



NATIONAL LEAGUE
OF CITIES



institute
for

YOUTH, EDUCATION, and FAMILIES

special report

*Leaving
Young Workers
Behind*

.....
by
Andrew M. Sum, Director
Center for Labor Market Studies
Northeastern University

NLC's Institute for Youth, Education, and Families is grateful to William Woodwell for his writing and editorial assistance in preparing this synthesis of research findings for publication. The following individuals associated with the Northeastern University's Center for Labor Market Studies also contributed to the research, data analyses, and preparation of technical papers upon which this synthesis is based: Neeta Fogg, Meredith Franks, Joe McLaughlin, Sheila Palma, Nathan Pond, Robert Taggart, and Mykhaylo Trub'skyy. Cliff Johnson, the Institute's executive director, provided overall editorial direction for the project, while Jan Hammett was responsible for NLC's layout and design of the publication and Rachel Banov provided assistance with numerous revisions to the text.

This report and the technical papers on which it is based were made possible by the generous financial support of the Joyce Foundation and the Charles Stewart Mott Foundation.

The Institute for Youth, Education, and Families (YEF Institute) is a special entity within the National League of Cities (NLC). NLC is the oldest and largest national organization representing municipal governments throughout the United States. Its mission is to strengthen and promote cities as centers of opportunity, leadership, and governance.

The YEF Institute helps municipal leaders take action on behalf of the children, youth, and families in their communities. NLC launched the YEF Institute in January 2000 in recognition of the unique and influential roles that mayors, city councilmembers, and other local leaders play in strengthening families and improving outcomes for children and youth.

Through the YEF Institute, municipal officials and other community leaders have direct access to a broad array of strategies and tools, including:

- **Action kits** that offer a menu of practical steps.
- **Technical assistance projects** in selected communities.
- **The Your City's Families Conference** and other workshops, training sessions, and cross-site meetings.
- **Targeted research and periodic surveys** of local officials.
- The YEF Institute's **web site, audioconferences, and e-mail listservs.**

To learn more about these tools and other aspects of the YEF Institute's work, go to www.nlc.org/iyef.

Introduction and Executive Summary

They endured a disproportionate share of the employment losses as the U.S. economy entered a recession in early 2001 and generated few new jobs during the jobless recovery of 2002 and early 2003. Even the labor market boom of 1995-2000, while boosting both their employment levels and real wages, yielded gains that typically were only large enough to offset losses they suffered in the early 1990s. And in the aftermath of these short-term losses and damaging longer-term trends, they now face a host of serious labor market problems – ranging from joblessness to unemployment to inadequate earnings – that threaten their ability to work and support families.

They are the nation's teens and young adults, those Americans between the ages of 16 and 24. In 2002, they included more than 35 million young men and women – and their numbers are growing fast and will continue to do so through the end of the decade. Unless the nation makes a fresh commitment to improving their chances of success in the U.S. labor market, they will continue to face an uncertain and, in many cases, a bleak future. The strength of their communities, young families, and the American economy depend on their ability to find and secure decent-paying jobs in the years ahead.

This working paper is based on a series of more detailed research papers prepared for NLC's Institute on Youth, Education, and Families by Northeastern University's Center for Labor Market Studies. In the following pages, we provide a brief summary of our research in five key areas related to youth employment and earnings:

Young Americans Hit Hardest by Latest Economic Downtown. The 2001 recession and the jobless recovery of 2002 and early 2003 have taken a much greater toll on the labor market prospects of teens and young adults, compared to their older peers.

Key Finding: The estimated number of employed young people (ages 16-24) in the summer of 2002 was down about 900,000 from two years before. Even this decline understates the true magnitude of the employment difficulties faced by young adults because the size of their population was growing over those two years and more young adults with jobs were underemployed.

Over Longer Term, Young Men Plagued by Falling Earnings. The median earnings of most young men today, adjusted for inflation, are substantially lower than those enjoyed by their counterparts three decades ago. Those young men without at least some post-secondary education have suffered the greatest losses, a reflection of the increasingly prominent role of education in determining an individual's workforce success.

Key Finding: Young men who failed to obtain a high school diploma or GED and those who graduated from high school, but did not complete any years of post-secondary education, saw their real annual earnings decline by one-fourth between 1973 and 2000. Even young males who completed one to three years of post-secondary schooling experienced a six percent decline in real annual earnings during this period.



Joblessness and Underemployment Also Widespread Among Young Adults.

Young adults face a range of labor market problems that keep them from participating fully in the U.S. economy.

Key Finding: 43 percent of young adults faced one of four serious labor market problems in March 2001, including: unemployment; part-time employment for economic reasons; joblessness not captured in the official unemployment count because the individual had stopped looking for work; and inadequate weekly earnings. By comparison, just 20 percent of older adults (ages 25 and above) experienced one of these labor market problems.

Growing Numbers of Young Immigrants Pose Additional Challenges. During the 1990s, the U.S. experienced the largest influx of new foreign immigrants in its history. Many of these immigrants were young adults aged 16-24, a high fraction of whom came to the U.S. with limited schooling. The resulting gap in formal education between young adult immigrants and their native-born counterparts became an increasingly urgent issue during the 1990s.

Key Finding: While 20 percent of out-of-school, native-born young adults lacked either a high school diploma or a GED in 2001, the comparable figure among young immigrants was 45 percent. While about 36 percent of the native-born group had completed some post-secondary schooling, the same was true of just 23 percent of young immigrants.

Fewer High School Students Able to Gain Foothold in Job Market. Employment rates among high school students traditionally have been an important barometer of the health of the national labor market – and an important indication of whether teens are getting the initial work experience they need to ensure later job-market success.

Key Finding: As the national economy stalled and then slid into recession, employment rates for high school students plunged by 15-20 percent for every racial/ethnic and gender group between 2000 and early 2003. By the late winter and spring of 2003, the job-finding rate of high school students had plummeted to 27 percent. This was the lowest spring employment rate for high school students in the past 19 years for which such data have been available from the Current Population Survey.

Suffering most from the job-market problems outlined in this paper are young adults who fail to complete any post-secondary schooling, who come from low-income families, those who are members of minority groups, and those who live in the nation's large central cities. Looking ahead, unless the nation's labor markets substantially increase their capacity to absorb young adults, the problems will only get worse as the number of young adults in America continues to grow at an above-average rate.

This paper provides a brief analysis of some of the most serious employment and earnings challenges facing young adults today. Its concluding section offers a set of recommendations for federal and local action to create more jobs for young adults while at the same time preparing them to play a more productive and positive role in the national economy.

Copies of the research papers upon which this summary is based can be found at www.nlc.org/iyef or requested by calling 202/626-3014.



Issue #1

Young People Hit Hardest by Latest Economic Downturn

The labor market prospects of the nation's teens and young adults improved slowly but steadily from late 1992 through the end of the labor market boom in late 2000. However, nearly all of the employment gains achieved by young Americans over that eight-year period were wiped out in a matter of months when recession hit in 2001, and they continued to suffer during the jobless recovery of 2002 and early 2003. Fewer than two in every five teenagers in America held a job in June-July 2002, the lowest employment rate since 1965.

How much have employment opportunities for young people deteriorated since the end of the 1990s? One of the best ways to assess changes in labor market conditions for any demographic group is to study changes in its employment/population ratio – a measure of the percentage of individuals in the group who are employed during a specific time period. This type of analysis quickly reveals that teens and young adults have fared far worse than their older peers as a result of the deteriorating labor market.

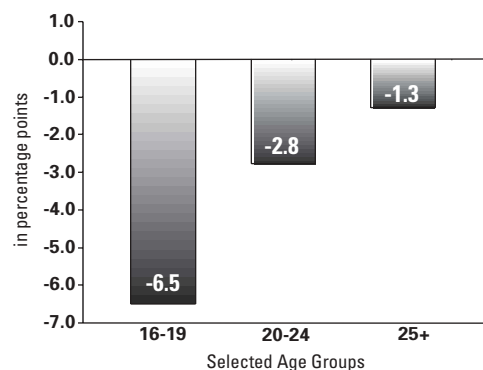
Between the summer of 2000 and the summer of 2002, the employment/population ratio for Americans over age 25 declined from 65.1 percent to 63.8 percent, a drop of 1.3 percentage points. Among the nation's teens, however, the employment ratio fell by 6.5 percentage points; young adults ages 20-24 saw a drop of 3 percentage points. Thus, the decline in the teen employment rate exceeded the change for older adults by a factor of five, while the decline for young adults was double that of the over-25 group.

Translating these ratios into actual numbers of people, the estimated number of employed youth (ages 16-24) in the summer of 2002 was down about 900,000 from two years before. Yet, even this decline underestimates the true magnitude of potential employment losses because the number of young people in this age cohort was growing over those two years.

In order to maintain their employment/population ratio at a steady level between the summers of 2000 and 2002, more than 22.8 million teens and young adults would have to have been employed at the end of the two-year period. The actual number employed was 21.2 million, creating an "employment gap" of more than 1.6 million. This total was equal to 42 percent of the nation's total shortfall in employment opportunities, despite the fact that teens and young adults were only one-sixth of the nation's entire civilian labor force in the summer of 2002.

Especially hard hit by the recent deterioration in national labor market conditions were male teens and young adults. The employment/population ratio of male teens (ages 16-19) fell by nearly 8 percentage points between the summers of 2000 and 2002, while that for young adult males (ages 20-24) declined by 3.5 percentage points. By comparison, the decline for males over age 25 was only 1.6 percentage points.

Chart 1: Recent Declines in the Employment Rates of Selected Age Groups (June-July 2000 to June-July 2002)



The decline in the employment rate for teens (ages 16-19) exceeded the change for older adults by a factor of five, while the decline for young adults (ages 20-24) was double that of the over-25 group.

Key Findings — The Impact of Economic Downturn

- ◇ Fewer than two in every five teenagers in America held a job in June-July 2002, the lowest employment rate since 1965.
- ◇ Between the summer of 2000 and the summer of 2002, the percentage of teens employed declined by 6.5 percentage points; for young adults (ages 20-24), the decline was 3 percentage points. By comparison, the decline for older (25+) workers was just 1.3 percentage points.
- ◇ The estimated number of employed youth (ages 16-24) in the summer of 2002 was down about 900,000 from two years before.
- ◇ The gap between the number of young adults who were actually employed and the number who would have had to be employed to maintain their summer 2000 employment/population ratio was 1.6 million as of the summer of 2002. This amounted to 42 percent of the nation's total "employment gap."



Issue #2

Over Longer Term, Young Men Plagued by Falling Earnings

For young adults who are employed, how much they earn on a weekly or annual basis is one of the most important measures of their labor market success. The real (or inflation-adjusted) earnings of young adults determine in large part whether they are able to support themselves financially. The adequacy of young men's earnings also plays a major role in shaping, and frequently limiting, their ability to marry, form stable families, and support their children.

In this context, the earnings trends for young workers – and for young men in particular – are deeply disturbing. The real median weekly earnings of young men (ages 16-24) who were employed full time in 2001 were 23 percent below the level reached by their peers in 1973. Between 1973 and 1996, these inflation-adjusted earnings plunged by a third, falling from \$511 per week (in constant 2001 dollars) to \$346 per week. Strong national labor market conditions in the late 1990s helped boost the real weekly earnings of young men by 13 percent during the next five years, to \$392 per week in 2001. Even this extended period of economic growth and tight labor markets, however, was not sufficient to recoup most of the ground lost by young men during the preceding years.

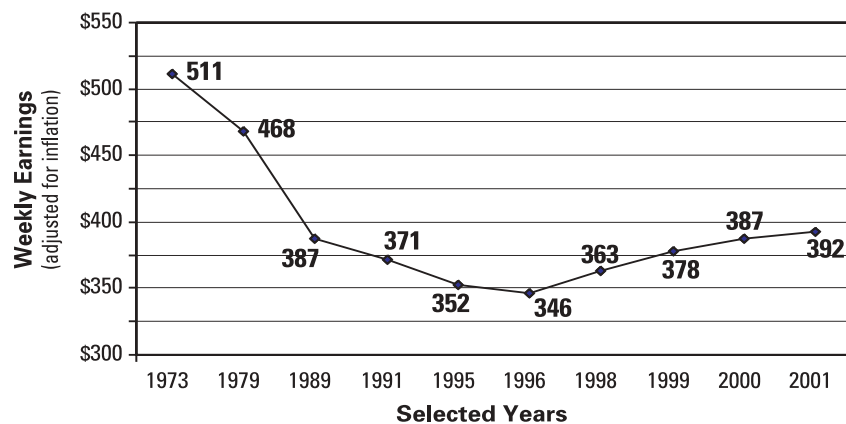


Chart 2: Median Real Weekly Earnings of Full-Time Employed Young Men (Ages 16-24), 1973-2001

The real median weekly earnings for young men fell by 32 percent between 1973 and 1996. Even after a period of rising real earnings in the late 1990s, real weekly earnings for young men in 2001 remained 23 percent below their 1973 level.

During the same period, education has become an increasingly important factor in determining rates of labor market participation, employment, and earnings for all workers. While real earnings have remained stable or grown for workers with the most education, technical skills, and experience, less educated workers have seen their real earnings decline, and many have been unable to secure any type of employment.

The connection between education and labor market success is quite pronounced among the young adult population. Young men who failed to obtain a high school diploma or GED and those who graduated from high school but did not complete any years of post-secondary education experienced the largest relative decline in their real annual earnings between 1973 and 2000 (-25 to -26 percent). Even young males who completed one to three years of post-secondary schooling experienced a six percent decline in their median

real annual earnings over this period. The only group of young men that improved or maintained their real earnings were those with a bachelor's or more advanced degree.

The role of education in determining an individual's job market success has contributed to an increasing degree of inequality in wages and earnings among younger American workers, particularly men. In 2000, young men (ages 20-29) in the top fifth of the earnings distribution received nearly half of the total earnings (48 percent) received by all young men, with 31 percent of all earnings going to those in the top 10 percent of the earnings distribution. The highest earners' share was up considerably from 1973, when those in the top fifth received 40.5 percent of earnings, with the share of the top 10 percent at 23.9 percent. In 2000, young men in the top fifth earned almost as much as those in the bottom four-fifths combined.

In sharp contrast to the overall earnings trends for young men, the nation's young adult women, on average, experienced substantial gains in their annual earnings across the board over the 1973-2000 period, with their real annual earnings rising by 28 percent. Still, the relative size of their earnings gains varied considerably with the young women's level of schooling. Employed female dropouts, for example, earned about 12 percent more in 2000 than they did in 1973, while the earnings of those holding bachelor's degrees rose by nearly 35 percent.

The bottom line: Post-secondary schooling has become an increasingly important human capital investment, providing access to higher-skill and higher-wage jobs in the 21st-century American economy. Among young males and females, those without a high school diploma face very bleak prospects in the labor market, while those with no further education or training beyond high school are also at a substantially greater disadvantage than they were 30 years ago.

Key Findings — Falling Earnings for Young Men

- ◇ Young men who failed to obtain a high school diploma or GED and those who graduated from high school, but did not complete any years of post-secondary education, saw their median real annual earnings decline by one-fourth between 1973 and 2000.
- ◇ The only group of young men who improved or maintained their inflation-adjusted earnings were those with a bachelor's or more advanced degree.
- ◇ Young adult women experienced substantial gains in annual earnings during this period, with their median real annual earnings rising by 28 percent.
- ◇ In 2000, young men (ages 20-29) in the top fifth of the annual earnings distribution received nearly half of the total earnings (48 percent) received by all young men, with 31 percent of all earnings going to those in the top 10 percent of the earnings distribution.

Issue #3

Joblessness, Underemployment Also Widespread Among Young Adults

The steep erosion of inflation-adjusted earnings is just one of a number of labor market problems confronting young adults – and, indeed, many workers of all ages – in today’s U.S. economy. In March 2001, 43 percent of young adults (ages 17-24) confronted one of the following four labor market problems at the time of the monthly Current Population Survey, compared to just 19 percent of older adults (25+):

- Unemployment, which is defined by the federal government as including those who are not working but are actively looking for a job or are waiting to be recalled to a job from which they had been temporarily laid off and are available for immediate employment;
- Part-time employment for economic reasons, which includes youth who were working less than 35 hours per week due to slack work at their firm, material shortages, or an inability to find full-time work;
- Joblessness not captured in the official unemployment count, which includes individuals who were not working during the reference week and were not actively looking for a job, but wanted to be employed; and
- Inadequate earnings, which includes individuals who were working full time but still unable to obtain weekly earnings sufficient to generate an annual income above the poverty threshold for a family of four (\$17,761 in 2000, or \$340 per week).

Low wages that resulted in inadequate earnings despite full-time employment was the labor market problem most frequently encountered by young adults in March 2001. While 26 percent of young adults reported inadequate earnings, fewer than nine percent were unemployed and actively seeking work, between four and five percent were employed part-time for economic reasons, and nearly four percent expressed a desire for employment at the time of the survey but were not actively seeking work.

Over time, the incidence of these labor market problems among young adults has tracked the ups and downs of the U.S. economy. For example, the share of out-of-school youth facing one of the four problems fell during the 1990s – from a high of 52 percent in 1991 to 41 percent in 1999 – thanks to a strong job market and rising real wages among full-time workers from 1996 onward. However, as labor market conditions started to soften during early 2001, young adults began to experience more severe employment problems. The rise in the overall incidence of such problems – from 41 percent in March 1999 to 43 percent two years later – was primarily due to an increase in the fraction of young adults who were employed full-time but were earning less than the four-person poverty level. The prevalence of inadequate earnings has increased further during the past two years as labor market conditions continued to deteriorate.

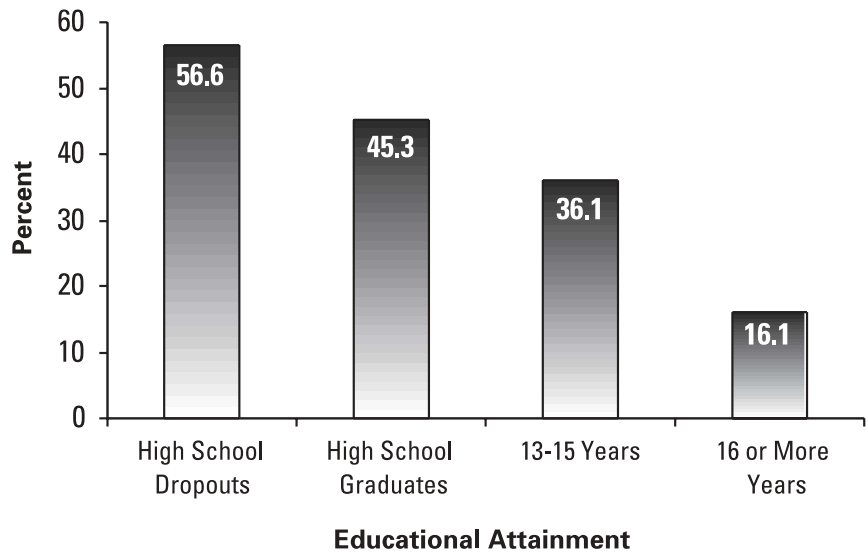
Reflecting the earlier trends in earnings by level of schooling, the extent to which young adults have faced labor market problems varies quite considerably according to their level



of education. Those young adults lacking a high school diploma or GED certificate consistently have fared worse than their better-educated peers in all four of the labor market problem areas. In March 2001, nearly 57 percent of high school dropouts experienced at least one of these four problems, compared to 45 percent of high school graduates and just 16 percent of four-year college graduates.

Chart 3: Percent of Out-of-School 16-24 Year Old Adults Experiencing One of Four Labor Market Problems by Educational Attainment (March 2001)

In March 2001, nearly 57% of high school dropouts experienced at least one of the four labor market problems, compared to 45% of high school graduates, and just 16% of those who graduated from a four-year college.



Key Findings — Joblessness and Underemployment Among Young Adults

- ◇ 43 percent of young adults faced one of four serious labor market problems in March 2001, including: unemployment; part-time employment for economic reasons; a suspended job search even though the individual still wanted to be employed; and inadequate weekly earnings. By comparison, just 20 percent of older adults (25+) experienced one of these problems.
- ◇ In each of the four categories of labor market problems, young adults were between two and four times more likely than their older peers to be facing one of the four problems.
- ◇ In March 2001, nearly 57 percent of high school dropouts experienced at least one of these four problems, compared to 45 percent of high school graduates and just 16 percent of four-year college graduates.

Issue #4

Growing Numbers of Young Immigrants Pose Additional Challenges

The role of formal education in determining the earnings and job prospects of young adults in the United States has important implications for U.S. immigrants, a population with a relatively low level of educational attainment.

The education gap between young adult immigrants and their native-born counterparts became an increasingly urgent public policy issue during the 1990s, when foreign immigration played a resurgent role in the growth of the U.S. population and the nation's civilian labor force. Findings of the 2000 Census revealed that over 40 percent of the net change in the nation's total population and over half of the net increase in the civilian labor force during the previous decade were attributable to new foreign immigration. And, because new immigrants tend to be relatively young when compared to the native born U.S. population, the immigration boom created a surge in the nation's young adult population, particularly in many large central cities.

Of the nearly 27 million young adults (ages 18-24) residing in the United States in March 2001, 12.2 percent were foreign-born; in 1980, the comparable figure was just five percent. While foreign-born individuals comprised only three percent of white, non-Hispanic youth and seven percent of black youth, 46 percent of Hispanic youth were immigrants, as were a slight majority (53 percent) of Asian youth. The Asian immigrants, however, were more likely than their Hispanic counterparts to have arrived in the United States before 1990.

To what extent does the educational distribution of these foreign-born young adults differ from that of their native-born counterparts? While 20 percent of out-of-school, native-born young adults lacked either a high school diploma or a GED in 2001, the comparable figure among young immigrants was 45 percent. And, while about 36 percent of the native-born group had completed some post-secondary schooling, the same was true of just 23 percent of young immigrants.

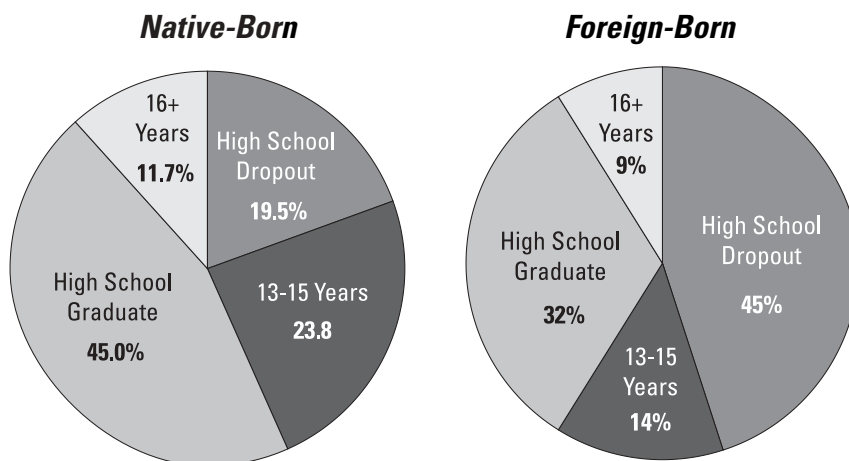


Chart 4: Educational Attainment of Native-Born and Foreign-Born Young Adults, Ages 18-24, Who Are Out of School (March 2001)

Young adults born outside the U.S. who are not enrolled in school are more than twice as likely to be high school dropouts than their native-born counterparts, and one-third less likely to have completed one or more years of post-secondary education.



Despite these educational differences, the young adult immigrants very closely resemble the native-born group in one important respect: Those lacking a high school diploma face a significantly greater challenge than their better-educated peers in obtaining jobs that pay enough to yield adequate earnings. In 2001, the median weekly earnings of young immigrants with four-year college degrees were twice as high as the earnings of those who had dropped out of high school.

With large concentrations of young immigrants settling in large central cities, the relatively low educational attainment of the foreign-born population – and the resulting drag on their earnings – has a disproportionate effect in urban areas. During March 2001, when young immigrants accounted for 12 percent of the nation’s entire youth population, they made up 20 percent of the young adult population in the nation’s 50 largest central cities. At the same time, young immigrants accounted for 44 percent of high school dropouts in these cities, a considerably higher share than in other areas of the United States.

The educational status of these young people is not just a problem for them. Over the past decade, the growing numbers of young, poorly educated immigrants seeking work in the nation’s large central cities have added to the employment and wage problems of native-born dropouts. Looking ahead, the challenge is to launch a concerted effort to boost the employability and earnings of both groups simultaneously.

Key Findings — Hard Times for Many Young Immigrants

- ◇ Nearly half of Hispanic youth (46 percent) and a majority of Asian youth (53 percent) in the United States were foreign-born in March 2001.
- ◇ Foreign-born youth were less likely than their native-born counterparts to be enrolled in either high school or college.
- ◇ Nearly 45 percent of out-of-school young immigrants lacked either a high school diploma or a GED, compared to 20 percent of the out-of-school, native-born population.
- ◇ 36 percent of native-born, out-of-school young adults had completed some post-secondary schooling; for immigrants, the figure was just 23 percent.
- ◇ In 2001, the median weekly earnings of young immigrants with four-year college degrees were twice as high as the earnings of those who had failed to obtain a high school diploma.

Issue #5

Fewer High School Students Able to Gain Foothold in Job Market

High school students, especially those from low-income, single-parent, and black families have faced significant employment and earnings hurdles in recent years. While some might say that finding jobs for high schoolers does not rank with other priorities facing the country, many teens need jobs to help meet their economic needs and those of their families. Research shows that early experience in paid work is increasingly crucial to subsequent labor-market success, especially among those youth who do not go on to enroll in four-year colleges.

Reflecting the trends for all teens and young adults, employment rates for high schoolers improved as the national economy gained strength from 1992 through 1995, rising slightly above 33 percent. However, despite the continued strong national growth in jobs in the late 1990s and the implementation of federally funded school-to-work transition programs under the School to Work Opportunities Act of 1994, in-school employment rates never were able to return to their 1989 high of 36 percent.

As the national economy stalled and then slid into recession, employment rates for high school students plunged by 15-20 percent for every racial/ethnic and gender group between 2000 and early 2003. By the spring of 2003, the overall employment rate for high school students reached its lowest level in 19 years.

Making matters worse, the aggregate numbers on in-school employment rates mask substantial variations in the employment rates of high school students by race and ethnic origin. Over the 15-year period from 1986 to 2001, the employment rates of black high school students were only half as high as those of white students, with the black-white gap in employment tending to widen during recessionary periods. The employment rates of Hispanic high school students, while slightly above those of their African American peers, were also well below white students' rates.

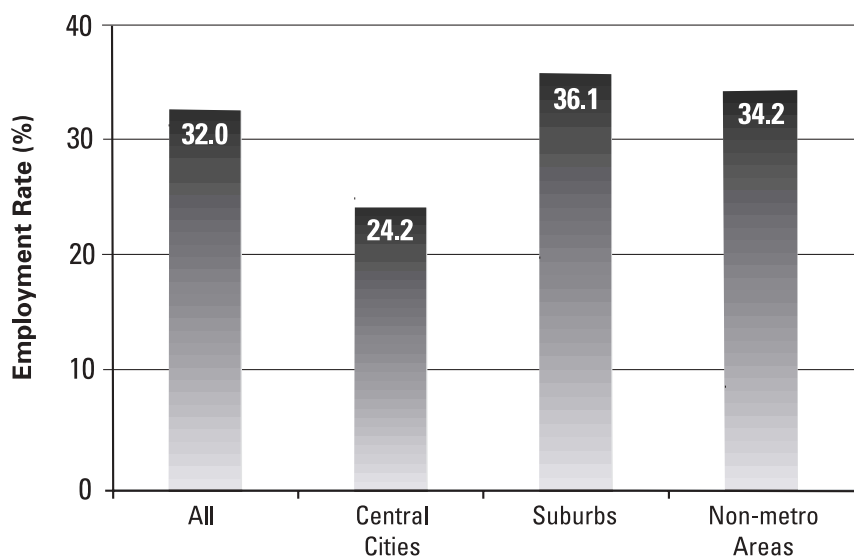


Chart 5: Employment Rates of High School Students, Ages 16-20, by Geographic Location of Family Residence (March 2001)

High school students residing in suburbs and non-metropolitan areas are 50 percent more likely to be employed than their peers living in central cities.

Also hidden by the aggregate numbers are wide geographic variations in high school students' employment rates. For example, only 24 percent of working-age high school students who lived in central cities were employed in March 2001. In contrast, employment rates for students living in suburban or non-metropolitan areas were 36 percent and 34 percent, respectively. Within high poverty neighborhoods of these central cities, employment rates are even considerably lower.

The employment rates of high school students also correlate very strongly with the income positions of their families. For example, only one in five high school students residing in poor households were employed on average during March 2001, as compared to two in five high school students living in families with incomes at three or more times the poverty line. In recent years, the strong positive associations between family income and the employment rates of high school students have held true for black, white, and Hispanic students. However, in each income category, white students were considerably more likely than their black or Hispanic counterparts to be working.

Key Findings — Employment Trends Among High School Students

- ◇ After hovering at 34 percent during the late 1990s, the employment rates of working-age high school students dropped to just 29 percent in the spring of 2002 and to 27 percent in the early spring of 2003. This was the lowest spring employment rate for high school students in the past 19 years.
- ◇ While nearly one-third of all high school students ages 16-20 were employed in March 2001, the employment rate for those living in the central cities of metropolitan areas was only 24 percent.
- ◇ In the spring of 2002, only one in six black high school students and one in five Hispanic students were working. The employment rate among white students was one in three.

Conclusions and Policy Recommendations

Over the past decade, Americans have learned important lessons about what it takes to ensure that young people can play a productive role in the U.S. economy. Strong economic growth and full-employment conditions in the nation's labor markets are clearly necessary to provide an adequate number of job opportunities, but they are not sufficient by themselves to resolve the complex array of labor-market problems facing the 16 to 24-year-old population.

Despite nearly ten consecutive years of economic growth and the creation of more than 20 million new jobs, the nation's out-of-school young adults were no more likely to be employed in 2000 than they were at the end of the 1980s labor-market boom. The gains that young workers enjoyed during the 1990s were immediately wiped out with the onset of recession in early 2001 and the jobless recovery of 2002 and early 2003. And, while the economic downturn caused problems for all groups of workers, young adults were hit harder than any other age cohort.

Looking ahead, it is hard to envision a shift in the economic fortunes for young adults without strong government and private sector actions on their behalf. With the numbers of young Americans rising, U.S. labor markets remaining weak, and the so-called "new economy" placing an ever-increasing premium on workers' basic academic skills and educational attainment, the labor market prospects of this group – and especially those with limited post-secondary schooling – are likely to erode even further.

Of course, this outcome is not inevitable. Policy makers at the federal, state, and local levels can play an important role – and a proven one – in improving labor market conditions for young adults through strategic investments in education and training, job creation, and support services. Right now, however, these investments are woefully inadequate and further budget cuts seem likely in the years ahead in the absence of a shift in public priorities.

This abdication of responsibility is particularly evident at the federal level, where resources for youth employment and training programs have been scaled back considerably over the past few decades, especially for youth-oriented programs. Funding for the summer jobs program for economically disadvantaged youth has been effectively eliminated, and support for state initiatives under the School-to-Work Opportunities Act has been allowed to lapse. While the nation's core employment and training program – the federal Workforce Investment Act – remains in place, its appropriations are so limited that only a small fraction of economically disadvantaged or jobless youth, especially in inner-city neighborhoods, can benefit from the education, training, or employment opportunities it provides.

What can municipal leaders do to improve the labor market outlook for young dropouts and high school graduates who lack any post-secondary education? In addition to advocating for key changes in federal policy, city officials can take the following steps:



- *Forge broad partnerships with local business leaders and community-based groups* to expand the range of work and learning opportunities available to all youth, especially disadvantaged youth. This task of “organizing the job market” is essential in order to give more young people – and especially high school students, dropouts, and low-income youth – access to jobs and training, and it can only be done through local leadership. Support from state policymakers for such connecting activities should also be sought.
- *Support public job creation efforts that supplement private-sector job commitments* and thereby broaden the range of paid work experience opportunities available to young Americans. Research has shown that transitional jobs programs can be effective in helping young people get a foothold in the labor market, and cities such as Virginia Beach, Winston-Salem, Syracuse, and Jackson (Miss.) are already working to develop new initiatives that draw upon some combination of local, state, and federal funds for this purpose. Education and training services should be integrated with such public jobs programs.
- *Expand alternative education options and pathways to post-secondary education* so that all youth can get the skills they need to compete in today’s global economy. Strong networks of alternative schools are needed in every community to reach young people who drop out or are struggling in traditional academic settings. Collaborations with local school districts and community colleges provide important mechanisms to ensure that the doors to learning are never shut for teenagers and young adults who want and need a second chance.
- *Work with schools, adult basic education agencies, community colleges, and community-based groups to help young immigrants* who frequently face daunting language and cultural barriers as they adjust to life in America. Early outreach to, and intervention on behalf of, recently-arrived youth can connect them to support networks and essential services before they drop out of school or become entangled in the juvenile and criminal justice systems. These young adults who are out of school should be connected with existing adult basic education and English-as-a-second language (ESL) programs.



The continuation of existing policies that largely ignore the plight of these young adults will not improve their labor market prospects. It is time now for communities across America to develop a new, sustained, and high-level commitment to a national goal of substantively reducing joblessness, underemployment, school dropout rates, and poverty among this vital segment of the U.S. population. By addressing these problems decisively, we can build a better future not just for America’s younger workers and families, but for all of us.