

WORK FOR THE FUTURE: THE UNEMPLOYMENT OF AMERICA'S YOUTH AND WHAT WE MUST DO ABOUT IT

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I. INTRODUCTION

The United States economy entered its most severe recession since the Great Depression of the 1930s in December 2007. Since then, four graduating classes of high school and college students have been faced with the task of finding employment in a job market with the highest levels of unemployment since 1982. In October 2009 national unemployment was at 10.1 percent, its second highest level since the Great Depression, and only .6 percentage points less than the 10.8 percent high of November 1982.¹ When analyzing the implications of such high unemployment it is important to consider how these figures break down demographically.

Looking at the sub-groups of the unemployed population, it is striking to note that those who have been most affected by the rising unemployment are youth workers aged 16-24. Since the beginning of the recession, while young people represent only 13.5 percent of the workforce,

they have accounted for 26.4 percent of all unemployed workers, and their unemployment increased 7.1 percent between December 2007 and January 2010.² In September 2009,

unemployment for youth workers rose to the highest levels on record since 1948 as it reached 19.2%, a full nine percentage points higher than the highest national rate during the recession.³

The current economic downturn is especially significant because it is linked to the collapse of our largest financial institutions and the automobile industry, both principal sectors of the American economy. Even as the economy begins to recover, until a significant amount of jobs become available, not only will the official unemployment rate remain high, but the more worrisome statistic of the national long-term unemployment rate (those unemployed for 27 weeks or more), which reached a historic high of 44.1% in March 2010,⁴ will also continue to rise. The youth population will also continue to bear the brunt of unemployment. Youth workers are less experienced, financially independent, and able to absorb the shocks of fluctuating job

market as older workers. So what should young people do to prepare for work when it finally comes and what must society do to help them? Education, job training, and job creation are traditionally the three biggest components of U.S. unemployment relief strategy but they have not been effective enough for young people as needed.

Since young workers are disproportionately impacted by increases in national unemployment, and they are at a crucial stage of development in the transition from school to work, it is imperative that unemployment relief address the issues specific to this demographic. This paper argues for an overhaul of the United States government's efforts at reaching unemployed youth before it develops into a permanent problem. Section II presents an analysis of the causes and consequences of high youth unemployment to illustrate why young people, especially the already economically disadvantaged youth, should be at the forefront of unemployment concerns. Section III focuses on current unemployment reduction programs and policies and their strengths and weaknesses. Section IV culminates the paper with policy recommendations on how to better address the unique issues of youth unemployment.

II. YOUTH UNEMPLOYMENT

Youth Unemployment – What Is It and How Is It Measured?

The youth labor force is composed of those aged 16 to 24 who are actively looking for work. In the United States, the Bureau of Labor Statistics (BLS) calculates unemployment data on a monthly basis using the Current Population Survey (CPS). The development of the CPS is a product of the Works Progress Administration,⁵ one of the nation's most comprehensive job training and creation efforts in history. Persons are considered to be unemployed if they do not have a job, have actively looked for work in the prior 4 weeks, and are currently available for

work.⁶ Persons who were not working and were waiting to be recalled to a job from which they had been temporarily laid off are also included as unemployed.⁷ Students are not included in the labor force and those unemployed for longer than 27 or more consecutive weeks are labeled as long-term unemployed.

It is important to note that the current method of measuring unemployment also leaves out a large segment of the youth population that may be looking for work. Full-time students are automatically removed from unemployment figures under the assumption that they are not looking for work but this is not always the case. For a variety of reasons, it is quite common for students to seek work in addition to their studies, whether it is to help with tuition or have some extra spending money. According to Edwards and Hertel-Fernandez, at the start of the recession, 45% of 16 to 24 year olds that were enrolled in high school or college either had a job or were actively looking for work.⁸ The unemployment rate also fails to include those who have dropped out of the job market all together, whether because of discouragement or another reason, and if all of these workers were counted, then the unemployment rate for ages 16-24 would be a staggering 23.9 percent.⁹ Thus, by failing to include full-time students seeking work and those who have dropped out of the labor force, unemployment figures could actually be underreporting the problem facing young people.

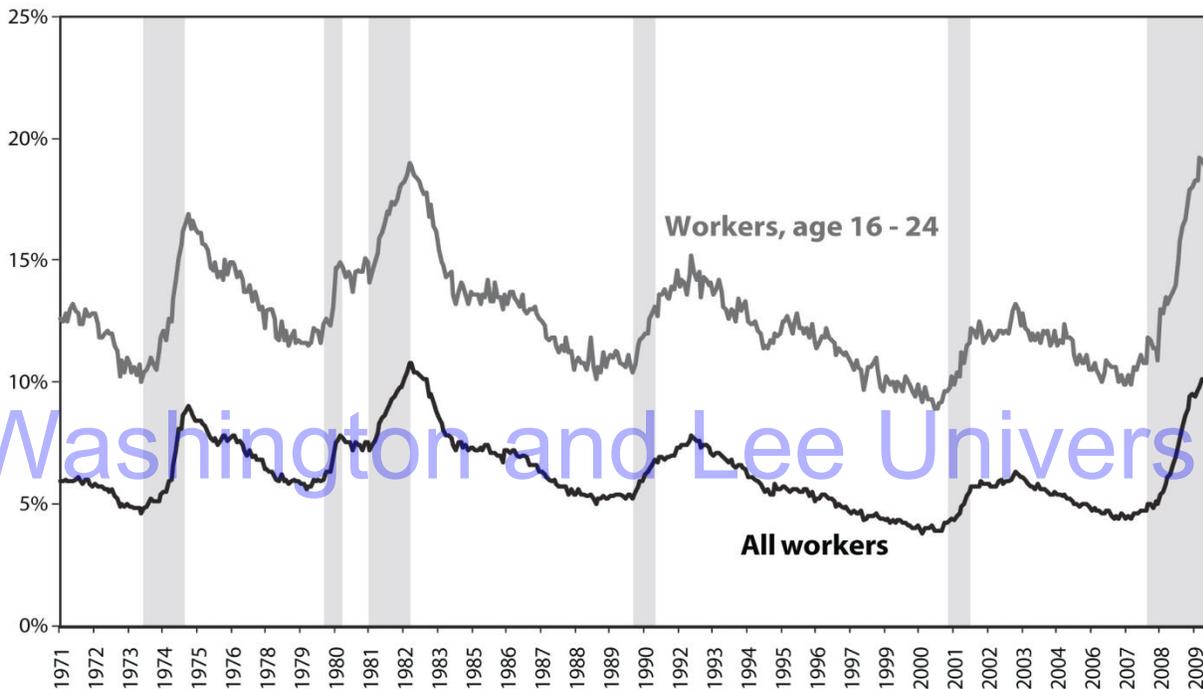
Youth Unemployment by the Numbers

Historically, youth unemployment is higher than that of the rest of the population, typically averaging around twice the rate for all workers.¹⁰ Linked to economic health, employment rises and falls as the economy expands and contracts. In figure A the shaded areas denote economic recessions and in every instance unemployment rose the most drastically for

youth. Additionally, only twice has post-recession youth unemployment returned to its pre-recession levels as the economy recovered. During the late 1980s, and again in the late 1990s, periods of extremely high economic, and ultimately unsustainable, growth led to the only instances of total recovery in the job market for young workers.

FIGURE A

Unemployment rates of young adults and the total population, 1971-present



NOTE: Shaded areas denote recession.

Edwards and Hertel-Fernandez, 2

Currently, youth unemployment is in its most dire state yet. One in four unemployed persons is under age 25 and youth are 2.5 times as likely to be affected by job loss.¹¹ In October 2009, for those aged 16-19 years the unemployment rate was 27.6, while the national rate was 10.1.¹² More recently, in March 2010 the unemployment for those aged 16-19 was 26.1 versus the national rate of 9.7. Youth unemployment has remained higher than national unemployment

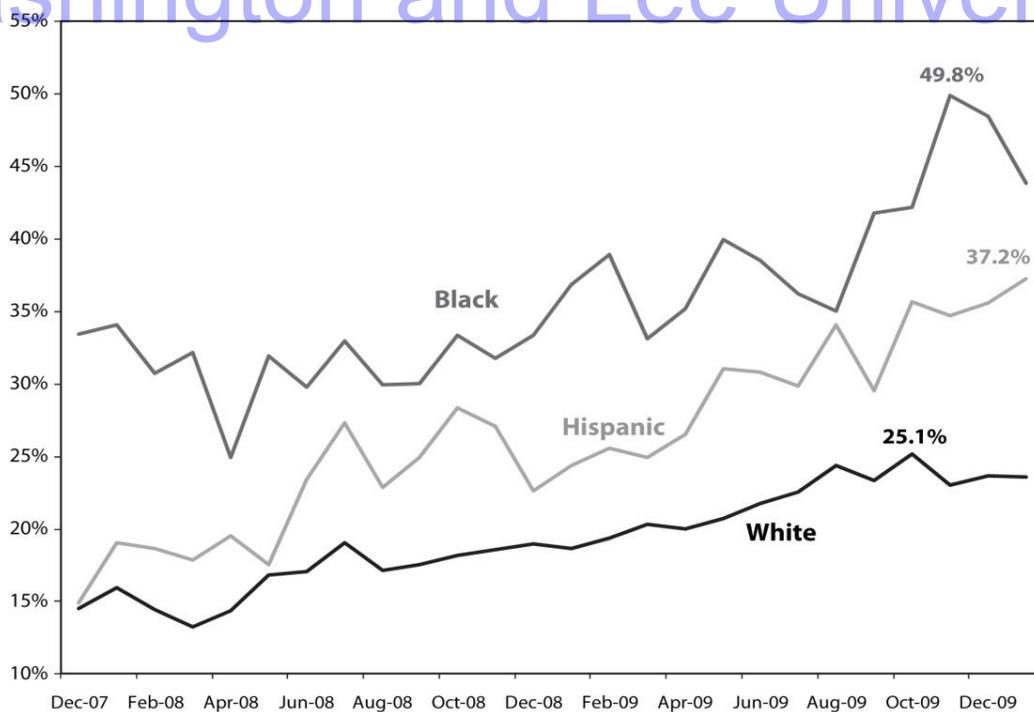
even as they have both decreased, evidence that young workers are not reentering the workforce at the same rate as older workers.

Within the unemployed youth workforce even more disconcerting data can be found. Analysis shows further disparity among youth unemployment with respect to gender and race: There is a 7.5% gap between men (22.5%) and women (15%) ages 16-24, the largest between sexes for any age group.¹³

Minorities aged 16-24 are also more adversely affected by unemployment, with blacks showing the highest rate starting 2010 at 32.5%, Hispanics at 24.2%, and finally whites at 15.2%.¹⁴ Figures B and C below further break down the differences in unemployment by race between the age groups of 16-19 and 20-24.

FIGURE B

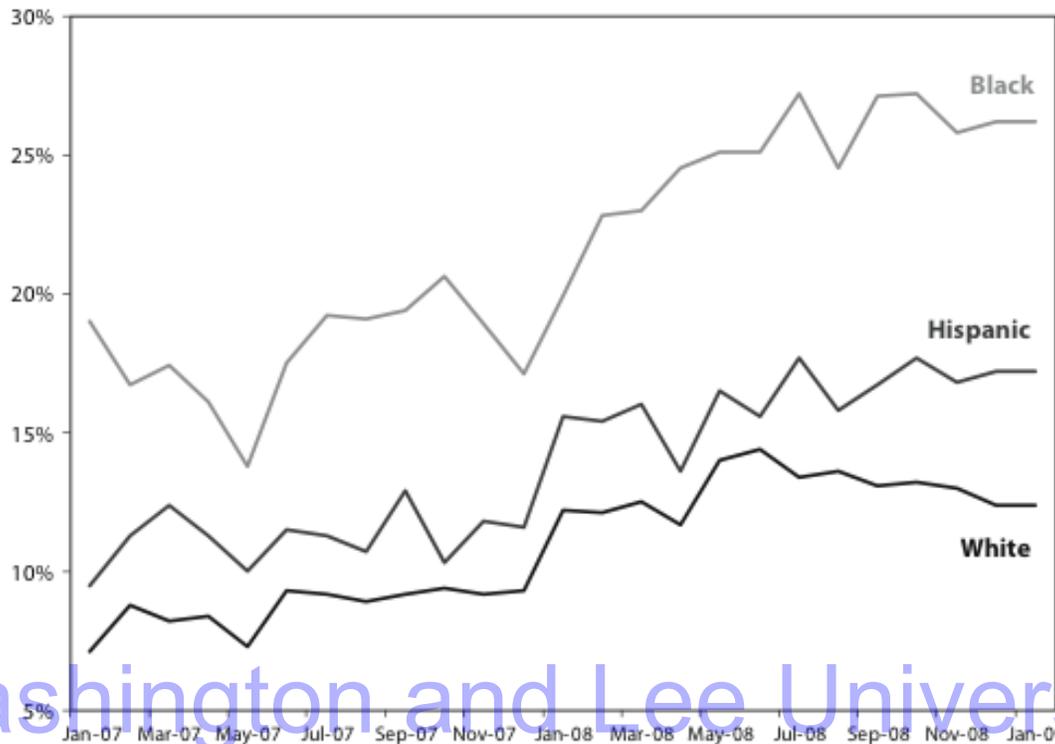
**Unemployment rates for teenager (16-19) workers by race,
Dec. 2007-Jan. 2010**



Edwards and Hertel-Fernandez, 3

FIGURE C

**Unemployment rates for young adult (20-24) workers by race,
Dec. 2007 - Jan. 2010**



Edwards and Hertel-Fernandez, 4

With respect to family income levels, data shows that if you're from a wealthier family you're more likely to be employed than if you're poor. Only 15 percent of youths whose families had incomes in the lowest quartile of the distribution were employed in March 1999 whereas the employment-population ratio rose to 22 percent among those in the second quartile and to 30 percent in the third and fourth family income groups.¹⁵

Causes of Youth Unemployment

While the causes of youth unemployment are not exclusive to the age group, the severity of the impact of economic conditions, demographic changes, social policies, and a lack of

education and training on young people *is* unique. No other segment of the population is so exposed to the volatility of the market and failure of social services as young people are. The four main factors historically attributed to rises and falls in youth unemployment are population size, the cost-benefit ratio of youth employment, lack of quality education and access to training, and the overall economic health of a country.

One of the common reasons people believe youth unemployment is high is that it is attributable to the natural and largely unavoidable factor of population growth. However, the perception that there are simply too many young people being born to be absorbed into the job market does not apply in the case of the United States. The birth rate fell in 2008 to 2.1, which means American women are no longer giving birth at a rate that will be able to keep the population from declining.¹⁶ Historically, in the late 1980s and early 1990s the birth rate also wavered around 2, illustrating that a youth bulge is not the cause of current unemployment.¹⁷

A second factor to consider when determining the causes of youth unemployment is the cost to an employer for hiring a young person. In the United States, youth are typically paid the minimum wage on an hourly basis. As a result, when minimum wage increases, it can make it more expensive to keep a young worker on than it was previously and the employer may not be willing to take on the burden. In addition to wages, businesses may have to factor in additional job benefits such as health insurance and also the time it takes to train a new worker. These is a sense that because young people tend to shuffle around their jobs more than older workers do, that if employers invest in training a young person that will soon leave the company, taking all the knowledge that they gained elsewhere, it is a waste of the employer's time. Essentially, employers would prefer not to have to invest time and energy in hiring a new worker when they

can hire someone who already knows what they are doing and has a proven track record of success.

The most complex cause of youth unemployment is that of education and training. While the United States has universal access to free education through its public school system, and most states require kids to be enrolled in school from as early as age five to as late as age 18 (with compulsory school attendance ending as young as 16 in many states),¹⁸ not all schools are equally equipped to provide their students with the capability functioning set needed to succeed and contribute to society. The very fact that in many states one can leave school before the age of 18 is indicative of outdated educational policies. Without a high school diploma a young person will have a hard time finding even a fast food job these days, students should be required to stay in school until they graduate high school. Also, wealthier, suburban neighborhoods often have better schools than the impoverished, urban districts where students are more likely to need more resources and attention to succeed in school. These days, graduating from high school does not even necessarily ensure that students have attained a certain level of educational attainment because of varying standards of requirements. A student that barely passes all the requirements, getting D's throughout their four years of high school, will be ill equipped to advance any further in their education. College won't be an option and yet without a college degree one's employment opportunities and income earnings will be further curtailed. Even for those students with grades, college is expensive and so economically disadvantaged and at-risk youth are already facing an obstacle to obtaining good employment that their wealthier peers don't have. Vocational schools and community colleges have traditionally been a less expensive option but costs are rising at these institutions as well.

The worst employment prospects are faced by high school drop-outs. In today's economy a high school degree is barely enough for one to gain employment in most sectors and having it is crucial if one wishes to avoid poverty.¹⁹ Combine this fact with data showing the nation's shockingly high dropout rate and you have a whole segment of the youth population with very low employment prospects. In 2007, 16.0% of persons between 16 and 24 years of age (nearly 6.2 million people) were high school dropouts.²⁰ Among these dropouts, 60.1% were men, 18.8% were Black, and 30.1% were Hispanic, nearly one in five U.S. men between the ages of 16-24 (18.9%) were dropouts, nearly three out of 10 Hispanics were dropouts (27.5%), and more than one of five Blacks had dropped out of school (21%) versus a dropout rate for Whites of 12.2%.²¹ The significant discrepancy between dropout rates among minorities and the white population speaks to the vast inequality of education attainment and opportunities open to at-risk minority youth. In addition to diminished employment options, without a high school diploma or GED, these young dropouts are estimated to earn \$400,000 less than those that graduated from high school.²²

The final cause of youth unemployment worth pointing out is the health of the nation's economy. As one would expect, a strong and growing economy will result in job growth and lower unemployment rates while a weak and declining economy will result in job loss and higher unemployment rates. The nuance to this relationship between economic health and employment with respect to youth is that they will experience the greatest lag between the state of the economy and availability of jobs. The first jobs will go to the older, more experienced workers before the young and comparatively inexperienced workers. On the flip side, the first people to get fired will be the young and inexperienced workers. Thus, once a country's economy goes into a recession and jobs are being cut en masse, students are going to face the greatest levels of

unemployment. As the economy begins recovery, the youth will then continue to suffer increased unemployment because there will be fewer jobs than there were before the recession as businesses are slow or reluctant to increase their employees. For this current surge in unemployment the United States is experiencing the weak economy has been the biggest factor.

Consequences of Youth Unemployment

A high rate of youth unemployment will have significant repercussions for both the individuals unemployed and society at large. The long-term impacts of unemployment on youth have been shown to negatively affecting future earnings and opportunities, which as the generation ages, will have deleterious repercussions at the societal level. In our peer-group of European nations, youth unemployment has long been a permanent problem. In December 2009 the unemployment rate was 22.6 in Belgium, 44.5 in Spain, 25.2 in France, and 19 in the United Kingdom.²³ The United States must do everything in its power to ensure that its own levels of youth unemployment do not reach this high. In addition to the burden on society that such large numbers of youth unemployment create, throughout history restless and highly educated youth have proven themselves prone to violent outbreaks of civil unrest to express their desire for rapid change in the social order. Most recently are the examples of France in 2005, Greece in 2008, and in the U.S. the March 4th 2010 National Day of Action for Public Education rallies when students occupied a segment of Interstate 808 in Oakland, California, among other incidents of protest.²⁴ A thorough review of the many consequences of high youth unemployment, especially as it effects the already economically disadvantaged and at-risk youth, will show why decreasing youth unemployment rates is crucial in preventing future rises in poverty and inequality.

The most basic consequence of youth unemployment is that the workplace philosophy of “First hired, first fired” applies most to young workers over any other demographic. Since young workers don’t have the training and years of work behind them that older workers do, they are at a disadvantage when a business looks to eliminate employees. As mentioned earlier, this lack of experience also makes it harder to find a job in a competitive market where older workers are facing high unemployment as well. Thus the cycle of not having enough experience to get a job, but then not having enough experience to keep it if you do find one, is especially problematic for youth. With so little job protection, young workers are highly susceptible to unemployment but have little ability to do anything about becoming more appealing to employers.

When young workers are fired from their job, or cannot find one, they are most unprepared to deal with unemployment. A young person does not have a “rainy day fund,” or safety net, for when they’re fired – unlike someone who has been working for many years and been able to build up their savings. Additionally, youth workers may not qualify for unemployment insurance or social welfare programs because of their age and lack of work experience.²⁵ Being financially unprepared for unemployment means that young people will struggle to make ends meet and pay their bills, putting them in a precarious and psychologically stressful situation. A study by Greenberg and Keating shows that the consequences of being unprepared for unemployment can be severe: among young adults who have been impacted by a job loss, 36 percent had their utilities turned off for failure to pay in the past year and in 2008, 37 percent of young people reported having more than \$5,000 in debt – excluding their mortgages and student loans.²⁶ Lacking financial security, young people have to find alternative sources of income outside of the job market and many are also forced to forgo higher education and postpone starting a family.²⁷

Unemployment can also have the consequence of a drain on human capital. When highly educated young people cannot find work in the field they want, or that meets their qualifications, they have to take whatever jobs they can get, resulting in underemployment and mal-employment. These jobs, such as waitressing or working in retail stores, are typically low-paid and don't offer many hours. All of the work and money that a young person puts into getting an education is for nothing if they cannot get a job on par with their academic achievement and skill level. And the longer the young person stays in a position they are overqualified for, the more they are not using their skill set and losing touch with what they learned in school. As Edwards and Hertel-Fernandez write: "This is a serious drain on labor market potential – lower earnings, lower output, lower productivity, and the displacement of less-educated workers. Low wages also jeopardize the return to higher education."²⁸ The human capital drain that youth are exposed to when faced with taking low-paying jobs that offer no career-relevant experience has long reaching consequences for their ability to find meaningful and path-advancing employment.

A long-term consequence of continuing high youth unemployment that has been mentioned previously is the societal burden that it causes. An unemployed youth is eventually an unemployed adult, one that has had no income with which to participate in and fuel the economy as a consumer or taxpayer. As the unemployed youth ages and becomes an adult, they have "contribute[d] far less in federal, state, and local taxes than they will receive in cash benefits, in-kind transfers, and correctional costs," thereby "impos[ing] a net fiscal burden on the rest of society."²⁹ Someone will eventually have to pay to support a growing number of long-term unemployed youth.

Unemployment has a psychological consequence that must be considered as well. A history of unemployment can be scarring and the longer one goes unemployed the more likely

one is to remain so, to the extent that one may become used to the situation and no longer motivated to seek out work.³⁰ While youth first entering the job market will not have a history of employment, it stands to reason that an inability to find work when first entering the labor force is just as discouraging as it is for those youth who have been employed previously but cannot presently find work. Indeed, youth workers are at a significant stage in their lives to be impacted by difficulty in finding work as having an occupation is considered an important step in developing into an independent adult.³¹ Using data from the 1979 U.S. National Longitudinal Survey of Youth (NLSY), Goldsmith, Veum, and Darity found that without employment, youth workers suffer from depression and reduced self-esteem, a multidimensional concept encompassing “notions of worth, goodness, health, appearance, skills, and social competence.”³² Another study by Clark, Georgellis, and Sanfey suggests “that men who have been unemployed for roughly 60% of their active time in the labour force over the past three years are indifferent (in terms of current life satisfaction) between current employment and unemployment.”³³ The longer that youth remain unemployed, the less interested they become in entering the work force. Diminished psychological health of the workforce thus has negative implications for overall workforce participation in the labor market, health of the population, and the development of a capable workforce while youth unemployment remains high.

Another consequence of youth unemployment is increased crime rates. Young people are responsible for most criminal activity in comparison to other age groups and with increased youth unemployment, the incidence of crime has been shown to go up as well.³⁴ To understand why youth are most responsible for crime, the “motivational perspective” essentially argues that with an increase in perceived material needs as a result of the influence of culture and the media, and a decrease in access to the adult labor market, motivation to commit crime will rise.³⁵ This

motivation can be the result of frustration at unemployment and/or a rational weighing of the costs of crime against gains from it with the costs being low for someone who is already unemployed and with no legitimate income.³⁶ While there is a connection between rising unemployment and rising levels of property crime, there is a weaker relationship between unemployment and violent crime: Raphael and Winter-Ebmer found that a 1 percentage point decrease in the unemployment rate causes a 2 percent decrease in burglary, a 1.5 percent decrease in larceny, and a 1 percent decrease in auto theft.³⁷ This positive correlation between unemployment and rising property crime indicates that reducing youth unemployment would decrease crime rates, lowering the burden of criminal activity on society, and ensuring that criminal records do not further impede youth in gaining employment in a difficult job market.

A final consequence of youth unemployment is the implication that it holds for future employment. Work has been proven to be highly path dependent, meaning that the jobs held as a young person will influence future earnings and employment opportunities. The findings of Mroz and Savage, also using NSLY data, “indicate that a six-month spell of unemployment experienced at age 22 would result in an 8 percent lower wage rate, on average, at age 23 ... Wages remain more than 5 percent below their undisturbed level through age 26, and even at ages 30 and 31 wages are 2-3 percent lower than they otherwise would have been.”³⁸ As far as impacts on employment go, they also find that a “positive effect of prior unemployment on the duration of a current spell is short-lived but quite significant. A 26-week spell experienced last year increases the duration of a contemporaneous unemployment spell, if unemployed, by 3.8 weeks annually,”³⁹ This path dependency is especially true for low income and minority and disadvantaged youth. For these youth, working while in high school makes them more likely to remain in school, have an easier transition into the labor market after school, and high rates of

female employment also reduce pregnancy rates.⁴⁰ In short, being unemployed as a young person will have long-term negative consequences on one's earnings, employment, and human capital development.

III. YOUTH JOB TRAINING

Overview of Youth Job Training Programs

Compared with national job training and creation programs, which often change with administrations and political parties, the policies and programs targeting youth unemployment have been relatively untouched since the establishment of the Job Corps by the Economic Opportunity Act of 1964. Additional national programs that receive significant federal funding include YouthBuild USA and the National Guard Youth ChalleNGe. Also reviewed in this section are government efforts to reduce the rising cost of post-secondary education, such as the Pell Grant and Federal Work-Study programs. The following initiatives to combat youth unemployment are merely a highlight of the various training programs and educational support available to youth, with the intention being to provide a general understanding of the current state of youth job training and creation in the U.S.

The Job Corps is the major component of federal efforts to provide employment assistance for young people and it is targeted at disadvantaged youth ages 16 to 24. A comprehensive approach to improving quality of life for this population, Job Corps provides “academic education, vocational training, residential living, health care and health education, counseling, and job placement assistance” free of charge to qualifying participants.⁴¹ Administered by the Department of Labor, Job Corps maintains 123 campuses across the U.S. and Puerto Rico and in 2008 it served 60,896 youth; 52% of these participants were African-American, 25.4% White, 17.3% Hispanic, 3% American Indian, and 2.3% Asian/Pacific

Islander.⁴² Only 28.1% of enrollees had high school diplomas or GEDs and 34.1% were on public assistance prior to beginning the program.⁴³ Due to the holistic approach of Job Corps and the more than 60,000 new enrollees every year, it is one of the most expensive training programs for young people, with a cost of more than \$1 billion.⁴⁴

The 2001 National Job Corps Study undertook a detailed review of the program's effectiveness and found that it does improve the short-term (based on a 30 month follow up period) employment and earnings of participants and reduce their involvement in crime, among other positive benefits. Compared to a control group that was not enrolled in Job Corps, by the beginning of the third year of follow up for Job Corps participants, the gain in average weekly earnings per participant was \$18, or 11 percent.⁴⁵ Breaking down the participant group further, those aged 16 and 17 experienced gains of 19%, females with children a 24% gain, and a 22% gain for 20 to 24-year olds without high school credential.⁴⁶

Participation in Job Corps was also shown to reduce criminal activity. The study found that the arrest rate had been reduced by 22 percent for participants when compared to the control group.⁴⁷

More recent analysis from the U.S. Office of Management and Budget (OMB) rates Job Corps as performing at an adequate level. The basis for this rating are mixed performance results, costs exceeding benefits of the program, and the need for better financial planning and use of resources.⁴⁸ Job Corps has failed to meet some of its job placement and educational achievement goals over the past few years and has been plagued by inefficiency, which the OMB finds is due to Job Corps relocation to being under the Office of the Secretary and restrictive rules regarding the availability of programs on campuses. Despite its inefficiency and difficulty meeting target goals, it seems that Job Corps does provide a much needed service that no other

program in the country has yet to replicate, and so until a better program is created Job Corps will remain the prominent program in combating youth unemployment.

Similar to Job Corps in its mission, YouthBuild USA has a different approach to educating young people and providing them with employment. YouthBuild USA started informally in New York City in 1988 and incorporated in 1990, eventually expanding to the 273 YouthBuild USA programs in 45 states it features today.⁴⁹ The program lacks the residential component that Job Corps offers and only has construction training but it similarly focuses on disadvantaged youth aged 16 to 24 and has an educational component. Participants learn job skills by building affordable housing for the homeless and low-income population while experiencing being a member of a close-knit community and having the opportunity to learn leadership and life skills. YouthBuild's primary source of funding is the Department of Labor but it also maintains private funding and partnerships. Aggregate figures from 2005 through 2009, based on 17,326 students in the program, show 49% as being African-American, 22% White, 21% Latino, 3% Native American, 2% Asian American, and 2% other. Of the students, 13% have been convicted of a felony, 25% are on public assistance at entrance, 21% are parents, and a shocking 92% have no GED or diploma at entrance.⁵⁰

As far as results go, YouthBuild USA show 64% of students completing the program with 69% of completers in jobs or furthering education.⁵¹ YouthBuild USA has been shown to be cost effective in two studies: for every dollar spent on the YouthBuild Offender Project the estimated social return on investment is between \$10.80 and \$42.90⁵² and in Minnesota each new group of youth trained produced approximately \$350,000 per year in additional state tax revenues and \$1.2 million in state prison cost savings in the first year after finishing the program, compared to the state's cost of \$877,000 per year.⁵³ The efficiency of YouthBuild USA will probably vary

from place to place but it has effectively become another tool for the government to utilize in fighting youth unemployment, particularly for disadvantaged youth.

A final program often compared to Job Corps is the National Guard Youth Challenge (Challenge). This program is very different in nature from YouthBuild USA and Job Corps, as it places an emphasis on its role as an intervention program that instills discipline and order for its participants through residential and training components. Challenge does incorporate job skills and academics into its program, but its focus is on reclaiming the lives of 16-18 year old high school dropouts and making them into productive and responsible citizens. A much more intensive and strict program than either of the other two, Challenge is reserved for a select group of youth who need a lifestyle change to turn their lives around.

The program is not for everyone, but statistics show that over 60% of the 2008 Challenge graduates received their high school diploma or GED and over 50% joined the work force.⁵⁴ It has also been shown to be cost-effective in comparison to its peer programs: The 2006

Performance and Accountability Report showed the Challenge costs per Cadet over 17 months equated to \$27.45 per day whereas high school expenditures amount to approximately \$46 per student per day and the Job Corps program costs an average of \$67.86 per participant per day (19).⁵⁵ Over 67,000 participants have successfully graduated since 1993 and Challenge continues to receive federal and state support. Overall, the unique benefit of Challenge is that it takes at-risk youth out of their normal environment with its negative temptations, and instills in them an appreciation for hard work and giving back to the community, while giving them the tools to become a contributing member of society.

A final component of job training/creating attempts by the government gets at one of the root causes of unemployment: lack of post-secondary education. In today's job market, it is becoming

increasingly difficult to obtain high paying work without a college diploma. Disadvantaged youth already attend college at much lower rates than their higher socioeconomic status peers and as tuition costs rise it will become increasingly difficult for poor youth to go to college. As a means of counteracting the price of college education, Pell Grants are awarded to students with low incomes as determined by the government's Free Application for Federal Student Aid (FAFSA). Pell Grants supplement college financial aid, never have to be repaid, and the maximum award for the 2009-10 award year is \$5,350, and for the 2010-11 award year it is \$5,550.⁵⁶

Another significant federal program designed to help offset the cost of college is Federal Work Study, a campus-based program administered by the school's financial aid office. Federal Work Study provides funding for colleges to provide part-time jobs to students of low-income, with eligibility determined by the FAFSA and other school specific criteria.

A third program, also campus-administered, is the Federal Supplemental Educational Opportunity Grant (FSEOG) for students demonstrating exceptional financial need. Grants range in value from \$100 to \$4000, depending on the student, and also never have to be paid back.⁵⁷ While not an outright grant, the subsidized Stafford Loan allows eligible disadvantaged students to borrow money from the federal government to pay tuition and instead of interest accumulating on the loan's value while in school, the government takes care of the interest payments until the student graduates, at which point the student becomes responsible for also paying interest on the loan. These programs are just a sampling of the many ways that the government is trying to make college more affordable for traditionally underrepresented segments of the population in an effort to reduce youth unemployment.

IV. THE FUTURE OF YOUTH EMPLOYMENT

Policy Recommendations for Decreasing Youth Unemployment

From the preceding review of programs and policies targeting youth unemployment it is clear that there is no definitively right approach in how to train young people for employment. The only sure thing is that training programs are necessary and useful. With so many high school dropouts and youth unable to afford college, the job training programs are an invaluable resource for these youth to finish their education and have a greater chance at employment and avoiding poverty. Indeed, Mroz found that, contrary to popular assumptions, the young men in his study actively used their time while unemployed to gain more training and find work.⁵⁸ It stands to reason that if the U.S. developed more effective job training programs, young people would utilize them more in an effort to get out of unemployment and poverty. The programs that the U.S. have traditionally relied on to address youth unemployment do not go far enough in providing solutions. The fact that Job Corps is the oldest surviving job-training program and yet it is still plagued by inefficiency and problems is a sign that the programs need to be fine-tuned and reformed.

Job Corps should continue as a central aspect of reducing youth unemployment, but it must broaden its scope to include new industries such as green energy and begin facing more pressure to meet its own educational and placement goals. Given their success, YouthBuild USA and ChalleNGe should also remain as supplementary programs because a variety in training options will better suit the needs of the youth population. I also recommend a national policy that states focus on developing programs to re-enroll their dropouts in school programs tailored to guarantee that they obtain at least a high school education.⁵⁹

However, while job training is a crucial component of lifting at-risk youth out of poverty, it is important to note that at a certain point, when there are simply no jobs to be found, additional

training will be of little use to unemployed youth. The state of our labor market today is such that there are simply not enough jobs for all of the people looking for work, and young people are the least likely to obtain the jobs that are available. Young people need employment just as much as ever, if not more so, and so I also support a comprehensive national youth jobs creation program funded and organized by states and the Department of Labor.

Any job creation program must continue to specifically target at-risk youth and place them at the forefront for employment opportunities. Jobs should be focused in the non-profit and community development sectors, including public works projects like community gardens and urban renewal, to serve the dual purposes of employment and inspiring better stewardship of and connection to our surroundings. For out-of-school youth, educational training should continue to be utilized and this could be implemented through Job Corps, et al. I also suggest an increase in funding for programs such as AmeriCorps and the Peace Corps so that more youth can take advantage of these opportunities to gain valuable life experience while learning the importance of service.

In addition to a public works job creation program for youth, there needs to be increased access for youth, especially underprivileged youth, to careers in private and for-profit businesses. The availability of paid internships and apprenticeships needs to be ramped up, with government subsidies to qualifying employers such as small-businesses as an incentive to create paid internship programs. Additionally, the regulation of current internships needs to be revisited as there are too many incidents of companies that expect young people to work for no pay, automatically excluding young people that have to earn an income from gaining the experience of an internship. In combination with increased internships, more colleges need to implement cooperative educational programs that allow students to gain work experience for college credit

while enrolled as full-time students. Greater on the job training and experience will aid students in being prepared for entering the job market.

Internships and school-work cooperatives are not the only option to introduce young people to the labor force. Long valued as integral paths to employments and careers, apprenticeships have all but disappeared in the United States and they need to be brought back. Germany is often held up as shining example of how apprenticeships help absorb the youth into the labor market and keep down unemployment. Schools and the government subsidize the cost of apprenticeships in Germany, where as much as three quarters of the German youth enroll in apprenticeships programs during their final years of high school.⁶⁰ The trainees are not expected to remain at their employer forever; indeed they often change employers, and since employers feel this “appears to create value for the entire industry” and offers them a way of screening potential employees, there are not the major fears of apprentices learning from their employer for two years and then taking their skills elsewhere.⁶¹ Results show that the apprentice system works: young German high school graduates earn roughly twice what U.S. graduates do.⁶² The key is creating a transition stage from school to work that prepares youth for employment and provides businesses with a skilled and ready supply of labor.

Education then, is also crucial to providing job creation, for it can be said that if youth don't know how to do a job it won't matter how many jobs there are since none of them will be capable of being hired. The school system is the front line to prepare America's youth for employment, but it will continue to fail our youth unless the inequalities in education are addressed. College must be made more affordable through increased Pell Grant funding. Equally crucial to address, the plight of underperforming schools in the U.S. is well documented but with the exception of charter schools, little has been achieved at the national level to tackle the issue.

It cannot be acceptable that schools have such high incidences of violence, absenteeism, drop-out rates, and poor facilities and materials with which to teach. I will not attempt to broach the issue of what should be done as there are too many proposals to count, but the central theme is there needs to be more freedom in schools. The bureaucracy and over-standardization of education has made it so that teachers and schools have no choice and flexibility in how to educate the students. Schools need to be allowed to experiment with what works best for their students, they have to be free to hire the best staff possible without fear from teachers' unions, and the underperforming schools should receive more attention and funding, not less. Reforming the education system to reduce drop-outs and keep students from just getting by with a passing grade every year will go a long way towards reducing unemployment and raising the prospects of economically disadvantaged and otherwise at-risk youth.

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V. CONCLUSION

While national rates of unemployment decline and the economy begins to grow again, it is easy to assume that everything will go back to normal soon enough. Unfortunately, this is not the case, especially for young workers. Young people will continue to bear the impact of this past recession for decades in lower salaries, difficulty finding work, diminished savings, and a later start at an adult life. Groups that were already more vulnerable to poverty and joblessness, young men, African-Americans, Hispanics, and high school dropouts have also been the most impacted by the recession and loss of jobs. In order to avoid the psychological consequences of unemployment, increased crime, and rising poverty, it is necessary that high youth unemployment be recognized for the seriousness that it is and addressed with a federal job

creation bill and reformed job-training programs. The introduction of alternative measures of employment in subsidized internships, community service, and apprenticeships would serve the dual purpose of providing work and life experience and ensuring that youth can remain financially stable until private sector jobs are more available. Tough times call for innovative measures and there is already a good base of programs and policies from which to build upon. With the poverty rate up to 13.2 percent in 2008, the United States literally cannot afford to have a generation of unemployed youth.

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