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HELPING YOUNG PEOPLE MOVE UP

Findings from Three New Studies of Youth Employment Programs

Data from the U.S. Census Bureau indicate that in 2016 over four million young people in the United States were “disconnected,” meaning they had not been enrolled in school in the previous three months and were not working. Although this number has fallen in the years since the Great Recession (which officially ended in 2009), as the economy has improved and unemployment rates have declined, roughly 1 in 10 young people ages 16 to 24 remained disconnected in 2016. These young people face an uphill battle finding work, since they are not engaged in activities that help them build skills or gain work experience.

Many youth employment programs attempt to help these young people reconnect with education and work, and over the years some of the biggest have been subject to rigorous evaluations. Overall the results have been mixed, and even when the programs do show positive effects on work and earnings, those effects have generally been modest.

The evidence base has grown substantially in the past few months as studies of three such programs — YouthBuild, Year Up, and New York City’s Young Adult Internship Program (YAIP) — have released new findings.¹ The new findings are exciting because the programs involved used a variety of strategies, but also because one of the programs, Year Up, had large, positive effects on young people’s earnings. This type of finding is rare for employment programs in general, and especially rare for programs serving disadvantaged young people.

This brief discusses the findings from the three new studies and their implications for youth programs. It argues that no one program is the answer for disconnected young people, but that each program serves a particular segment of the population, and each can serve as a step toward upward mobility. What’s missing is the system to help young people navigate these programs and move up.

THE PROGRAMS AND FINDINGS

YAIP, YouthBuild, and Year Up are all voluntary programs that target disadvantaged young people in the same general age range. All three provide a combination of paid work experience

¹ Miller et al. (2018); Cummings, Ferrell, and Skemer (2018); Fein and Hemadyk (2018).

and classroom-based activities. YAIP is operated by community-based organizations throughout New York City. It offers young people ages 16 to 24 paid internships for about three months along with other forms of support both before and after the internship. YouthBuild operates at over 200 sites around the country and offers young people ages 16 to 24 construction-related training or other vocational training, educational services, and other supportive services. Programs typically run for eight or nine months. Year Up operates more than 25 programs across the country and provides young people ages 18 to 24 with six months of training in either information technology or financial services (including financial operations, software development, and sales and customer support), followed by six-month internships with employers in those sectors.

All three programs were evaluated using random assignment research designs, meaning some applicants were randomly assigned to a program group given the opportunity to enroll in the program, and the rest were assigned to a control group who had access to other services in the community. The effects of the programs were estimated by comparing the outcomes of the program and control groups over time.

And the programs' effects varied. Year Up led to very large increases in earnings in Years 2 and 3 of the study period, after young people had completed the training: A 39 percent increase in Year 2 and a 40 percent increase in Year 3. These earnings gains are among the largest ever measured for a program serving disadvantaged young people. In contrast, both YAIP and YouthBuild produced small improvements in employment

outcomes after young people left the program, but only when those outcomes were measured with surveys. Results based on government records (employer reports to state unemployment insurance systems) showed no long-term gains in employment or earnings. (See Figure 1.) Records data capture most jobs but miss self-employment, including work in the “gig economy” and informal work.

THE YOUNG PEOPLE THE PROGRAMS SERVE

Estimates of how many young people are disconnected vary, depending on the source and definition used. If the focus is on young people ages 16 to 24 who are not working or in school at a point in time, then the data suggest that about 4 million to 7 million young people are disconnected, or 10 percent to 16 percent of all young people.² If the focus is on young people who have not attended school or work for an entire year, then estimates are somewhat lower, at about 2.5 million.³ Not surprisingly, the percentage of young people who are disconnected is strongly associated with the state of the economy, and, as noted above, the number of disconnected young people has fallen since the end of the Great Recession as the economy has improved.

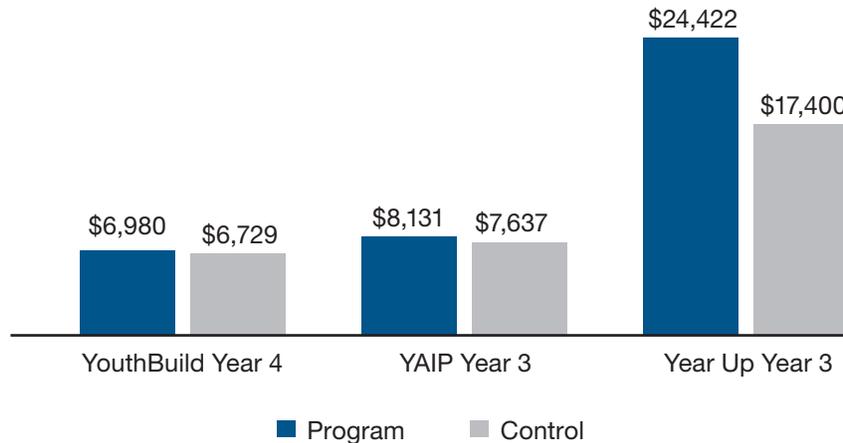
Young people who are disconnected represent a range of circumstances. The group would include, for example, a 17-year-old who has dropped out of high school, has low reading and math scores, and has been involved with the juvenile justice system. It would also include a 20-year old with a high school diploma who may have enrolled in com-

2 Burd-Sharps and Lewis (2018); Belfield, Levin, and Rosen (2012).

3 Fernandez-Alcantara (2015).

FIGURE 1

YEAR UP LED TO A LARGE GAIN IN EARNINGS



SOURCES: Miller et al. (2018); Cummings, Ferrell, and Skemer (2018); Fein and Hemadyk (2018).

NOTES: Earnings data for each study were calculated using quarterly wage records obtained from the National Directory of New Hires.

Earnings for YAIP cover Quarters 7 through 10 after study entry, spanning the third quarter of Year 2 through the second quarter of Year 3.

munity college at some point, but who is no longer attending college and is not working.

Data on the characteristics of disconnected young people illustrate this diversity.⁴ About 25 percent to 30 percent of them do not have high school diplomas or the equivalent. A little over half have only high diplomas or the equivalent, and about 20 percent have had some college or postsecondary training. Many score very low on tests of basic skills: One study estimated that among young people who had experienced one spell of disconnection before the age of 24, half of them scored in the lowest 25 percent of the distribution of reading

and math scores.⁵ About 15 percent receive Supplemental Security Income, indicating that they have disabilities of some type. A quarter of them are uninsured, and 7 percent live in institutions such as prisons, jails, or group homes. Finally, nearly of third of disconnected young women are parents.

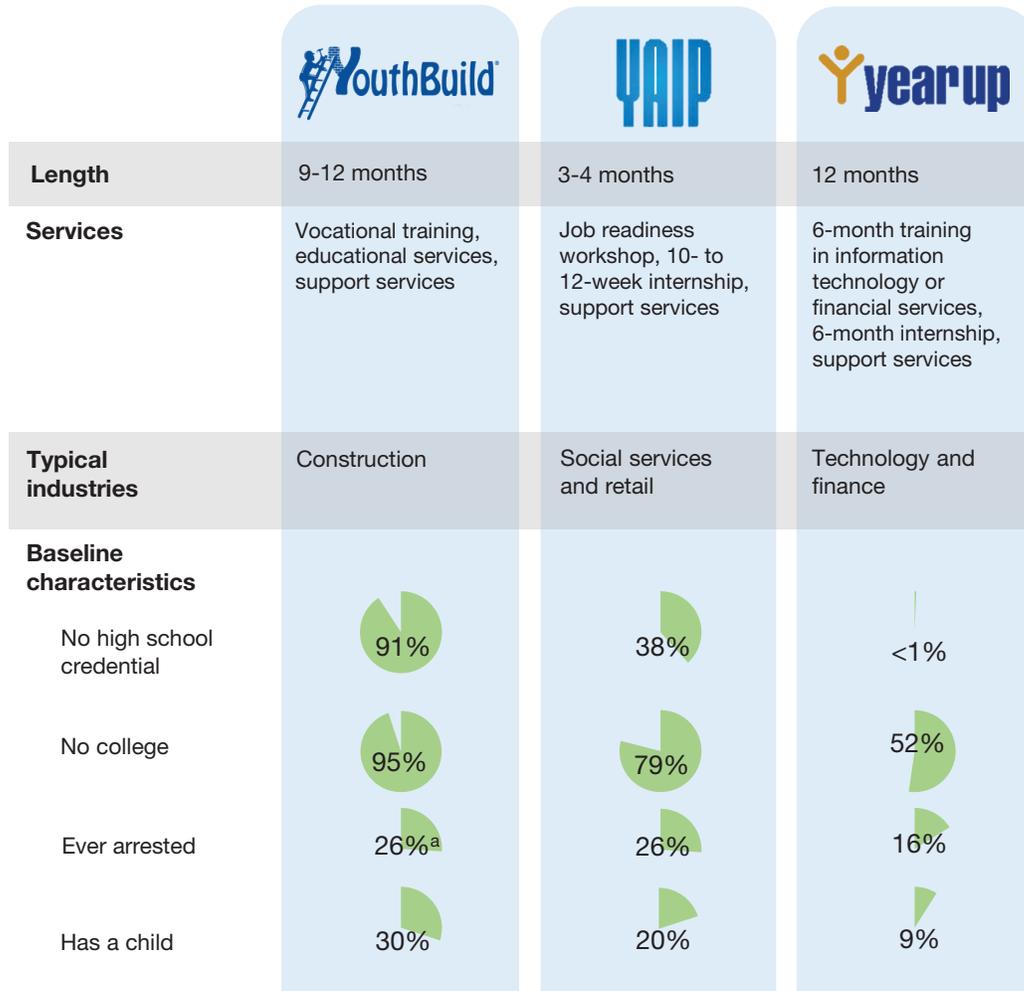
The three programs discussed here served different sorts of disconnected young people (see Figure 2). While “disadvantage” is a complex concept that is not easy to measure, it appears that YouthBuild served a more disadvantaged group than the other two programs. Almost all of the young people served by YouthBuild were

⁴ Burd-Sharps and Lewis (2018); Belfield, Levin, and Rosen (2012); Fernandez-Alcantara (2015).

⁵ MaCurdy, Keating, Nagavarapu, and Glick (2014).

FIGURE 2

SNAPSHOT OF PROGRAMS AND PARTICIPANTS



SOURCES: Miller et al. (2018); Cummings, Ferrell, and Skemer (2018); Fein and Hemadyk (2018).

NOTE: ^aArrest data were not available at study entry for the YouthBuild study sample. This number is the percentage of survey respondents who reported having been arrested during the first 30 months of follow-up data collection.

No one program or model is the answer for all young people who are struggling.

disconnected — that is, neither working nor in school — when they enrolled and, since the program focused on young people who had not completed high school, very few had high school diplomas or the equivalent. In contrast, YAIP was specifically designed to serve disconnected young people who were more job-ready, and most of its participants had finished high school, while Year Up required participants to have high school diplomas or the equivalent. The average earnings of the control groups in the three studies are consistent with these differences in characteristics: The YouthBuild study participants in the control group earned the least among the three studies. In contrast, young people in the Year Up control group earned more than twice as much as young people in the YAIP control group.

In addition to the formal eligibility criteria, all three programs assessed applicants' motivation and readiness to participate before they were allowed to enroll. Young people may have been required to attend orientation sessions, conduct interviews, or take tests before they were admitted. This type of screening stands in contrast to some other youth programs that reach out to specific young people who have been identified as being at high risk and who are less likely to pursue these opportunities on their own.⁶ While it is difficult to characterize the extent of the screening the programs conducted, it appears that Year Up, which admits about one in six applicants, is the most selective of the three.

It makes sense that Year Up is the most selective of the three programs, since it offers the most advanced and intensive training and places graduates with private employers. And it is encouraging that a sector-based training program — a program that offers training in targeted, in-demand sectors, which has been found to be effective for adults — can also work for disadvantaged young people, offering them training in and access to the types of well-paying jobs that are typically out of reach for them.⁷ Notably, Year Up is seeking to expand, using a version of its model that can be delivered in a community college setting.

As with most sector-based models, however, Year Up is not for everyone. As Year Up is currently designed, young people without high school equivalencies or those with low levels of basic skills such as reading and math (in other words, at least one in four disconnected young people today) would not be eligible. YouthBuild seems better suited to these more disadvantaged young people: It provides work experience and basic education leading to a high school diploma or equivalent credential, with a growing emphasis on college enrollment. But, as mentioned in the final YouthBuild report, its graduates need something more after the program to increase college completion and move them into better-paying, in-demand jobs.⁸

6 For example, Roca, which operates in several locations in Massachusetts (and recently expanded to Baltimore), is known for its aggressive outreach to young people who do not typically volunteer for programs. Similarly, READI, a demonstration project in Chicago, is targeting young people who have been identified as being at high risk of gun violence.

7 Schaberg (2017).

8 Miller et al. (2018).

It will take a diverse set of programs to help young people with diverse needs and put each of them on a continuous ladder to success.

MORE THAN ONE PROGRAM: CREATING A LADDER FOR DISCONNECTED YOUNG PEOPLE

No one program or model is the answer for all young people who are struggling. First, most programs tend to be relatively short. A 6- or even 12-month program is not enough to remove barriers to employment and education that have been years in the making. Second, any given program can only do so much. If progress toward success is viewed as a ladder, then most successful programs typically move young people up only one or two rungs.

Perhaps programs such as YouthBuild and YAIP (or Job Corps, or the National Guard Youth Challenge, two other training programs for this population) can engage young people, help them build confidence, and then help them enter more advanced training, such as that provided in Year Up.⁹ YouthBuild already seeks to promote transitions to postsecondary education or training, and the Department of Labor is testing an addition to the Challenge program that will train participants for specific occupations. The GED Bridge model, testing a new method of high school equivalency instruction, takes another approach: teaching the subjects for high school equivalency exams in the context of specific careers, and building direct links from high school equivalency attainment to college enrollment.

But there is no system that puts these potential rungs together and helps young people climb them in series. A ladder to success may exist in theory, but it is complicated and confusing to ascend. Young people with more advantages in

life get advice and guidance from family members or other mentors, but low-income young people typically have fewer sources of support. A young person may get a high school equivalency, for example, and be ready for more advanced training, but it can still be easy for him or her to fall through the cracks. Similarly, if a young person enrolls at a community college and then stops attending (as most do), that person may start to drift, with little or no outreach to help him or her get back on track.

There have been efforts to create these ladders for disconnected young people. Although most are at the local level, they could provide examples for a broader effort. Using Youth Opportunity grants from the Department of Labor, for example, 36 high-poverty communities created Youth Opportunity Community Centers and built partnerships with various organizations serving young people, in an effort to provide all young people in their areas with comprehensive education and employment services. The grants ended in 2005, but several communities are continuing to provide services. Another example can be found in the youth reengagement centers run in several cities as part of the National League of Cities reengagement network. Tucson, Arizona, for example, created a reengagement center where young people can stop in to get help from a coach and referrals to

⁹ Jobs Corps and the National Guard Youth Challenge, residential programs for young people, were both also evaluated using random assignment designs. See Schochet, Burghardt, and McConnell (2006); Millenky, Bloom, Muller-Ravett, and Broadus (2011).

services for education and work and other forms of support. Finally, the Workforce Innovation and Opportunity Act (which authorizes and funds state workforce systems that coordinate and manage the provision of employment and training services to workers) has recently placed more emphasis on disconnected young people and also requires coordination and partnerships among various providers.

The recently published findings on YouthBuild, YAIP, and Year Up, along with the studies before them, constitute a body of evidence about program models that help disconnected young people improve their situations. The next step is to incorporate these individual models into a larger system, on a large scale. In a labor market that offers fewer and fewer well-paying jobs for young people without postsecondary training, it will take a diverse set of programs to help young people with diverse needs and put each of them on a continuous ladder to success.

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