it is also important to remember that many of the proposed strategies, such as sector-based or career pathway programs, have not been rigorously evaluated for disadvantaged youth, whom we know to be a heterogeneous population with diverse needs. The evaluation literature shows that what works for adults does not always work for youth, and what has worked for one group of young people may not necessarily work for others. For example, the sector-based programs that have shown promise in recent years engaged older youth and adults with high school diplomas or an equivalent credential, and required a certain basic level of academic proficiency; such programs may not be what is needed by young people who have dropped out of high school with deficits in basic skills. The implementation of WIOA should promote quality data collection and monitoring systems for continuous operational improvement and to build capacity for further research to assess what works in improving employment outcomes for out-of-school youth.
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