



## Youth Employment

### The Issue

### *As Stimulus Funding Fades, Obama Administration Seeks Sustained Investment in Youth Employment*

When President Obama took office in 2009, he faced the worst recession since the Great Depression. As a direct response to the economic crisis, the American Recovery and Reinvestment Act (ARRA) introduced a series of coordinated investments in the economy with the goals of spurring job creation, increasing economic spending, and creating a new foundation for long-term prosperity for all working families. The Recovery Act increased funding for health care, education and entitlement programs by \$224 billion.<sup>1</sup> Specifically, states received \$1.2 billion through the Workforce Investment Act (WIA) youth funds to provide employment and training services targeted to disadvantaged youth. At a recent White House Briefing organized by the Office of Public Engagement, the administration announced a number of ARRA-funded job creation initiatives. Officials identified two promising priorities for future job-related investments:

- The TANF Emergency Contingency Fund
- The Summer Youth Employment Initiative

**The TANF Emergency Contingency Fund**, created through ARRA with \$5 billion to cover FY2009 and FY2010, helps states serve more families that seek employment opportunities and assistance during the

economic downturn. The TANF Emergency Fund served as a resource for job creation by subsidizing state employment programs and initiatives (such as paid work, work-study, etc). According to recent estimates, more than **100,000** jobs will be created by the time authorization expires.

**The Summer Youth Employment Initiative (SYEI)**, implemented last summer, has enrolled **355,000** youth in summer jobs nationwide. This is a critical program not only for stimulating the local economy in depressed communities but offering income support to families through youth employment. Through SYEI, public and private employers worked with states and counties to create summer youth internships and programs that provided financial support through the summer and linked them to year-round career readiness programs and skills training for the future.

The administration is currently evaluating ARRA-funding programs with an eye towards investments that have far-reaching impacts across communities and on the economy. Moving forward, the administration will focus on youth employment as a critical workforce and economic development strategy.

## Policy Implications

It has been over 10 years since a dedicated funding stream for summer youth employment was built into the federal budget. Although summer employment is a component of year-round youth activities under the WIA, reports show that many states did not provide summer jobs for significant numbers of youth due to lack of funding. The administration views the 2009 Summer Youth Employment Initiative as a starting point for future investment for several reasons: through collaborative public-private partnerships, money can be put into the hands of young people who need it the most. Low-income families can spend this money in the local community. Finally, recent evaluations from these

summer programs reveal that participants valued their experiences and the skill sets that they acquired. A comprehensive evaluation of SYEI shows that **355,000** youth were enrolled in summer programs, and **75 percent** of summer job participants achieved a measurable increase in their work readiness skills.<sup>2</sup>

The Administration's focus on youth employment programs is an investment in the future of our workforce. And with Obama's current DOL budget proposals moving forward (such as \$154 million for Youth Innovation Fund and \$120 million for YouthBuild programs), this seems to be just the beginning.

## Our View



NCCP agrees with the Obama administration that a dedicated funding stream for WIA youth and employment training services is crucial to the stability of our workforce and to the economic well-being of disadvantaged families. Indeed, workforce dynamics are changing: the economy is still in its nascent phases of recovery, the job market is weak, and youth unemployment, especially those in disadvantaged communities, is unreasonably high. By making youth employment services a national priority, policymakers will have the opportunity to address the challenges facing disconnected youth.

As our research shows, adolescence is a critical period for mental, social, and emotional development. During these formative years, vulnerable teens are susceptible to positive and negative influences that could affect their behavior into adulthood.<sup>3</sup> Economic insecurity can have particularly deleterious effects on children throughout their lives. According to NCCP's analysis, 36 percent of children ages 12 through 17 years – 9.1 million – lived in low-income families in 2008.<sup>4</sup> Unfortunately, the track record for programs that serve out-of-school youth has been disappointing, in part because youth served by these programs often need intensive academic and employment supports. Recent evaluations suggest

that intensive investments in initiatives, like SYEI, are effective workforce and economic development strategies that can potentially reverse the decline in youth employment and increase economic activity in disadvantaged communities.

The administration's focus on the TANF Emergency Fund and summer youth employment are consistent with three of NCCP's policy objectives to strengthen family economic security:

- Policies should be responsive to the needs of populations with unique or severe disadvantages;
- Demand-side investments are critical to job creation and employment in quality jobs; and
- Workforce investment policies should promote career advancement.

Currently, the emerging clean energy industry is creating demand for jobs. Programs such as YouthBuild are capitalizing on the green sector to create career pathways out of poverty. By providing young adults with rigorous summer employment opportunities through existing and emerging sectors, government can potentially increase the economic prospects of disadvantaged youth and their families.

## Endnotes

1. Recovery.Gov. *Track the Money*. <http://www.recovery.gov/Pages/home.aspx> (accessed March 22, 2010).
2. Bellotti, J.; Rosenberg, L.; Sattar, S.; Esposito, A. M.; Ziegler, J. 2010. *Reinvesting in America's Youth: Lessons from the 2009 Recovery Act Summer Youth Employment Initiative*. Mathematica Policy Research, Inc.
3. Schwartz, S.W. 2009. *Adolescent Mental Health in the United States*. New York, NY: National Center for Children in Poverty, Columbia University Mailman School of Public Health.
4. Wight, V.R.; Chau, M. 2009. *Basic Facts About Low-income Children: Children Aged 12-17*. New York, NY: National Center for Children in Poverty, Columbia University, Mailman School of Public Health.