

Issue Brief

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Youth Employment: Trenton & Beyond

SCOPE OF THE PROBLEM

- Unemployment in Trenton is estimated to be 12.1%, however experts suggest that it is higher for youth.
 - This number only measures those individuals who are actively seeking employment and is considered a conservative estimate.
- In New Jersey, only 21% of youth, ages 16 to 19, were employed and 59% of young adults, ages 20 to 24, were employed.
- Nationally, about 6.5 million teens and young adults, ages 16 to 24, are both out of school and out of work.ⁱ
- Only half of young people ages 16 to 24 held jobs in 2011.
 - The national employment rate among teens (16 to 19) dropped 42% between 2000 and 2011, with 16% of black and Latino youth unemployed versus the national average of 13%.
 - For young adults (20 to 24), Latinos saw an unemployment rate of 23% and 29% for black young adults compared to 20% national average.
 - Teens and young adults with family incomes below \$20,000 were two and a half and three times more likely to be unemployed than those teens and young adults with family incomes of at least \$100,000, respectively.
 - Nationally, 21% of young people (1.4 million) out of school and out of work are young parents.

Studies show that youth who miss out on an early work experience are more likely to face unemployment later in life and are less likely to achieve higher levels of career attainment.

The best way to build critical skills including academic, technical and essential “soft skills,” is to help young people find jobs or work-like activities.

POLICY & FUNDING

National

- **Workforce Investment Act of 1998** - the Workforce Investment Act (WIA) replaced the Job Training Partnership Act as the largest single source of federal funding for workforce development activities. WIA seeks to create a universal access system of one-stop career centers, which would provide access to training and unemployment services for a range of workers, including low-income adults, low-income youth and dislocated workers.
 - **Job Corps** - Job Corps is a no-cost education and vocational training program administered by the U.S. Department of Labor that helps young people ages 16 through 24 improve the quality of their lives through vocational and academic training.ⁱⁱ

- Job Corps has a nationwide network of campuses that offer a comprehensive array of career development services to at-risk young women and men to prepare them for successful careers. The programs integrate the teaching of academic, vocational, employability skills and social competencies through a combination of classroom, practical and based learning experiences to prepare youth for stable, long-term, high-paying jobs.

- **Career and Technical Education Act** - The Carl D. Perkins Career and Technical Education Improvement Act of 2006 (Perkins IV; P.L. 109-270) supports the development of academic and career and technical skills among secondary education students and postsecondary education students who elect to enroll in career and technical education (CTE) programs, sometimes referred to as vocational education programs.ⁱⁱⁱ

- Perkins IV was authorized through FY2012, which ended on September 30, 2012. The authorization is extended through FY2013 under the General Education Provisions Act. It authorizes five main programs:
 - ▶ the Basic State Grants program - over 90% of funds are used to provide Basic State Grants. These formula grants are awarded to all 50 state, the District of Columbia, the Commonwealth of Puerto Rico and each outlying area. State subsequently make grants to support CTE activities and secondary and postsecondary levels
 - ▶ the Tech Prep grant program
 - ▶ the Tribally Controlled Postsecondary Career and Technical Institutions grant program
 - ▶ National Programs
 - ▶ Occupational and Employment Information
- For FY2012, the Obama Administration requested \$1 billion for Perkins IV, a decrease of \$264 million (21%) from the FY2011 request, because the overall fiscal environment required some funding reductions and the programs failed to show evidence of strong performance.

State

- **One-Stop Career Centers** - One-Stop Career Centers are part of the New Jersey Department of Labor and Workforce Development (LWD) and its Workforce Investment Act initiative. They offer access to multiple services under a variety of employment, training, and education programs, including GED preparation, resume-writing assistance, etc.
- **New Jersey Youth Corps** - New Jersey Youth Corps is a youth service and conservation corps established in 1984 by the State Legislature through P.L. 1984, c.198. The year-

NJ Funding from Federal Government:

- In 2013, the NJ Department of Labor and Workforce Development (LWD) will receive \$26,352,006 from the U.S. Department of Labor as part of a continuation of the WIA Youth/Adult/Dislocated Workers Combined grant.
- In 2012, LWD received \$18,714,530 from the U.S. Department of Labor as part of a continuation of a WIA Youth/Adult/Dislocated Workers Combined grant.
- In 2011, LWD received \$18,389,815 from the U.S. Department of Labor as part of a continuation of the WIA Youth/Adult/Dislocated Workers Combined grant.
- In 2011, LWD received \$15,782,545 from the U.S. Department of Education through the Basic State Grants program for Adult Basic Education programming.
- In 2010, LWD received \$17,192,709 from the U.S. Department of Labor as part of a continuation of the WIA Youth/Adult/Dislocated Workers Combined Formula grant.
- In 2009, LWD received \$20,834,103 from the U.S. Department of Labor through the Basic State Grants program for Training and Employment Services to Adults, Dislocated Workers & Youth Combined Formula via the One-Stop Career Center System.

round, voluntary program engaged young adults, ages 16-25, in full-time community service, training and educational activities. Youth Corps members receive a stipend of \$90 per week. Corps members receive:

- ▶ Education development in basic skills and GED/high school diploma preparation;
 - ▶ Life skills and employability skills instruction;
 - ▶ Personal and career counseling;
 - ▶ Transition services and continued support through the transition to college, training, employment or other national and domestic service opportunities; and,
 - ▶ Community service opportunities to develop positive employability skills.
- There is a Youth Corps program in Trenton, NJ that works with approximately 60 students each year.

Trenton

- The Trenton Department of Housing and Economic Development is in charge of efforts to attract and maintain businesses in the city of Trenton.
 - There is no one in the administration who's main job is to facilitate these business relationships, however, the Director of the Department of Housing and Economic Development serves as the point of contact for this area.

RECOMMENDATIONS

The Annie E. Casey Foundation made the following recommendations in its 2012 Policy Report, "Youth and Work: Restoring Teen and Young Adult Connections to Opportunities," among others:

- *Create Incentives*, such as a youth payroll tax credit, to encourage more businesses to hire young people and to inspire youth to stay engaged.^{iv}
 - UPS receives a 50% state tax credit for expenses related to the Metropolitan College program such as textbooks.
- *Develop strong youth-focused collaborative efforts* with multiple public and private stakeholders at the community level.
 - Youth Opportunity Grant Initiative (YO) consisted of large and complex projects that provided comprehensive services to economically disadvantaged youths, ages 14 to 21, residing in high-poverty communities in urban, rural, and Native American reservation communities.^v The projects were intended to build the foundation for community-wide efforts to mobilize resources in helping youths to enter the economic mainstream. YO found to have statically significant positive results:
 - ▶ YO increased the labor-force participation rate overall and specifically for the younger age range (16- to 19-year-olds), women, native-born residents, Blacks, and in-school youth.
 - ▶ YO had a positive impact overall on increasing the percentage of the youth population with at least an eleventh-grade education, reducing the percentage of youths who were not in school and increasing the percentage in secondary school.
- *Create Earn/Learn opportunities* for youth by partnering with specific industry sectors. Many employers are already involved in these partnerships for adults and could be encouraged to expand their investments to serve young people and help address skill shortages that will emerge as older workers retire.^{vi}
 - The case of UPS serves as an effective model for this approach.
 - The 2011 Minnesota Pay-for-Performance Act allocates \$10 million in state appropriation bonds to fund human services that achieve outcomes for the people served and a positive return on investment.

The law is currently being implemented through a pilot program initiative and should be monitored closely as a potential model.

- *Develop two-generational models* that foster economic stability for parents and positive early childhood development for their children. The parenthood rate for America's disconnected is 21%, as noted earlier, and programs rarely bundle services and support for parents *and* children.
 - Policymakers and practitioners should work together to provide parents and children with access to high-quality early care and education assistance, so parents do not have to choose between going to school or work and caring for their child.

PROGRAMS

- **Earn and Learn Programs** - Learn and Earn programs are partnerships between academic institutions and corporations that provide postsecondary educational opportunities to help students improve their employment outcomes.^{vii} These programs include a “learn” component, which incorporates a career-oriented academic curriculum, and an “earn” component, which includes student financial assistance. The benefits for students include an opportunity to acquire specific knowledge and skills that employers need, while they simultaneously earn a living. A benefit to employers is that Learn and Earn programs help attract and retain appropriately skilled employees. Thus, these programs provide a bridge that connects skilled workers with the employers that need them.
- **Philadelphia Youth Network** - The Philadelphia Youth Network is a non-profit organization that serves as an intermediary, bringing together individuals, organizations and systems to expand opportunities for youth and thus prepare a qualified and successful emerging workforce.^{viii} WorkReady internships provide youth with career exposure, connection to caring adults and one-the-job experience in businesses across the region. Student Success Centers help youth design their post-secondary readiness plans and coordinate services within neighborhood high schools. GED-to-College programs help youth who have dropped out of school build the skills and make the connections they need for college and career success.
- Since its founding in 1999, PYN has placed more than 92,000 youth in internships and training programs; Reconnected 7,300 out-of-school youth with education and training programs; Launched 7 industry pipeline programs to enhance education in high-growth and high-earning careers; Worked with over 4,000 worksites across the region; Coordinated services for over 140 youth-serving organizations; and, helped youth provide over 2.2 million hours of service to communities throughout the city of Philadelphia.

Earn and Learn Case Study: Metropolitan College, Louisville, KY

Metropolitan College is an education program that offers access to postsecondary education opportunities for eligible participants—in this case, employees in the Next Day Air operation at UPS Worldport in Louisville, KY who work part-time at UPS and receive wages and full benefits. Participants in Metropolitan College may attend Jefferson Community and Technical College or the University of Louisville, where they are eligible for full undergraduate Kentucky-resident tuition for all coursework that they complete successfully.

- Since 1998, UPS has reduced its annual turnover rate of new hires from 100% to less than 20%.
- Introduction of Metropolitan College led to an increase in average employee tenure from 8 weeks to 90 weeks.
- Louisville became one of the most efficient air-hubs in the United States and the Metropolitan College program produced a financial return on investment of approximately 600%.

- **YouthBuild, USA** - In YouthBuild programs, low-income young people ages 16 to 24 work full-time for 6 to 24 months toward their GEDs or high school diplomas while learning job skills by building affordable housing in their communities.^{ix} Emphasis is placed on leadership development, community service, and the creation of a positive mini-community of adults and youth committed to each other's success. The main goals of the program are:
 - enable disadvantaged youth to obtain the education and employment skills necessary to achieve self-sufficiency in high-demand occupations and postsecondary education and training opportunities;
 - provide disadvantaged youth with opportunities for meaningful work and service to communities;
 - foster the development of employment and leadership skills and commitment to community development among youth in low-income communities; and
 - expand the supply of permanent affordable housing for homeless individuals and low-income families by utilizing the energies and talents of disadvantaged youth.
 - In 2010, based on data submitted by 131 affiliates:
 - ▶ 78% of enrollees completed the program;
 - ▶ 63% of graduates obtained their GED or diploma;
 - ▶ 60% of graduates went on to postsecondary education or jobs averaging \$9.20/hour;
 - The YouthBuild model is currently being evaluated by the MDRC.
- **Year Up** - Year Up seeks to close the Opportunity Divide by providing urban young adults with the skills, experience, and support that will empower them to reach their potential through professional careers and higher education.^x The one-year, intensive training program, located in nine cities, provides low-income young adults, ages 18-24, with a combination of hands-on skill development, college credits, and corporate internship, all of which emphasizes academic and professional rigor, setting expectations high for quality of work and professional behavior. A strong structure guides students through the steps necessary for achieving success in the classroom and the workplace.
 - Since its founding in 2000, Year Up has served 6,000 young adults with the following results:
 - ▶ 100% placement of qualified Year Up students into internships
 - ▶ 84% of graduates are employed or attending college full-time within four months of completing the program.
 - ▶ Employed graduates earn an average of \$15 per hour.

MUNICIPAL PLANNING BOARD NETWORK

- **Go for Gold Initiative, Asbury Park** - The Go for Gold Initiative is a program for youth, ages 16 to 21, in Asbury Park who complete a work readiness course that is standardized nationally and, in-turn, receive Gold Certification, which signifies they are capable of retaining employment.
 - The course also talks about how to deal with conflict, being on time and other soft skills.
 - Participants must have a 95% attendance rate or higher along with good standing - not failing or displaying bad behavior.
 - The program is part of the city's Community Development Initiative and is funded by the Workforce Investment Board.
- **Mercer County Youth Employment Partnership** – In April of 2012, County Executive Brian Hughes announced the Youth Employment Partnership for youth, ages 18-21, a pilot initiative in which the county

partnered with business and with community and faith-based agencies to prepare youth for the workforce. Participating employers provided relevant, valuable work experiences through internships while the County's One-Stop Career Center provided job readiness and job retention skills. The partnership came about due to the work and networking of the TPPB Employment Working Group.

- **YE²S Center** - The Youth Education and Employment Success Center seeks to improve measurably the quality of life of New Jersey youth by expanding their educational, vocational and employment opportunities.
 - Deliver positive youth development programs and services that add measurable and marketable skills to young people.
 - Collaboration among public schools, local community colleges, New Jersey Juvenile Justice Commission, The Nicholson Foundation, Rutgers University and numerous community-based organizations.

Key Organizations

- United States Department of Labor
- Job Corps
- United States Department of Education
- New Jersey Department of Labor and Workforce Development
- New Jersey One-Stop Career Centers
- New Jersey Youth Corps
- New Jersey Department of Education
- Mercer County Health & Human Services
- Mercer County One-Stop Center
- Mercer County Workforce Investment Board
- Mercer County Youth Services Commission
- Mercer County Community College, Career Training Institute
- Isles YouthBuild
- NJ YouthCorps, Trenton
- Trenton Central High School Career Center
- Trenton Department of Housing and Economic Development
- Trenton YE²S Center

Endnotes

ⁱ "Youth and Work: Restoring Teen and Young Adult Connections to Opportunity." 2012. *Annie E. Casey Foundation*, <http://www.aecf.org/~media/Pubs/Initiatives/KIDS%20COUNT/Y/youthandworkpolicyreport/kidscountyyouthandwork.pdf>.

ⁱⁱ http://www.jobcorps.gov/AboutJobCorps/program_design.aspx.

ⁱⁱⁱ Dortch, Cassandra. 2012. "Carl D. Perkins Career and Technical Education Act of 2006: Implementation Issues." *Congressional Research Service*, <http://www.fas.org/sgp/crs/misc/R42858.pdf>.

^{iv} "Youth and Work: Restoring Teen and Young Adult Connections to Opportunity." 2012.

^v "Youth Opportunity Grant Initiative: Impact and Synthesis Report." 2007. *Employment and Training Administration*, U.S. Department of Labor, http://wdr.doleta.gov/research/FullText_Documents/YO%20Impact%20and%20Synthesis%20Report.pdf.

^{vi} "Youth and Work: Restoring Teen and Young Adult Connections to Opportunity." 2012.

^{vii} "Learn and Earn: Modeling the Success of Metropolitan College." 2011. *Business-Higher Education Forum*, http://www.bhef.com/publications/documents/Learn_and_Earn_Report.pdf.

^{viii} <http://www.pyninc.org/>.

^{ix} <https://youthbuild.org/>.

^x <http://www.yearup.org/>.