TAKING STOCK:

A REVIEW OF U.S.YOUTH EMPLOYMENT POLICY AND PROSPECTS

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1. Introduction

Describing his image of youngsters working in the fishing industry in Maine at the turn of the century, the photographer Lewis Hines wrote:

> Fish cutters at a Canning Co in Maine. Ages range from 7 to 12. They live near the factory. The 7-year-old boy in front, Byron Hamilton, has a badly cut finger but helps his brother regularly. Behind him is his brother George, age 11, who cut his finger half off while working. Ralph, on the left, displays his knife and also a badly cut finger. They and many youngsters said they were always cutting themselves. George earns a dollar some days usually 75 cents. Some of the others say they earn a $1 when they work all day. At times they start at 7 a.m. and work all day until midnight.

Contrast this with a different picture of youth in 2001, in a *New York Times* op-ed piece about the barriers to employing youth in the United States:

> Good economic times were not enough to lift dropouts out of the unemployment trough . . .[Y]oung adults with limited formal schooling . . .faced substantial barriers to employment even in a national full employment labor market environment . . .
>
> The worse news is that the population of 16-to 24-year-olds in the US is expected to grow at an above average rate for the next decade. Much of the increase will come from the very groups that at the moment are struggling in terms of education and employment, especially blacks, Hispanics and young immigrants.

For both quotes some context is useful. Hines' picture and description came at the end of a period when some 35 states already had (though not with much federal support) put laws into place limiting the excesses of child labor. The concern about the risks of unregulated workplaces was already diminishing, a result of legislation and the widening requirement for universal, publicly supported education.

The second quote too comes toward the end of a phase—but a very different one. As Bob Herbert notes, we have moved past the peak of a historical era of national full employment—one that especially favored young people. Yet, he argues, the rising tide has failed to raise the prospects for a core segment of the youth population. And their numbers are about to swell with a rising new cadre of young people, many of them poor, poorly educated, minority and immigrant.

With the experience of a century that has witnessed sweeping changes in the workplace, no sensible person would countenance a return to the exploitive

sweatshop settings of the 19th century. And reflexively, most would agree with Mr. Herbert that the nation can ill afford to stand by while hundreds of thousands of young people are shut out of jobs and useful futures.

He strikes a chord because work is a defining personal characteristic, a way for everyone to achieve a legitimate place in society. In the U.S., this notion is colored by an implicit belief that, with individual dedication, effort and hard work anyone can transcend her or his background and limitations, and reach Horatio Alger-levels of success.

Increasingly, though, the U.S. economy demands of its workers skills, knowledge and education. Education and a continuing capacity to learn are no longer merely important—they are essential. To enter the workplace without requisite skills and learning, and lose time in extended joblessness, is no longer a handicap, but rather a virtual disbarment from participating in the labor force and the larger society. Unemployed and under-educated youth thus face serious long-term risks and the prospect of considerable hardship.

While that prompts an emotional response, there is also a core policy issue in this concern. Unproductive young people also burden society. They must be supported financially (by families or public sources), their children frequently must also be provided for, and disproportionately these youth will be involved in substance abuse and crime, adding to the social and institutional expenses the rest of us must defray through our taxes.[1]

These are legitimate and clear-cut causes for unease. However, determining the extent of the underlying issues that gives rise to them, and deciding on the best ways to turn those concerns into policies and actions, are complex issues, which we propose to explore in this paper. Three questions are prominent:

1. How do we define the youth employment problem?

2. What have been the history and success of policy efforts to respond to it?

3. What do history and experience suggest as the most appropriate and feasible policies to pursue?

and these are discussed in the following sections.

2. Defining the issue: three perspectives

"Youth," in the context of policy discussion, has often been used as an imprecise and elastic term of art. While this has decided benefits for rhetoric and advocacy (We routinely proclaim youth as "the future of our nation" and decry the plight of jobless "youth"), it leads to messiness from a policy perspective. In the context of employment policy, "youth" has been a varying set of demographic categories:

14-15 year-olds (who will be little discussed in this paper); 16-19 year olds; 18-24 year olds; "older" youth and "younger" youth; or "in-school" and "out-of-school" youth [2]

No attempt will be made here to settle definitional questions. In the presentation that follows, the categories and groupings will reflect available source data from the Bureau of Labor Statistics and from the U.S. Department of Education. For the most part the discussion focuses on youth between the ages of 16-24, with October 2000 used as a reference point. It was chosen because 2000 marked a relative high-water mark in economic activity (and thus labor market opportunity), and also because it was possible to incorporate data from a comprehensive study of school leaving issued by the Education Department.

1. Basic Demographics. In October 2000 approximately 140 million Americans (out of a civilian population, 16 and older, of roughly 210 million), were classified as being in the workforce[3]. Of those workers, roughly 20 million were aged 16-24, out of a total population of roughly 35 million. Nearly half of the 20 million was enrolled in school (many of them worked as well as attended).

TABLE 1: Basic Labor Force Demographics, October 2000

Number of workers (000s)	
Population, 16 and older	210,378
Civilian Labor Force	140,893
Number Employed	135,771
Employed, 20 and older	128,799
Population, 16-24	34,530
Employed, 16-24	20,566
Employed, 16-19	6,972
Employed, 20-24	13,541
Unemployment Rates (%)	
Total, 16 and older	3.6
20 and older	3.1
16-24	8.4
16-19	12.4
20-24	6.3

Source: Bureau of Labor Statistics, The Employment Situation and Employment and Earnings

NOTE: Since two different data sources were used to compile this table, the rates may reflect slight disparities in underlying counts.

A total of about 4 million of the 35 million or so young people were (as will be detailed below) neither working nor in school. At the same time, though, some 18 million of them were working (a number that normally swells by more than 2

million during the summer); about 1.9 million were unemployed and seeking work.

Over the next two decades, following a short-lived decline in share, young people are expected again to increase as a proportion of the overall population, and hence also of the labor force. The increase, census projections suggest, will be modest in overall scale. However, dramatic change expected is in the ethnic composition of the population. The growth rate of the Hispanic population, fueled both by in-migration and high birth rates, is expected to continue. Somewhere between 2010 and 2020, the Hispanic youth cohort, is expected to grow larger than the corresponding Black cohort.

It seems clear that changes in the political landscape will result from this demographic shift. In particular, in such states as California and Texas, where in-migration will continue to be intense, changes in demographic patterns will be sharply evident. For youth and the labor force, the growing fraction of youth who may be English-language-deficient is certain to add to the challenges already faced by public education systems, in those states and elsewhere.

2. Labor Force Attachment and Inactivity Table 2, showing data for October 2001, presents a pattern that, with modest cyclical variation, has been seen over much of the last three decades.

Table 2 Unemployment Rates, Selected Age and Racial Categories, October 2000

	Age	Unemployment Rate (%)
Total	16 and older	3.6
	16-24	8.4
	16-19	12.4
	20-24	6.3
White	16 and older	3.1
	16-24	7.2
	16-19	10.8
	20-24	5.2
Black	16 and older	7.0
	16-24	16.5
	16-19	23.7
	20-24	13.1
Hispanic	16 and older	4.9
	16-24	8.2
	16-19	12.5
	20-24	6.2

Source: Bureau of Labor Statistics, *Employment Situation* and *Employment and Earnings*

Note: Since two different data sources were used to compile this table, the rates may reflect slight disparities in underlying counts.

Several basic patterns should be stressed. The most salient is that unemployment rates routinely are higher for young people than for the adult population in general. The reasons for this are straightforward. Young people have less need to work than adults, are more likely to be working temporarily, informally, or part-time (particularly those in school), and are more likely to be moving through a variety of jobs; hence their attachment to the labor market is more volatile.

In addition, for young people—particularly those in the 16-19 year old segment—entry into the labor market has an experimental flavor. They may (in some cases willingly, in others not) try out a variety of jobs until they find themselves attracted to a particular occupation or setting. Add to this the fact that young people, even those past high-school age, are far less likely to have stringent fiscal obligations—most still are not parents, and may be living with family—and

therefore have the latitude to leave jobs that they find uninteresting, seek others, or remain unemployed.

The figures in the table bear this out. Consistently—across ethnic groups—16-19 year olds have higher unemployment rates. The older segment, 20 to 24, continues to experience higher than average unemployment, but at a rate far lower than the younger cohort, indeed beginning to approach the rates of the working population in general. This reflects not just greater personal stability and increasing assumption of financial burden, but also the fact that this segment also includes recent college graduates, and a higher proportion of high school graduates than the one below it.

The second pattern—again, hardly novel—is that unemployment affects different racial groups differently. Indeed, the pattern in the October figures shown above can be found at any point in time over the past 30 years. White unemployment rates are lowest, Black rates are highest, and Hispanic rates fall somewhere in between, usually toward the low side.

These numbers suggest the existence of serious and chronic problems for particular segments of the youth population. The unemployment rate for younger (16-19 year old) black youth, at almost 30 percent, does indeed seem to warrant the concern of youth advocates. The concern is further warranted by an additional factor. Unemployment has a spatial as well as an ethnic dimension; low-income neighborhoods in many large cities may experience unemployment with rates that exceed 40 percent.[4]

The variable incidence of unemployment is indeed a chronic issue, one, however, with multiple dimensions and causes. Though it routinely figures in discussions of the labor force and employment, it oversimplifies the matter to categorize it as fundamentally an employment problem. Joblessness may, in many cases, be related to other, more intractable problems: poverty, immigrant status, poor education, geographic accessibility of jobs, etc.

In fact, simply from the standpoint of numbers, unemployment occurs overwhelmingly among the majority White population in the United States. Some 2.2 million 18-24 year-olds were unemployed in October. Of those, more than 1.7 million were White, the remainder Black and Hispanic.[5]

There is also evidence that unemployment is related to school status. Somewhat surprisingly, 18-24 year-old youth who are enrolled in school experience lower rates of unemployment than those not in school. This pattern, shown in Table 3, holds true for all races, as well as sub-groups within the youth population.

Table 3: Unemployment Rates for 18-24 year olds, by race and school status, October 2000

		Numbers (000s)		Unemployment Rates (%)		
	Age Group	Labor Force	No. Unemployed	In-School	Out of School	Combined Rate
Total	**16-24**	20,248	2,240	9.6	11.8	11.1
	16-19	7,745	1,283	12.6	23.8	16.6
	20-24	14,502	1,257	6.1	9.6	8.7
White	**16-24**	18,453	1,710	8.2	10.0	9.3
	16-19	6,537	819	10.7	16.0	12.5
	20-24	11,856	872	5.2	8.2	7.4
Black	**16-24**	2,614	597	19.8	24.6	22.8
	16-19	898	266	25.1	36.3	29.6
	20-24	1,937	331	12.6	18.5	17.1
Hispanic	**16-24**	3,433	423	12.3	10.8	12.3
	16-19	1,165	225	17.2	18.2	19.3
	20-24	2,068	198	5.6	9.3	9.6

Source: Bureau of Labor Statistics, Employment and Earnings

What may seem natural, at first thought, is the presumption that young people enrolled in school would find it harder to find and hold jobs because of their school-related responsibilities. The opposite, however, seems true, and resonates with other findings (discussed below) suggesting that school attachment is a vital factor in both the short- and long-term success young people achieve in the workplace.

A final measure of labor force activity—which some experts find as revealing as unemployment—is the number of young people who are inactive, i.e. those who are unemployed, not participating in the labor force, and also not participating in school. These figures, for various racial and age segments, are displayed in Table 4.

Table 4. Youth who neither are working nor in school, numbers and inactivity rates, October 1995 and 2000[6]

	AGE	October, 2000		October, 1995	
		Number (000s)	Percent of Labor Force	Number (000s)	Percent of Labor Force
Total	16-24	4,031	11.7	4,524	14.1
	16-19	1,344	8.4	1,424	9.7
	20-24	2,689	14.5	3,100	17.5
White	16-24	2,841	10.3	3,210	12.5
	16-19	900	7.1	1,002	8.7
	20-24	1,941	13.1	2,205	15.6
Black	16-24	1,027	19.8	1,063	22.0
	16-19	393	16.0	334	14.5
	20-24	633	23.3	729	28.8
Hispanic	16-24	888	17.0	1,040	23.2
	16-19	298	12.7	242	13.5
	20-24	590	20.5	698	27.0

Source: Bureau of Labor Statistics, *Employment and Earnings,* author's tabulations

One point to note is that both the inactivity rate and the absolute numbers of inactive youth are lower now than five years ago. Indeed, for the 16-24 year-old cohort, the absolute numbers and the inactivity rates have both fallen steadily since 1980. The decline shown in Table 4 suggests that, to some degree, the economic boom of the past decade did benefit young people, though it is unclear how long those benefits will persist if a long-term downturn were to occur.

However, the numbers in Table 4 also reflect the pattern seen earlier: the rates are most favorable for Whites, least so for Blacks and Hispanics. Of particular concern are the strikingly high inactivity rates for non-White youth: almost one in four was inactive, even in the strong economic climate of 2000, suggesting that these young people failed to experience significant benefit from the robust economy of the 1990s. And it should be noted that almost one in ten 16-19 year-olds nationally were inactive—a disquieting fraction among a segment that, for the most part, would be expected to be in school.

Common sense suggests that the 16-24 age range is one in which, at any given point, many young people might register as "idle," as they make transitions into and out of school, into and out of the labor market, often with support from

families and friends, that seldom have long-term consequences. Put another way, there is an inherent "frictional" dynamic—not necessarily bad in itself—that needs to be understood and recognized in a balanced perspective about youth employment issues.

Putting it this way is not meant to trivialize the plight of many young people who do fall into that category, who are disproportionately represented because of race, may have been there involuntarily for many months, and who in some cases may indeed have drifted into routines of crime and substance abuse. That segment of the population does seem to call for policies and programs to diminish their numbers, or provide alternatives to idleness.

The larger point to stress, though, is that the youth population's connection to the labor market is fairly dynamic. We need far richer information, and the capacity for more refined interpretations than we now routinely get in order to get a precise handle on the reasons, extent, duration and depth of youth connections to and disconnections from the labor market.

3. School Attachment and Completion. Research has consistently shown the decisive importance of both school attachment and school completion in the employment prospects of young people. A complete review of that work is beyond the scope of this paper, yet several summary findings make a persuasive case:

- There are consistent and lasting "returns to education" in the form of higher wages and more sustained employment. Over both the short and the long term, school dropouts earn significantly less than high school completers, who in turn earn less than those completing post-secondary education.

- Completion of a bachelor's degree reduces (though it does not eliminate) wage disparities experienced by Black and Hispanic workers.

- Attachment to school among 18-24 year olds is associated with higher rather than lower rates of employment.

- Education begets further training: employer-sponsored education training—key to success in a rapidly changing economy—goes disproportionately to those with more education, rather than less.

The centrality of education, therefore, makes it an essential dimension of the youth employment situation.

The rates of school leaving nationally have been falling slowly though not steadily over the past two decades. Concern about these rates, it should be noted, is by historical standards comparatively recent. Through the 30s and 40s completion

of eighth grade was considered adequate for boys. It was in the 60s that high school completion became a fairly standard expectation, and in the 70s when the realization crystallized that the expectation was not always being met.

There are two numerical dimensions to the issue. First—the dynamic question—how many young people move out each year, at what rate, and what is the rate of return? Second, how large is the pool of school leavers—particularly those without a diploma—at any time?

The first issue is addressed by what are called "event" dropout rates, the percentage of 15-24 year olds enrolled in grades nine or higher in October of one year who are no longer enrolled the next. Table 5 shows selected rates, along with the numbers involved, for selected subgroups in October 2000.

Table 5. Event Dropout Rates and Numbers of Youth, October 2000

Subgroup	Dropout Rate (%)	Number (000s)
Total	4.8	488
Male	5.5	280
Female	4.1	208
Non Hispanic	4.1	276
Black, Non-Hispanic	6.1	91
Hispanic	7.4	100
Asian/Pacific Islander	3.5	13
Low Income Family	10.0	141
High Income Family	1.6	48
Aged15-16	2.9	84
Aged 20-24	16.1	49

Source: National Center for Education Statistics, *Dropout Rates in the United States: 2000*

By October 2000, about 488,000 young people enrolled in high school the previous year had left. Over the past decade, the number ranged between 347,000 and 588,000. The overall rate, down from 6.0 percent since 1980, has hovered during the past decade between 4.5 and 5.0 percent. It is unclear whether this should be regarded as a steady-state level, whether further declines will occur (particularly as the importance of a high-school diploma becomes more widely recognized) or whether the rate will increase, as widespread institution of standardized testing encourages poor-performing students to leave.

Consistent with earlier data for labor force activity, these rates show variation by race. In the case of dropout behavior, it is Hispanics, and not Blacks, whose rate is most unfavorable (accounted for, in part, by high school leaving among immigrants). As the absolute numbers of Hispanics in the U.S. increases over the next two decades, the numbers of young Hispanics out of school will grow dramatically.

Two other points should be noted. One is that, while the rate for 15- and 16-year-olds is comparatively low, the numbers are considerable. In fact, one in six dropouts, the table shows, are in this youngest group. The second point, clearly reflected in the table, is that family income significantly affects the decision to drop out.

Event dropout rates in a sense reflect the "flow" of young people out of school. There they join others like them—a "stock" of young people currently unattached to school and without diplomas. The magnitude of this stock is reflected in a second statistic, the "status dropout rate," which measures the fraction of all 16-24 year olds (working or not) who are out of school who lack a high school diploma. The pattern here is consistent with that found for "event" rates. The figures for October 2000 are shown in Table 6.

Table 6 Status Dropout Rates, October 2000

Subgroup	Rate (%)	Number (000s)
Total	10.9	3,776
Male	12.0	2,082
Female	9.9	1,694
White (non Hispanic)	6.9	1,564
Black (non-Hispanic)	13.1	663
Hispanic	27.8	1,456
16 Year Olds	3.9	153
20-24 Year Olds	12.4	2,304

Source: National Center for Education Statistics, *Dropout Rates in the United States: 2000*

Though there have been small declines over the past two decades, the rates have been relatively constant over the past decade. About 11 percent of the 16-24 year old population annually has held this status—generally more than 3 million youngsters.

Examining this table in light of the one preceding permits several useful inferences. First, it indicates that older youth dominate this status cohort. Some 2.3 million 20-24 year olds in the subject month were out of school without a diploma, more than 60 percent of the total. Disproportionately, the numbers suggest, this segment is also likely to be male and Hispanic. 16 Year olds constitute only 4 percent of the total (and together with 17 year olds, only 12 percent).

What this suggests, though, is a kind of "core": an older population of 20-24 year olds, with (as Table 5 suggests) a high propensity to leave school if they are attending, and who lack a high school diploma. Some of these young people may be working, to be sure, but lacking the fundamental credential, their longer-term prospects in the labor market are, other evidence suggests, unpromising.

Hence an issue of importance is this: offsetting the "flow" of youngsters out of school, how many who have dropped out of school re-enter? The answer to this question is less straightforward than for the previous ones, and draws on information of three kinds.

First, what are the patterns of subsequent attainment of those who drop out? Longitudinal survey information provides the best answer. The National Educational Longitudinal Survey (NELS) of 1988 eighth graders indicates that by 1994, 16 percent of those who dropped out had completed a high school diploma, 29 percent had completed a GED, 24 percent were working on a diploma or GED, and 32 percent had no credential and were taking no steps to obtain one. Socio-economic status again plays a marked role in the pattern: More than three-fourths of high SES dropouts completed high school; only a third of those from low SES backgrounds did.

Second, what are the patterns of re-attachment to school? Available data suggest that those who drop out are now more likely to return to school than in the past. A comparison of 1990 and 1980 sophomore cohorts found that, within two years of dropping out, 58 percent of the 1990 cohort had returned to school within two years, compared to only 34 percent of the 1980 class.

The "bottom-line" statistic is: how many young people eventually achieve a credential? Completion rates, showing the percentage of all 18-24 year olds with either a diploma or GED, are presented for October 2000 in Table 7. The table indicates that overall 86.5 percent, or some 21.7 million young people, had at least a high school diploma. Older youth, predictably, have higher completion rates.[7]

Despite the increased importance of the diploma, though, these rates have risen only slightly in the past three decades, though the rate for Black youth has shown strong increases. Rates for Hispanics, though they have improved somewhat, remain low, a disquieting omen in view of the anticipated growth in the Hispanic population during the next two decades.

Table 7: High School Completion Rates, October 2000

Characteristic	Completion Rate	Number (000s)
TOTAL	86.5	21,743
Male	84.9	10,580
Female	88.1	11,164
White (non-Hispanic)	91.8	15,145
Black (non-Hispanic)	83.7	2,999
Hispanic	64.1	2,433
18-19	84.0	5,645
20-21	86.4	6,359
22-24	88.1	9,739

Source: National Center for Education Statistics, *Dropout Rates in the United States: 2000*

5. Some Conclusions. Drawing on several of the data presented in the preceding section, it is possible to bracket the overall magnitude of the problem. There are, to begin with, the 4 million or so 18-24 year-olds who are "inactive," neither working nor in school.[8] As suggested earlier, that number, on the face of it, is an overestimate of the problem, for it includes many young people who are voluntarily or temporarily in a transitional state.

The second criterion that seems useful is to look within that 4 million or so, and determine who among them are older and also lack a high-school diploma. A plausible cut-point is the numbers of 20-24 year olds without a diploma—about 2.3 million. Published data do not indicate how many of these youth are in school, or in an alternative track to completing a GED. It seems reasonable, then, to estimate that there may be two million or so older youth—perhaps 18-24—who are not working, not in school *and* without a degree. Such estimates may lack a rigorous justification, to be sure, but two million seems a fair starting-point for assessing the number of youth who ought to be the hub of policy concern.

Laissez-faire reviewers of the data presented in this section might well find cause for satisfaction. Out of 35 million or so 16-24 year olds, more than half were in school, well over half (not fully overlapping halves) were working, either full or part-time. Only about 12 percent were inactive, some 4 million or so youth (down by almost 500,000 from five years earlier); many of those were inactive only briefly and perhaps by choice (whether sound choice or not), while for some inactivity would admittedly be sustained, and mean hardship or unproductive idleness. School attachment, whether measured by dropping out, returning to

school or graduating, has shown improvement over time, with high school graduation rates of Black youth approaching those of Whites.

Other reviewers might perhaps regard the 4 million inactive youth as an alarmingly large number, still high despite a decade's prosperity. They might also find disquieting the 2.3 million 20-24 year olds without a diploma or credential. Assuredly, there would be concern at the strikingly high unemployment rates among Black (especially) and Hispanic youth, and at the strikingly low number of Hispanics who complete high school.

All these points, with their potentially contradictory interpretations, should figure in any informed discussion about policy regarding youth employment. Rather than taking one side or another, we prefer to present four broader, and we believe less controversial, observations.

First, the numbers above, taken in totality, suggest a dynamic process: a volatile age segment who are working, entering and leaving the labor market, entering, leaving and sometimes re-entering school settings, taking time off, as well as being in some cases left with inactivity as an unwelcome last resort. Without hazarding an opinion about how many such youth is right or justifiable, we think it important to stress that the existence of this "stock" of young people (which, encouragingly, has been gradually shrinking over two decades) is itself a kind of norm.

Rather than decrying (or defending) its magnitude, we should first concede that, in a laissez-faire economic (and social) system, there will always be a pool of inactive young people. Whether its present size is defensible from a national perspective, and what a tolerable scale of inactivity is, are questions beyond the scope of this paper.

Second, unemployment rates, though they measure an important dimension of youth activity with respect to the labor market, have limited value in assessing the youth employment problem. Overall, they indicate what common sense might predict: young people can expect to have a harder time in the labor market where they often are competing with more experienced, motivated and skilled adults. The numbers do not reveal much about the dynamics of youth entry and departure from school and the labor market, nor about the seriousness or intensity of their participation in the labor market.

What seems more useful as a policy measure is the inactivity rate, which provides a snapshot of the size, at least, of a critical segment of the youth population: those who are unattached to any critical work-related institution. This measure, used to provide a context for employment, unemployment and education status, seems to tap a more fundamental and important issue in understanding issues of youth employment.

Third, we lack critical information regarding this dynamic segment of the youth population. We are not routinely able to "age" this group, i.e. to determine what percentage has been inactive for just one or two months; or for longer (say, three to six months—a plausible indicator of serious detachment from the key institutions of school and the workplace). Nor can we routinely cross-tabulate other critical information—how many completed schooling within three months of leaving school, have been unemployed for more than six months, have been out of school for two years, etc. With such data, it would be possible to establish with greater precision the magnitude of the core population within the inactivity cohort who are most seriously at risk of failing to make a useful connection to the labor market.

The fourth point is that poor school attachment, as measured either by dropout rates or school completion rates, is a major contributor to the levels of inactivity among youth in the U.S. The conclusion, indeed, seems inescapable that much of the "high-risk" core among inactive youth are to be found among those lacking a diploma, and particularly among those 2 million plus 20-24 year olds without one.

Though the overall reasons for this are as complex and vexing as public education itself, one reality deserves to be stressed policy: national policy (especially education policy) has generally failed to acknowledge responsibility for the continuing presence of school-age young people who have left school without finishing and failed to find a suitable alternative. Consistently, the stance has been that such youngsters are temporarily absent or misguided, or a negligible issue. The learning opportunities available to them outside the school building have generally been haphazard and deficient in quality—part of the "second-chance" network to be described in the following section of the paper.

3. The Youth Second-Chance Network: A Summary of Policy and Programming

Most policy and programming expressly designed to promote the employment of youth has come from the U.S. Department of Labor. Far less prominent a participant has been the U.S. Department of Education. In this section we summarize first the key policy (i.e. legislative) measures that form the history of the second-chance field. That is followed by a discussion of the programming history and environment, with special attention on three issues: the evolution of the second-chance field; alternative education; and the phenomenon of youth development.

1. Employment Policy. The evolution of policy and programs to meet the special employment needs of youth has been both wayward and fitful. There never has been a broad, sustained belief that such programs were essential; and little agreement on what policies and programs made sense. Entering the 21st

century, we can look back to some lessons and learning, but not much coherence in goals, strategies or activities.

The policy history begins, in fact, not with youth but with adults; and not with the urban, minority jobless but instead with White rural coalminers whose jobs were vanishing as technology reduced the need for their labor. The Manpower Development and Training Act (MDTA) of 1962 was the first federal legislation to support job retraining for what, in current parlance, would be termed "displaced workers."

Within two years MDTA would assume much more of an anti-poverty slant, as the War on Poverty extended the reach of federal policy to include cities, and also to include "disadvantaged" populations: poor adults—and youth—whose lack of incomes, limited access to suburban job growth and impoverished communities hindered or prevented their access to jobs and economic security. In this early targeting of poor populations, youth were programmatically treated no differently than adults.

The Job Corps, established in 1965, was the first comprehensive response to the needs of long-term jobless youth. It featured both duration and intensity, as well as a recognition that the environmental conditions in which poor youngsters lived could themselves be a detriment to their success. Significantly, Job Corps placed a heavy emphasis on schooling, a characteristic it has retained throughout its 35 year history.

The Neighborhood Youth Corps[9], by contrast, was as much a kind of social insurance—against youthful idleness, some of whose consequences seemed to be reflected in the civil disturbances that occurred in American cities in the 60s—as it was a coherent youth program. It grew into the summer jobs program, targeting low-income young people, which until 1998 (when it ceased to be a separately funded activity) was the largest youth program in the U.S.

The successor to these programs—the Comprehensive Employment and Training Act (CETA)—became the vehicle for a significant, though short-lived, expansion of federal youth programming. This is ironic, because a central goal of CETA (passed during the Nixon Administration) was to reduce the federal presence, limit the proliferation of special-purpose programs, and devolve responsibility to states and localities for employment efforts for adults and youth.

The effect of the baby boom's entry into the labor market—a significant spike in the unemployment rate for young people--coupled with the more activist bent of the Carter Administration led to a significant national-level youth initiative. The Youth Employment Demonstration Projects Act (1977) was designed as a $1 billion initiative to combat the high rates of unemployment then being experienced as the post-war generation reached working age, and also to study

the causes of youth unemployment and the programmatic means of addressing it.

On both counts its success was modest. Though the "field" of youth employment attained, for the first and only time, an adequate and sizable organizational framework, political pressures to spend money quickly and to serve as many youth as possible thwarted establishment of a coherent, lasting, professionalized cadre of institutions. Most programs funded under the initiative were fairly traditional in nature; much of the research was either superficially designed or weakly implemented. And the pressure to spend and serve led to predictable excesses and miscues. The Reagan Administration, in 1981, ended almost all of YEDPA, and terminated most of the research activities before they could be completed.

The Job Training Partnership Act, CETA's successor, again sought to minimize the federal role, while significantly expanding that of the private sector. It represented a much-scaled-back level of programming, though with increased recognition of the distinctive needs of youth, which were reflected in a focus on "youth employment competencies," a series of workplace-oriented skills that included basic (i.e. reading and math) skills.

JTPA was in most respects, though, status-quo legislation. Its main policy tenet—that the private sector ought to have a significant role in local decisions—proved difficult to implement fully in practice, and did not in fact yield results decisively different or better than the predominantly public-sector decision-making that had gone before it.

The services it supported remained very much the traditional mix (minus publicly funded work experience, which until the late 90s became a nearly forgotten employment policy). For young people, the services were of three basic kinds. "Pre-employment" services, the staple among the three, combine some workplace orientation, job-finding skills, remedial education and job development. This package of services, aimed at immediate placement in the labor market, is brief, usually lasting no more than three months.

Classroom skills training, generally reserved for older youth (and in particular those with better educational skills), involved formal training for a specific, usually knowledge-intensive, occupation. On-the-job training programs (using federal or local funds to underwrite salary or training costs) which placed young people directly in private sector job settings, were sparingly used for young people.

Research findings on the long-term impacts of these programs have never been strong or persuasive. The Job Corps alone has compiled a consistently solid record of positive, sustained benefit. For the most part, research on other programs has shown short-term boosts in employment and earnings, which decay within 18 months.

The lackluster results of a national evaluation completed in 1991 damaged JTPA's credibility, and produced serious doubts about the effectiveness of the youth programs JTPA supported. The study found only modest effectiveness for the private-sector-led adult program, and no positive impacts on youth at all.

The current legislation (the Workforce Investment Act) reflects the fallout from that study, and the unimpressive record that preceded it. It is more modest in scale than its predecessor. Besides the Job Corps (which, alone among federally funded youth employment programs has grown over the past decade), it limits funding for youth initiatives, in particular eliminating the separate earmark for summer youth employment.

In contrast to the funding reduction, the legislation goes further than previous laws in recognizing the special needs of youth, and widening the range of supportive activities eligible for funding. It also incorporates a geographically focused component (the Youth Opportunity Program) intended to concentrate employment-related services in a number of demonstration communities throughout the U.S.

Administration and Congressional support for all of these youth programs, excepting Job Corps, is shallow. In a recessionary economy, the major legislative priorities are likely be jobless adults; the employment needs of youth will likely take a back seat.

2. Education Policy. Education is the most far-reaching and widely recognized policy governing the lives of youth in the U.S. It is far-reaching for the obvious reason: it requires transmission of a body of learning that (with considerable local debate and variation) society judges socially desirable and essential to the workplace. Just as important, perhaps, participating in public education is meant to govern the time and activities of young people, especially teenagers. Until age 18 or so, they are expected to be in school. Leaving is (up to a certain age) illegal; and it is strongly discouraged before graduation.

National education policy has, at least until the mid-90s, been concerned almost exclusively with what happens inside school buildings. As noted earlier, the phenomenon of school leaving, and the education needs of youth who departed formal schooling and failed to return, was treated largely as a measure of institutional inefficiency. The dropout rates were computed, and their existence decried. But at a national level, the responsibility to educate, and the focus on means and outcomes, traditionally has stopped just inside the school door.

The federal government has provided support for education for those out of school, mostly in the form of "adult basic education" and a scattering of other programs. The major credential for out-of-school learners who do not return to school is the General Equivalency Diploma (GED), a testing credential that, like

the SAT, is actually owned, designed, scored and standardized by a non-profit entity (the American Council on Education).[10]

One major departure from this stance came in the "school-to-work" movement, culminating in passage of the School to Work Opportunities Act (1989). Its core purpose was to strengthen the connection between schooling and the workplace, emulating the established approach used in European countries (the German apprenticeship model in particular). Administratively, it featured a formal partnership between the Departments of Labor (with responsibility for training, employment and workplace programs) and the Department of Education.

Results were mixed and modest, for three reasons. First, its programmatic initiatives necessarily had to rely on local school districts, which, with limited exceptions, relied on traditional structures (i.e. the vocational education system), or otherwise proved unable to establish the strong connections to the business community on which success would depend. Second, the legislation and its programs were too often viewed as levers for broader school reform. By opening the schoolroom doors to private sector scrutiny, advocates believed, change and improvement would come about. In fact, with comparatively modest funding and a relatively short life (the legislation was "sunset" in 2001), the new program had little chance even to achieve its narrow stated aims.

Finally, the program failed to generate strategies to reach and assist those students who were already doing poorly in school. To satisfy the private sector's justifiable desire to employ the best workers available, many school-to-work programs favored better-performing over worse-performing students.[11] And school-to-work initiatives, since they were operated in school buildings, provided no direct assistance at all to young people who had dropped out.

3. The second-chance network. Since the passage of CETA, in 1973, local governments have had the primary responsibility for planning and spending funds for employment programs both for adults and young people. The network of service providers varied from city to city. Typically, however, it included community-based organizations (some, like Opportunities Industrialization Centers or the Urban League, affiliates of their own national network), community colleges, chambers of commerce, for-profit and non-profit training organizations.[12]

Summer youth employment programs are similarly decentralized in operation: local non-profits and public agencies contract with the central job training agency to employ small numbers of youth for specific purposes. Though a handful of youth-focused national affiliate organizations do exist (Jobs for Youth, WAVE) which have installed local programs in selected cities, generally focused on rapid job attainment, the second-chance program network is overwhelmingly local in nature.

Over the past two decades funding for these programs, and for the networks that provide them, has been on the wane. There are no nationally recognized professional standards for "youth workers," though efforts to create them are underway; staff salaries remain low (and turnover consequently high), and in most communities the network of service providers has little coherence or visibility.

One legacy of the Job Training Partnership Act has been an emphasis on performance standards that typically (if sometimes obliquely) emphasize "least-cost" principles. As a consequence, much youth employment programming has concentrated on short-term employment readiness and rapid placement in jobs, usually at entry level. Only with the passage of the recent Workforce Investment Act (WIA) has that emphasis been changed, to a push for more "year-round" services. In some localities, however, it has been difficult to find service providers willing enough or creative enough to provide such sustained and intensive regimens.

While the great bulk of programming is modest in quality, individual examples of meritorious and promising programs do exist. The National Youth Employment Coalition, in cooperation with the U.S. Department of Labor, has sponsored a quality recognition program to identify youth programs that meet plausible standards for operational quality. About 75 such programs, nationwide, have been cited in five years.

Perhaps because it has been consistently underfunded, with consequently short time horizons, the field as a whole has had a quite limited strategic perspective. Its rhetoric has focused on "solving" the youth employment problem (an unlikely and perhaps unworkable outcome, as the analysis in the preceding section of this paper suggests). The second-chance field, with few standards for quality or performance, and little professionalization, remains a small and marginal network.

4. Alternative Education. Common to almost all the programs in the second-chance field has been recognition that their young clients need educational help. Since MDTA (the first Labor Department program to address youth unemployment), job training legislation has formally required educational assistance and instruction as part of youth programming.

This posed a considerable challenge. Many of the young people who found their way to these programs had already left school, and arrived with little appetite for resuming their education. Many had been left back, and may have been out of school for a year or more. Thus their educational levels were diverse, their instructional needs extensive and idiosyncratic.

The responsibility to meet this challenge fell to a second-chance field whose capacity was historically limited. Responses of four kinds typically resulted:

- Ad hoc instructional programs, often developed with minimal professional guidance, and often staffed by uncertified staff;

- Reliance on literacy, adult basic education[13] or GED programs, often conducted by community colleges or local night schools;

- The creation of "alternative schools," limited in number and usually unaffiliated with public education, which sought to provide instruction with greater consistency and sophistication than the ad hoc programs.

- De novo instructional packages developed and marketed nationally, many involving the use of computers, or computer assisted instructional systems.

Thus what is currently referred to as "alternative education" is in fact an uneven collection of programs and program pieces, of varied design, even more varied quality, and generally limited effectiveness. The yield from this effort has been unimpressive. Most youth employment practitioners concede that, in a weak field, education is by far the weakest link.

What has contributed heavily to this failure is the tepid interest taken in the problem by public education. Both in its legislative framework and in its practice, public education gave only the most limited attention to the phenomenon of unschooled youth. The need is considerable, yet public education at most levels and in most communities has permitted the second-chance field to go it alone.

That indifference left a weak network, largely unguided, to respond to the educational needs of some of the most difficult and challenging young students—who, critics would argue, public education itself had failed to serve. Not surprisingly, the results have been unimpressive. And lacking coherent support, alternative education over the past twenty years has evolved little as an enterprise, and only sporadically produced strong results.

Three factors suggest some encouraging change to this state of affairs. Practitioners in the field have, with foundation support, undertaken an effort (still largely informal) to bring some coherence and quality standards to their work. The nexus of this effort, a working committee called the Austin Group, is developing a set of program assessment standards, governing management, staffing and curriculum, to be promulgated among a wider group of practitioners. At the same time, they are also beginning to develop a database of effective curricula to serve as a resource for other practitioners in the field.

Second, the U.S. Department of Education's involvement has widened, slightly. Its Community Learning Centers initiative (now involving more than 6000 schools across the U.S.) focuses on after-school programming for young people, as well

as continuing education for adults. That focus has created increased need for curriculum and instructional support for students (both youth and adults) that have non-traditional learning needs.

Finally, the slow growth of charter schools—which are a prominent feature of the new education legislation—holds promise as a strategy for strengthening instruction and learning for youth who have left school. In particular, a small number of more sophisticated youth programs (discussed in the following section of the paper) have established charter schools expressly to serve the out-of-school youth who are their main clients.

Charter schools are likely to benefit under the current federal administration. Their spread may provide the beginnings of an institutional network that has legitimate standing in the public education world, and that has the capacity to serve the educational needs of uncredentialed, out of school youth far better than the current cluster of second-chance educational programs.

5. The Youth Development Movement. As noted earlier, the original blueprints for youth employment initiatives were programs for adults. For much of the past 35 years, employment programs routinely enrolled both adults and youth together, and in practice did not differentiate among them. "Youth-only" programs (not counting the Job Corps and the Summer Youth Employment Program) evolved slowly within a program framework built around the needs of jobless adults.

The past decade has produced a useful corrective movement. Through the work of a number of advocacy organizations, the importance of recognizing and accommodating the dynamics of adolescent growth and development has become widely recognized by practitioners in the field.

On the face of it, this may sound like a belated grasp of the obvious. The fact is, however, that the second-chance youth network remains fairly unsophisticated and unprofessionalized. As noted previously, low salaries and unstable funding have limited the appeal of "youth-work" as a profession. Hiring standards remain haphazard, and only casual attention is paid to what qualifications might be useful for working with young people.

The youth development movement in great part, then, was a measure of the field's limited sophistication. Its concrete value has been two-fold. First, it has helped to crystallize, on a broad level, agreement about effective principles for creating program environments that will attract, engage and hold young people, and that will help to identify goals and activities that are developmentally appropriate for them.

Second, it has established a partial basis for hiring, training and professionalizing staff. Formal training curricula, such as that developed by the Center for Youth

Development, have been adopted (though not yet widely) by a variety of youth organizations for use with existing and new staff.

A larger benefit is that "youth development" offers a broad organizing principle for rethinking policy regarding youth. Several large cities, for instance, have established youth development centers as vehicles for rationalizing programs and funding that, from a variety of different sources, is all intended to serve youth. The Workforce Investment Act, discussed earlier, actually incorporates "youth development" into legislative language; its program regulations expressly promote mentoring and other developmentally rooted activities.

The potential for this kind of policy thinking, however, seems limited. Youth development advocates argue that the U.S. needs to fundamentally rethink—and significantly expand—the support and resources it affords youth. They envision a rich network of institutions and programs that would promote the growth and development of youth at every stage. In effect, this would make youth development not a guide to practice, but a policy in and of itself.

That is unlikely to occur. Limited rather than expansive policies are the norm in the U.S. It is hard to find strong sentiment that the nation is failing its teenagers on a broad scale, and there consequently is no real impetus to widen the policy reach.

In addition, this broad thinking deflects attention from the very real weaknesses and limitations in the existing second-chance network. Youth development continues to serve as a corrective and enrichment for a set of programs badly in need of professional and practice standards. Until the current network achieves a semblance of credibility and effectiveness, it seems premature to argue for extending the field even further.

4. The rationale for policy

Thirty plus years of public expenditure and effort have produced, in the end, a fragile and haphazard skeleton of youth programs and initiatives. Its strongest feature is the Job Corps, outside of which the remaining pieces are unsystematic and weak. The youth employment "problem" they are arrayed to meet has been only marginally affected by the existence of this network.

It might seem reasonable, in light of the limited success of the second-chance employment programs over the last two to three decades, to argue that nothing should be done—that a policy which has produced such modest results ought not to be continued.

It seems probable, however, that employment programs for young people will continue to be part of the policy landscape. Work and employment, after all, remain defining qualities in society. The inactivity of a significant number of

young people, and within that group a core number who face considerable barriers in becoming productive workers, will continue to produce investments in some version of a second-chance network. Even in light of the historic parsimony of U.S. social policy, it seems inevitable that such programs will continue to be supported.

It also seems likely that funding for out-of-school youth will continue to lack much of an advocacy base. That makes it extremely unlikely that significant expansion of this kind of programming will occur, either in terms of the resources provided or the scope of intervention that is permitted. The policy balance, we would argue, will reflect constrained support for these programs, and continuing pressure for them to justify themselves.

The pivotal question, then, is this: what kinds of investments in this field will return the greatest yield. A critical part of the question is this basic fact: the nation will routinely have to deal with a significant number of young people who fail to complete their education, are not in school, and face dismal prospects in the labor market. Rather than view this segment of the population as a temporary aberration, or a negligible segment that will naturally sort out its own needs and problems, it seems more reasonable to accept them as a continuing reality.

Public secondary education now loses about five percent of its upper-grade students annually. Presumably that percentage could be lowered somewhat (and, as argued below, lowering it should be an important policy priority). How much is debatable. The possibility of reducing it to near zero, however, seems remote.

Some fraction of young people, whether for reasons justifiable or not, are apt to leave school, and some fraction of them in turn will not return—or will do so slowly. That should be a normal expectation. And as such, it should prompt a set of policies that both seek to minimize the number of leavers and to assure that, for those who do leave, institutions and pathways exist to keep credible and legitimate schooling options within their reach.

Such options will require far richer and more current data about the youth themselves. Either more extensive survey data collection, or more frequent and detailed special studies than currently are done are needed. One approach that should be explored is to better integrate data now collected separately by the Census Bureau (the CPS) and the Department of Education (holder of by far the largest repository of school- and youth-related data). Better information would permit far more precise identification of core groups most at risk of labor market failure, as well as clearer understanding of the dynamics of youths' movement into and out of both school and the labor market.

It also seems appropriate to center policy thinking on a fundamental, critical goal: to reduce the size of the "inactivity" rate in the youth population. As has been argued, it is neither feasible nor particularly desirable to eliminate youth inactivity. A society disinclined to push for socially obtrusive policies must implicitly countenance certain kinds, or particular phases, of inactivity among young people.

Clearly some manifestations or levels of inactivity are undesirable, and it is clearly useful to shrink some segments of the inactive youth population. For instance, there is little to object to in seeking to reduce the number of 20-year olds without diplomas who are not working, or the number of 18-year olds with high school degrees who are not in school and have not worked for more than six months.

Over time, understanding of and balanced policy attention to rationalizing inactivity rates among youth appear to offer a far more cogent perspective than the fairly narrow focus on employment/unemployment that has driven much policy over the past three decades. Using inactivity as a broad calculus also creates a mode of policy thinking that spans (and hopefully can help to bring together) both education and the existing second-chance youth network.

5. Recommendations

A. Increasing School Attachment

Our first recommendation is to substantially intensify efforts to reduce the number of youth who leave school. Disproportionately, those young people contribute to the most worrisome segments of the inactive youth population. Simply keeping more youth connected to education would go a long way toward reducing undesirable levels of inactivity.

The most obvious way to achieve this is to keep more youngsters in school. This means continued improvements within public education that make schooling more attractive and relevant to more and more youth, and thus increase their motivation to remain and finish.

While much of the improvement necessarily focuses on teaching, curriculum, instruction and school organization, it seems important also for the school-career connection to be more energetically emphasized. Our recommendation is that the private sector be recruited to assist in this effort.

There are two specific initiatives worth considering. One is to develop stronger career guidance and exposure programs targeting middle school students, that are supported and/or operated by local businesses. Research suggests that middle school is the stage when young people most need information about the

range of career opportunities available to them, and can significantly benefit from reinforcement of the link between learning and earning.

A related initiative would target high school students, and would involve business-designed and conducted "labor market experience" sessions. Its goal would be to ensure that every student gets an opportunity to learn first-hand how business and the job market work; to learn about the expectations (particularly educational expectations) of prospective employees; and to explore opportunities for blending work and continued education after high school.

The specific elements of such an initiative—employer lectures, work-study, job shadows, internships—already are in use, but far from systematically. A broad-based demonstration project that incorporated these tools into comprehensive, business-led partnerships seems appropriate

Such an initiative would demand changed behavior on the part of both local schools and local businesses. Chambers of commerce, which are both ubiquitous and frequently a source of criticism regarding the preparation of high school students, might be enlisted as local leadership agencies for such partnerships.

B. Creating and strengthening alternatives to formal schooling

Complementary to the goal of keeping youth in school is to prevent their being officially detached from credentialed education when they do elect to leave traditional education settings. Explicit support for formal, temporary "school leaves" is a partial solution. However, the decision to leave school is often a gradual or unscheduled (and often unrecorded) process, one that may not register on school rolls for many months after the departure.

One solution is to create attractive, school-sanctioned alternatives that young people, who find themselves temporarily or permanently ill-suited for the normal institutional environment of a public school, could select. Charter schools, which combine the alternative setting with the legitimacy of public education (i.e. they are degree-granting, and the degrees have equal standing with those of regular high schools), seem to be a promising institutional approach. Such schools, if they were plentiful enough, and positively sanctioned by public education, would keep youth from "leaving school" by extending and varying the institutional network that constitutes "schooling".

These institutional alternatives should also provide "reentry" paths for young people who leave school, and later seek ways of returning. The "twilight school" model, essentially a separate instructional setting for older youth seeking to earn a degree, represents one such option. Particularly when integrated with "community schools," twilight programs offer youth without credentials a venue

that will permit them to take a diploma that has the formal recognition of the public schools.

C. Enhancing the Second-Chance System

There is a clear need to create a more focused and effective system of second-chance programs. The system proposed here is fairly simple and lean, builds on the existing framework, and seeks to achieve three main purposes—all related to the theme of minimizing inactivity among youth:

1. To support rapid labor force attachment for young people, with or without degrees, who want to work;

2. To provide comprehensive, sustained support and services to young people facing substantial barriers to employment (long-term disconnection from school, early parenting, extended joblessness, prior criminal involvement);

3. To offer a range of connections to educational opportunities, and at all times to encourage young people to use them.

These, in essence, are the nominal purposes of the current network of programs. It has fallen short in achieving them, in part because the field has always been adjunct and marginally funded; in part because it has lacked the educational resources it needs to do its job; and in part because the succession of legislation that produced and supported it has had shifting and sometimes contradictory emphases.

The system envisioned here is deliberatively parsimonious in design. Organizations providing two basic service types are proposed.[14] The first, exemplified in programs such as Jobs for Youth, would offer intensive but short-term **workplace training and job search assistance,** followed by quick connection to a job. Its major target group would be younger (16 to 19 year old) youth, with or without diplomas or other credentials, who have decided that they want to forego schooling and work instead—at least for the short term.

Such programs might require that young people must also go to school in order to get help. Most certainly, they would provide extensive information and continuing, intensive encouragement to young people to rejoin school (in some setting) or to go on with their education. However, their main purpose would be to ensure a smooth and quick connection to the job market for young people who want it.

The second service strategy would target youth whose disconnections from school and work are extensive, and would focus on providing **structure,**

sustained involvement, intensive educational or work experience, and extensive personal support. The existing Job Corps programs are a key model and an important resource—one that, in addition, has a long and fairly stable funding and organizational history. Expanding upon they national system of Job Corps centers (and, possibly, exploring variations in the intensity and range of environmental features in these Centers) represents an important and persuasive policy step.

Two quite related program models also appear promising. One is youth service corps, of which there are roughly 120 or so nationally. The majority of these programs, that feature stays lasting up to a year, target jobless youth, and offer intensive educational services, stipended work experience (much of it in fee-for-service jobs in local communities) and courses that emphasize personal growth, decision-making and later connection to the labor market. Basic education is heavily emphasized; indeed, youth corps have been among a handful of programs that have undertaken to start charter schools to meet the educational needs of their client youth.

A similar model is YouthBuild, a national program model with affiliates in more than 150 localities. Its philosophy and overall service strategy is similar to that of the youth service corps. Its work focus has usually (though not always) been housing. Like the corps, several of its local affiliates have established their own charter schools. Unlike the corps, YouthBuild gets direct funding from the federal government (approximately $65 million in the current year from the Department of Housing and Urban Development).

All these latter kinds of programs are expensive to operate (with costs for a full year stay exceeding $20,000); at best, only a modest number are likely to be fully funded on a regular basis. Demand for available slots will generally exceed the number that are available. Nonetheless, the Service Corps and YouthBuild, together with the Job Corps, constitute a viable last-chance venue for youth with difficult-to-meet social, educational and employment needs.[15]

Elements of the two-tiered system envisioned here already exist, of course, in many localities. Historically, though, the distribution of these pieces has been uneven and happenstantial, and the quality of offerings has been uneven. The haphazardness has partly contributed to the lackluster overall performance of the programs that do exist. A serious effort to build a system will need to address the issues of reliability and results.

To produce quality, consistency and performance will require three distinct steps. First, there must be adequate and stable funding. As suggested above, this does not translate into funding that putatively serves all who might need it. Instead, the aim here should be to encourage and support programs that receive predictable and consistent funding levels. Adequate funding should support

personnel and administrative expenses that attract and retain qualified, dedicated staff.

In addition, there should be a sustained effort to create and disseminate professional standards among the programs. These standards should stipulate academic credentials, substantive knowledge and skills, as well as specialized training in human services, adolescent development, and organizational management.

The philanthropic community, in particular, may be best suited to creating and supporting professional development in the field. It has a record of involvement, and could muster the resources necessary to underwrite a five to seven year initiative to promote and disseminate professional standards and training.

Finally, this evolving system and its individual organizations must develop and be subject to both performance standards and certification. Our recommendation is that, rather than merely relying upon the outcome measures that have characterized the field—completions, placements, retentions—new performance evaluation should be built around robust assessment and review processes, which would feature extensive involvement by the business community.[16]

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ENDNOTES

[1] About 20 percent of the one million or so federal and state prisoners are aged 18 to 24. An additional 100,000 or so youth under 18 are typically in juvenile custodial facilities.

[2] Besides the overlap in the division shown here, it should be noted, these categories are themselves not universally used. Analysis of youth demographics often adopt categories such as 14-18, 16-21, 15-19, etc. The lack of comparability makes it difficult to stay consistent in discussions of the magnitude of youth needs.

[3] For definitional purposes, the "labor force" consists both of those working and those unemployed who are actively seeking work. It excludes those who are incarcerated and in the military.

[4] Data on the spatial distribution of employment and unemployment are not routinely available, and emerge only through decennial censuses and special studies. For an example of the latter, see William Julius Wilson, *When Work Disappears.*

[5] Note that in many government statistics, Hispanics can be either White or Black, so that comparing numbers of Hispanics to Whites or Blacks may be misleading.

[6] The inactivity rate is the number of young people who are unemployed, not in the labor force and not in school divided by the total population of youth in that age segment of the non-institutional population. Thus Table 4 indicates that in October 2000, for every 100 youth aged 16-24, about 12 were neither employed nor in school; in 1995 the number was closer to 14.

[7] About 900,000 people take the GED annually, the majority of them under thirty years of age. About 55 percent meet the test standards, and receive an equivalency certificate.

[8] These numbers, it should be recalled, do not include young people who are incarcerated or those in the military.

[9] NYC was in fact modeled, in part, on the conservation and service corps that had been operated in the depression 30s. It quickly evolved, though, into a general-purpose work experience program, with little service awareness and limited connection to specific neighborhoods.

[10] The GED is about to undergo a major revision, designed in part to reflect educational standards now being widely adopted through the states, some 40 of which have instituted their own systems of competency testing.

[11] While the program's aim was to ensure more learning on the part of students, some parents were reluctant to have their children participate, viewing school-to-work as a non-college track.

[12] Job Corps Centers are operated separately from other employment training programs through a national office of the U.S. Department of Labor.

[13] About one-third of enrollees in adult basic education programs nationally are under the age of 24.

[14] Not discussed here is direct work experience, which has had a checkered career in the employment training realm. Though evidence regarding its later impact on employment and earnings is weak at best, it bears consideration as a means of lowering inactivity levels,

especially during periods of high unemployment. Note that work and community service are integral parts of both youth corps and YouthBuild, described below.

[15] Job Corps has been the subject of two federal evaluations, both positive. Youth corps programs also have been evaluated, with positive results, but of a more limited nature. YouthBuild has not yet been the subject of a comparison group evaluation.

[16] The first, to be designed and perhaps carried out by the private sector, would gauge the connections and responsiveness of the programs and organizations to the local labor marketTheir ability to develop knowledge, relationships, contacts and savvy about their local labor market, to stay abreast of skill and educational needs, and to respond effectively to its signals, is of critical operational importance. Independent, business-designed reviews of performance would help establish the credibility of the second-chance network with perhaps its most important client base.

The second assessment strategy would be on the order of a peer-review process, such as that used in the accreditation of schools and colleges. An organization under review would conduct a self-evaluation, which would then be reviewed by a visiting peer team, composed of senior staff from similar organizations. Rather than focusing solely on specific quantitative measures of performance, this review process would examine the organization's goals, activities and effectiveness from a strategic perspective, and assess its results in the context of both its local community, and the peer organizations performing similar services.