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Don't Leave Youth Behind in the Labor Market: The Case for Continued State Funding of Connecting Activities and YouthWorks Programs

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Over the next few weeks, the Massachusetts legislature will be engaged in a series of budget conferences over funding levels for a wide array of programs in Fiscal Year 2010 including education, employment, and workforce development programs. The sharper than expected declines in state revenues in recent months have placed added pressures on the legislature to find additional cost savings, including the elimination of programs funded out of the general revenue budget of the state. Among the programs currently being considered for major reduction in funding or elimination are the Connecting Activities program and the YouthWorks program. Both programs have helped provide well needed jobs for the state's teens in large numbers in recent years, including those with educational and economical disadvantages. **On the North Shore alone, more than 300 students have been placed in companies and close to 200 youth have had the opportunity to work as a result of YouthWorks.** At this particular point in time, when labor market opportunities for teens have shrunk considerably in our state

and the nation to historically unprecedented low levels, there is a strong case to be made for their continuation.

Labor market opportunities for 16-19 year olds in the U.S. have collapsed to record new post-World War II lows in the past year. Under 30% of the nation's teens have been working in recent months versus 45% as recently as 2000 and nearly 50% in 1989. The drops in the employment rates of the nation's teens have exceeded those experienced by all working-age persons in the U.S. during the Great Depression.

Teen employment rates in Massachusetts also have declined considerably over the past eight years. Between January and March of this year, only 28 percent of the state's teens were employed, a new historical low for the state. In 1999-2000, nearly 51% of state teens were working. Our state's ranking among the 50 states in providing jobs for teens has declined from being a national leader (11th highest) in the late 1980s to mediocrity (26th) in the most recent year.

The deterioration in state teen employment rates has affected every major demographic, socioeconomic, and schooling subgroup of teens in our state, including men and women, Whites, Blacks, and Hispanics, low income, middle income, and high income youth and high school students, high school dropouts, and high school graduates. However, younger teens (16-17), high school students, males, dropouts, and low income youth were the most adversely affected. The sharp decline in teen employment in our state has taken place in both the year round and summer labor markets. Year round jobs are most beneficial in raising the longer-term employment and earnings of teens.

There are a number of key features of the Connecting Activities and YouthWorks programs that add to their attractiveness as workforce development strategies for the state's teens.

First, the funds provided to support Connecting Activities Programs help provide both year-round and summer internship opportunities for high school students, and YouthWorks was recently expanded to include year-round as well as summer job

opportunities for program participants. Last year, over 14,700 high school students were provided internship under Connecting Activities and 235 teachers participated in externships. National, state, and local research over the past two decades has shown that high school teens obtain more substantial long term employment and earnings gains from working in jobs during the entire year than simply during the summer months. Year-round jobs provide more cumulative work experience and offer greater opportunities for learning new skills.

Second, unlike the WIA-funded summer youth employment program, which was desirably brought back to life under the American Recovery and Reinvestment Act of 2009, participation in the Connecting Activities program is not restricted to economically disadvantaged youth. The existing YouthWorks program allows youth with family incomes under 200% of the poverty line to participate, and there are no income eligibility restrictions under the Connecting Activities program. Many low to low middle income high school students have faced severe difficulties finding jobs in our state in the past few years and could benefit from participation in Connecting Activities and YouthWorks programs.

Third, the Connecting Activities program, in particular, provides youth with access to a wide array of jobs in the private-for-profit sector as well as the non-profit and public sector while employment in the WIA summer jobs program is restricted to public sector employers and non-profit agencies. In the past year alone students were provided internships with 5,624 employers across the state in a wide array of industries, including many in which the state's teens are substantially under-represented. Opportunities to learn new skills and acquire the soft employability skills have typically been found to be greater in jobs in private-for-profit firms.

The national and state recessions have taken a severe toll on job opportunities for teens and young adults in our state over the past 18 months. National economic forecasters and Ben Bernanke, the Chair of the Federal Reserve Board of Governors, have recently projected that the national recession will come to an end by the late fall, but

that the economic recovery beginning in 2010 will be quite modest. Since teen employment typically lags the recovery of overall employment by at least one to two years, teen employment will not likely begin to recover to any substantive degree until 2012, generating large losses in their preparations for the world of work. The Massachusetts legislature and the Governor should prioritize these investments in our young people's future in the budget for FY 2010.