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Full Employment for the Young, Too

Well-Designed Job Programs Can Usher Teens and Young Adults Into the Labor Market

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By various measures, the U.S. economy has significantly recovered from the Great Recession and the foreclosure crisis. But in important ways, the labor market is not meeting the needs of disadvantaged young people, particularly young people of color in cities and youth of every race and background in economically distressed rural communities.

Weak labor markets that fail to offer opportunities for young workers have an impact that goes beyond lost wages. Young people marginalized from legitimate employment are more likely to work in the underground economy and are much more likely to become victims and perpetrators of violence.

Although Americans across the political spectrum lament the lack of economic opportunities for young people and accompanying social problems, policymakers have failed to devote commensurate resources to address the challenges. Indeed, youth and young adult employment has not been a particular focus of national investment for decades. The \$1.2 billion in employment and training provided under the American Recovery and Reinvestment Act of 2009 represented the first major allocation of dedicated summer employment funds since the Workforce Investment Act of more than 20 years before.¹

Federal policymakers have largely deferred to cities and counties. Yet the local governments facing the greatest challenges of youth joblessness are also the ones most likely to lack the resources to address the true scale of the problem.

Evidence-based public investment in employment opportunities for youth and young adults could provide a powerful tool for boosting incomes, teaching the hard and soft skills that young workers

¹ M. Ross and R. Kazis, "Renew the Federal Commitment to High-Quality Summer Youth Employment Programs," Brookings Institution, 2016, <https://www.brookings.edu/research/renew-the-federal-commitment-to-high-quality-summer-youth-employment-programs/>.

need to become successful participants in the labor market, and helping to reduce the current rise in violent crime that cities such as Chicago and Baltimore have experienced since 2015.

This brief examines the extent to which disadvantaged youth are disconnected from the labor market and provides an overview of research on employment programs designed to reconnect youth and young adults to opportunities. Following this review is a set of proposals based on what we've learned about successful youth employment initiatives.

Youth Employment and Labor Force Participation

Although young adult unemployment rates have markedly declined since 2010, labor force participation among young adults fell precipitously after the Great Recession and has not fully recovered. (See Figure 1.) Some of this drop may reflect higher school enrollment and higher intensity of schooling among those enrolled. Yet labor force participation has dropped among both enrolled and un-enrolled young adults, suggesting that educational trends alone do not explain the pattern. Aaronson *et al.* note that rising economic returns to education may promote reduced labor force participation among the enrolled and un-enrolled alike.² Young adults who are enrolled in school may be pursuing more intensive forms of schooling, which has higher returns relative to time spent working additional hours of paid work. Meanwhile, young adults who are not enrolled in school may face declining demand for their services, which may promote both declining wages and declining hours worked.

FIGURE 1



Source: Bureau of Labor Statistics

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The burden of economic dislocation has fallen particularly heavily on African Americans, for whom the unemployment rate for 16- to 24-year-olds (20.6 percent) is more than double that of

² S. Aaronson *et al.*, "Labor Force Participation: Recent Developments and Future Prospects," *Brookings Papers on Economic Activity*, Fall 2014, https://www.brookings.edu/wp-content/uploads/2016/07/Fall2014BPEA_Aaronson_et_al.pdf.

non-Hispanic whites (9.9 percent) and Hispanic Latinos (11.3 percent) in the same age group.³ As of March 2017, 17.5 percent of male high school dropouts age 20 to 24 were unemployed, as were 10 percent of those with only high school degrees.

Ross and Svailenka estimate that approximately 3 million Americans between the ages of 16 and 24, roughly 8 percent of this age group, are “disconnected” from the legitimate economy, meaning that they are not enrolled in school and are not participating in the formal labor market.⁴

Belfield, Levin, and Rosen, applying a slightly broader definition that encompasses part-time students and part-time workers, estimate that 6.7 million “opportunity youth” in the same age range are wholly or partially disconnected from the formal labor market.⁵ They note that this labor market disconnection has fiscal consequences: for the average young person in this group, the lifetime present discounted value of additional required services and lost tax revenue exceeds \$200,000.

While these negative trends have been evolving, funding for government programs to help address them has declined. Adjusting for inflation, Department of Labor spending for training and employment for individuals of all ages has dropped by roughly 59 percent since 1985, while spending on youth training and employment has dropped by 53 percent. Accounting for the 36 percent increase in the U.S. population over that same period, per-capita spending on these activities has fallen by roughly two-thirds. (See Figure 2.)

President Trump’s proposed 2018 budget includes a 21 percent cut to the Department of Labor, which would further reduce expenditures across the range of job training and employment initiatives over the life course.⁶

The lack of sustained federal investment partly reflects a view among researchers and policymakers that scalable employment investments accomplish little for youth and young adults.⁷ Yet, as discussed below, evidence from recent randomized trials challenges that view, showing that economical, feasible, and scalable youth employment efforts can improve outcomes for young

³ Bureau of Labor Statistics, “Employment and Unemployment Among Youth — Summer 2016,” <https://www.bls.gov/news.release/youth.nr0.htm>.

⁴ M. Ross and N. P. Svailenka, “Employment and Disconnection Among Teens and Young Adults: The Role of Place, Race, and Education,” Brookings Institution, 2016, <https://www.brookings.edu/research/employment-and-disconnection-among-teens-and-young-adults-the-role-of-place-race-and-education/>.

⁵ C. R. Belfield, H. M. Levin, and R. Rosen, “The Economic Value of Opportunity Youth,” Corporation for National Community Service and White House Council for Community Solutions, 2012, http://www.civicerprises.net/MediaLibrary/Docs/econ_value_opportunity_youth.pdf.

⁶ B. Lam, “The Jobs Programs Trump’s Budget Would Cut: For a President Fixated on Employment, His Proposal for Federal Spending Leaves Out a Surprising Number of Young, Elderly, and Disabled Workers,” *The Atlantic*, March 2017, <https://www.theatlantic.com/business/archive/2017/03/trump-budget-dol/519933/>.

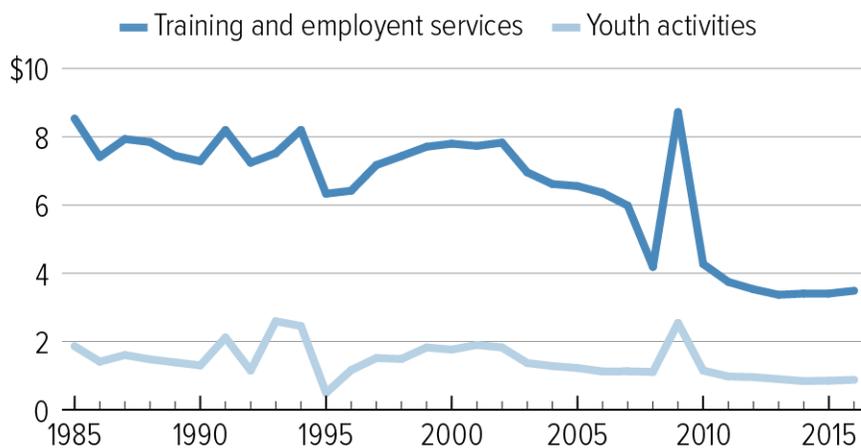
⁷ L. W. Sherman, D. C. Gottfredson, D. L. MacKenzie, J. Eck, P. Reuter, and S. D. Bushway, “Preventing Crime: What Works, What Doesn’t, What’s Promising,” U.S. Department of Justice, National Institute of Justice, 1998, <https://www.ncjrs.gov/pdffiles/171676.PDF>; C. Uggen, “Work as a Turning Point in the Life Course of Criminals: A Duration Model of Age, Employment, and Recidivism,” *American Sociological Review* 67 (2000): 529-46; U.S. Department of Labor, “What Works in Job Training: A Synthesis of the Evidence,” <https://www.dol.gov/asp/evaluation/jdt/jdt.pdf>.

people, particularly by reducing youths' risks of perpetrating or becoming victims of violent crimes.⁸ This emerging body of work justifies a more ambitious effort, particularly in low-income communities, to address the lack of economic opportunities for teenagers and others.

FIGURE 2

Department of Labor Budget Authority for Training and Employment Programs, FY 1985-2016

Billions of 2017 dollars



Source: Department of Labor

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Challenges Facing High-Risk and Low-Income Youth

American public policies have done a poor job of providing at-risk youth, particularly at-risk youth of color, with the effective home, school, community, and workplace supports required to set them on a path to success. Gaps in school quality and accompanying academic skills tied to socioeconomic status have widened among youth of all races.⁹ As a result, many disadvantaged youth find themselves without the academic or job skills necessary to thrive in a competitive labor

⁸ A. Gelber, A. Isen, and J. Kessler, “The Effects of Youth Employment: Evidence From New York City Lotteries,” *Quarterly Journal of Economics* 131, no. 1 (2016): 423-60; S. B. Heller, “Summer Jobs Reduce Violence Among Disadvantaged Youth,” *Science* 346, no. 6214 (2014): 1219-23; J. Leos-Urbel, “What Is a Summer Job Worth? The Impact of Summer Youth Employment on Academic Outcomes,” *Journal of Policy Analysis and Management* 33, no. 4 (2014): 891–911; A. E. Schwartz, J. Leos-Urbel, and M. Wiswall, “Making Summer Matter: The Impact of Youth Employment on Academic Performance,” National Bureau of Economic Research, 2015, <http://www.nber.org/papers/w21470>.

⁹ R. Putnam, *Our Kids: The American Dream in Crisis* (New York, NY: Simon and Schuster, 2016); S. Reardon, “The Widening Academic Achievement Gap Between the Rich and the Poor: New Evidence and Possible Explanations,” Stanford University, Center for Education Policy Analysis, 2011, https://cepa.stanford.edu/sites/default/files/reardon_whither_opportunity_-_chapter_5.pdf.

market. Many youth, particularly boys, face additional challenges in acquiring the socioemotional or non-cognitive skills needed to obtain and sustain entry-level employment.¹⁰

The hurdles nonwhite youth face from labor market discrimination place them at further disadvantage. Field experiments demonstrate the prevalence and impact of such discrimination in low-wage labor markets. In one widely cited New York City experiment, white, African American, and Latino job applicants were matched on demographic characteristics and interpersonal skills, given equivalent résumés, and sent to apply for entry-level jobs. African Americans were half as likely as equally qualified whites to receive a callback or job offer. African American and Latino applicants with no criminal records fared no better than whites who were identified as recently released from prison.¹¹

As a result of these patterns, low-income youth, particularly youth of color, are often the last-hired, first-fired workers in a slack labor market. Declining real labor market wages for unskilled workers, including youth, aggravate all of these trends. These disadvantages are a particular challenge for youth who are expected to contribute to their household economies to meet basic needs.

Some Connections Between Lack of Opportunity and Youth Crime

Youth joblessness has a particularly complex and bidirectional relationship with crime. Many parents and policymakers fear that the underground economy offers an alluring financial alternative for youth, particularly in an era of declining real wages. In the 1970s and 1980s these fears had some justification: a substantial minority of youth engaged in drug sales, and the effective wages of criminal activities may have exceeded compensation in the formal labor market.¹² But the allure may be less strong today. In straight economic terms, by the late 1990s the compensation of most workers within the illicit drug market was surprisingly low;¹³ wages in the bottom rung of drug selling organizations were only slightly higher than the minimum wage. Indeed ethnographer Sudhir Venkatesh found that middle managers in these organizations would prefer conventional employment such as unionized custodial jobs.¹⁴

Nevertheless, particularly in the absence of legitimate work, the structure of compensation in a criminal enterprise offers an attractive model for some youth, who see that successful leaders of drug-selling organizations can earn higher wages than they could otherwise obtain in the legitimate labor market. The stigma of a prior criminal conviction poses further obstacles to legitimate employment, ironically increasing the relative attractiveness of underground employment.

¹⁰ J. J. Heckman, J. Stixrud, and S. Urzua, "The Effects of Cognitive and Noncognitive Abilities on Labor Market Outcomes and Social Behavior," *Journal of Labor Economics* 24, no. 3 (2006): 411-82.

¹¹ D. Pager, B. Western, and B. Bonikowski, "Discrimination in a Low-Wage Labor Market: A Field Experiment," *American Sociological Review* 74, no. 5 (2009): 777-99, doi:10.1177/000312240907400505.

¹² J. Grogger, "Market Wages and Youth Crime," *Journal of Labor Economics* 16, no. 4 (1998): 756-91.

¹³ S. D. Levitt and S. A. Venkatesh, "An Economic Analysis of a Drug-Selling Gang's Finances," *Quarterly Journal of Economics* 115, no. 3 (2000): 755-89.

¹⁴ S. A. Venkatesh, *Gang Leader for a Day* (New York, NY: Penguin, 2008).

Joblessness creates other risks of criminal involvement. Unstructured time can increase the prospect that youth will engage in problem behaviors; summer delinquency can promote peer co-offending networks that persist and are associated with later crime; and idleness can reinforce a sense of hopelessness regarding the legitimate job market that may cast a longer shadow on attitudes and behavior, particularly in high-poverty urban areas.¹⁵ Recent work by Case and Deaton underscores that similar dynamics may be at play in predominantly white rural areas that have experienced job loss, declining wages, and the opioid epidemic.¹⁶

Specific patterns in Chicago, which experienced a sharp homicide increase in 2016, underscore a general challenge facing many American cities. In that year, five out of 77 Chicago neighborhoods accounted for roughly one-third of city homicides,¹⁷ and these five neighborhoods displayed teen joblessness rates exceeding 79 percent and young adult joblessness rates between 49 and 70 percent.¹⁸ Ross and Svailenka report that 23 percent of Chicago's African American population is not working or attending school, more than double the rates found among Latinos or non-Hispanic white Chicago residents in the same age group. Legitimate employment may help to address these specific risks, and thus be a particularly important public investment.¹⁹

Uggen suggests several reasons why employment may constitute a turning point in reducing criminal behavior.²⁰ A predictable paycheck provides a powerful alternative to the underground economy, and mundane realities of the workplace environment — behavioral norms of workplace behavior, the discipline and routine of predictable workplace scheduling, workers' routine involvement with peers and supervisors who are not involved in crime — further encourage pro-social behavior. One might assume that at a minimum employment would curtail criminal activity during working hours, but in fact the crime-reduction effect appears to be more general. In the randomized trial of One Summer Plus, described below, Heller found that crimes averted through work would have occurred late at night or otherwise outside working hours.²¹

Once the risks of criminal activities are factored in, legitimate employment may be seen as more lucrative than the underground economy. Less tangibly, legitimate employment generates the opportunity for job references and positive relationships with adults. These aspects promote future opportunities, which appear to be particularly attractive from the perspective of participating youth.

¹⁵ W. Wilson, *When Work Disappears* (New York, NY: Vintage, 1997).

¹⁶ A. Case and A. Deaton, "Mortality and Morbidity in the 21st Century," Brookings Institution, 2017, <https://www.brookings.edu/bpea-articles/mortality-and-morbidity-in-the-21st-century/>.

¹⁷ M. Kapustin, J. Ludwig, M. Punkay, K. Smith, L. Spiegel, and D. Welgus, "Gun Violence in Chicago, 2016," University of Chicago, Urban Labs, 2017, <http://urbanlabs.uchicago.edu/attachments/store/2435a5d4658e2ca19f4f225b810ce0dbdb9231cbdb8d702e784087469e3/UChicagoCrimeLab+Gun+Violence+in+Chicago+2016.pdf>.

¹⁸ A. Elejalde-Ruiz, "Report Says Youth Unemployment Chronic, Concentrated and Deeply Rooted," *Chicago Tribune*, January 28, 2017, <http://www.chicagotribune.com/business/ct-youth-unemployment-data-0129-biz-20170127-story.html>.

¹⁹ Ross and Svailenka 2016.

²⁰ Uggen 2000.

²¹ Heller 2014.

The Effectiveness of Job Programs in Boosting Long-Term Economic Prospects and Reducing Crime

Despite plausible mechanisms that might link employment to beneficial outcomes, many criminologists and labor economists have been cynical about the ability of job programs — other than very costly and intensive ones — to appreciably reduce criminal behavior or improve subsequent labor market outcomes. The dearth of entries in the evidence-based “what works” clearinghouse linking youth employment to reduced violence exemplifies the conventional wisdom in this area.

Disappointing results from the National Supported Work Demonstration Project and the Transitional Aid Research Project, launched in the 1970s and targeting ex-offenders and very high-risk youth, are often extrapolated to the larger population of low-income youth. The Job Training Partnership Act yielded similarly disappointing findings among out-of-school youth.²² Indeed, it has proven difficult to demonstrate long-term improvements in employment and wages associated with scalable and low-cost interventions.

However, a body of rigorous evaluation research is emerging to support a more optimistic view. Prevention science — the application of scientific methods to studying the effectiveness of interventions designed to influence public health risks and associated behaviors — has notably progressed over the past decade, with increased interest and funding from both government and private sources. Program assignment through enrollment lotteries allows more realistic and rigorous analysis.²³ The growing use of administrative data such as state police arrest records allows more rigorous investigation than is possible with conventional studies that rely upon participants’ self-reporting. This emerging body of work has demonstrated that well-implemented economical programs can change people’s lives.

Job Corps

The Department of Labor’s Job Corps program looks like a costly and intensive intervention when evaluated by the usual standards applied to social service interventions. It is an intensive educational and vocational intervention for youth and young adults age 16 to 24. Established in 1964 as one of President Johnson’s most successful Great Society initiatives, the program provides participants with room and board for up to two years as they complete their training and seek employment. Participants are paid a monthly allowance and receive other supports.

²² S. Raphael, “Improving Employment Prospects for Former Prison Inmates: Challenges and Policy,” in P. J. Cook, J. Ludwig, and J. McCrary, eds., *Controlling Crime: Strategies and Tradeoffs* (Chicago, IL: University of Chicago Press, 2012), pp. 521-72.

²³ Heller 2014; S. B. Heller, A. K. Shah, J. Guryan, J. Ludwig, S. Mullainathan, and H. A. Pollack, “Thinking, Fast and Slow? Some Field Experiments to Reduce Crime and Dropout in Chicago,” *Quarterly Journal of Economics* 132, no. 1 (2017): 1-54.

A 1986 report estimated per-person costs exceeding \$10,000 annually, roughly \$23,500 in 2017 dollars.²⁴ Yet even with these relatively high program costs, economic analysis suggests that the benefits to Job Corps participants and the broader society exceeded these costs. In one evaluation, the value of goods and services produced by participants during their training and afterwards exceeded the productivity of control-group peers by roughly \$27,000 per participant.²⁵ The evaluation adopted a conservative approach to valuing the social costs of crime and thus likely understated the social benefits of crime reductions associated with Job Corps.

ChalleNGe

Research from another intensive program, the National Guard Youth ChalleNGe dropout recovery intervention, also found promising results.²⁶ ChalleNGe serves youth age 16 to 18 who are not in school, are unemployed, are drug free, have never been convicted of a felony, and are not currently involved with the criminal justice system. The program is less well-known than Job Corps, even though more than 100,000 youth have completed the program since the early 1990s. ChalleNGe has several components, including a five-month highly structured and disciplined residential phase, followed by a one-year post-residential program, in which participants seek to complete high school, pursue further education, find employment, join the military, or engage in volunteer work. ChalleNGe includes an extensive mentoring component, in which adults within participants' own communities assist them in pursuing life plans.

A randomized trial examining the impact of ChalleNGe found that three years after entering the study, participants were 16 percentage points more likely than their control-group peers to obtain a GED certificate or high school diploma (71.8 percent vs. 55.5 percent), 7 percentage points more likely to be employed (57.8 percent vs. 50.7 percent) and 11 percentage points more likely to have both obtained a GED certificate/high school diploma and to be currently employed or engaged in further schooling (49.1 percent vs. 37.8 percent).

Not all results were positive. Participants were just as likely as the control group to self-report arrests or delinquency, and participants who entered the program younger than age 17 were more likely than their control group peers to pursue a GED certificate rather than a standard high school diploma. (A body of research suggests that workers holding GED certificates earn significantly less than otherwise comparable peers who hold conventional high school diplomas.) Such mixed findings underscore both the implementation challenges facing employment interventions and the likelihood that the same intervention will have different impacts for different beneficiary groups. A key function of rigorous trials is to identify subgroups most likely to derive the greatest benefit and to identify potentially unwanted or unintended impacts of real-world interventions.

²⁴ General Accounting Office, "Job Corps: Its Costs, Employment Outcomes, and Service to the Public," 1986, <http://www.gao.gov/assets/80/75826.pdf>.

²⁵ S. McConnell and S. Glazer, "National Job Corps Study: The Benefits and Costs of Job Corps," Department of Labor, Employment, and Training Administration, 2001, <https://wdr.doleta.gov/opr/fulltext/document.cfm?docn=6159>.

²⁶ M. Millenky, D. Bloom, S. Muller-Ravett, and J. Broadus, "Staying on Course: Three-Year Results of the National Guard Youth ChalleNGe Evaluation," MDRC, 2011, http://www.mdrc.org/sites/default/files/full_510.pdf.

Youth Summer Jobs

If jobs programs for youth and young adults must be complex, costly, and intensive to really work, what is the way forward to help hundreds of thousands of young people in a time of limited public budgets and managerial resources? Marquee interventions such as Job Corps and ChalleNGe must be complemented with less expensive, simpler, and lighter-touch interventions that can be scaled to much larger numbers of people.

Youth summer jobs are one such intervention. Yet until recently such interventions have not received the rigorous evaluation required to establish their effectiveness. In his review of job training and employment programs, Lalond noted that, despite serving hundreds of thousands of youth annually, summer youth programs funded by the Job Training Partnership Act “received relatively little attention from program evaluators,” and that virtually no strong experimental evidence existed to document the effectiveness of such interventions.²⁷

Fortunately, two recent studies, with more underway, are now filling this gap, and underscore the promise of such interventions.

Chicago’s One Summer Plus

One Summer Plus (OSP) linked Chicago students in grades 8-12 with jobs at local government or nonprofit agencies and paid participants the state minimum wage of \$8.25 per hour. To evaluate this intervention, a randomized trial was conducted involving 1,634 students residing in some of Chicago’s lowest-income neighborhoods.²⁸ Each youth selected for the intervention participated for five hours per day, 25 hours per week. Half of the treatment group spent all 25 hours at a job and the rest divided their week between work (15 hours) and participation in a social-emotional learning intervention (10 hours). This latter component was based on cognitive behavioral therapy, and was designed to assist youth with various self-regulation skills. All participants received supports to help them be successful in their jobs. An adult job mentor regularly visited the workplace to assist youth and their supervisors with interpersonal or other issues. Outcomes among all youth selected for this intervention were then compared with those of other youth who were not selected for the intervention.

At a cost of less than \$2,000 per person in direct wages, OSP reduced overall arrests for violent offending by 43 percent over 16 months. Given the high social costs of violent offending, cost-benefit analyses indicate that OSP was extremely beneficial. Equally important, participating families benefited from the labor earnings associated with minimum wage summer jobs.

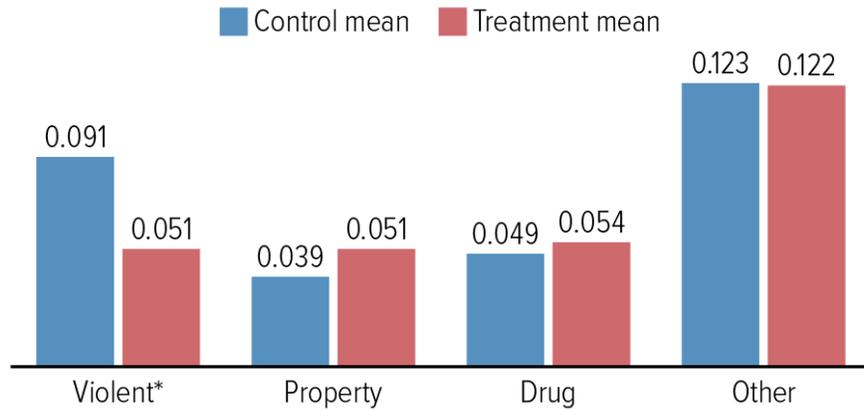
However, not all results matched researchers’ expectations. Perhaps most puzzling was that, though the intervention reduced violent crime, it had less of an impact on property crime and other offenses. (See Figure 3.) Unpacking the mechanisms of this effect would be important.

²⁷ R. LaLonde, “Employment and Training Programs,” in R. Moffitt, ed., *Means-Tested Transfer Programs in the United States* (Chicago, IL: University of Chicago Press, 2003), pp. 517–86 (cited by Heller 2014).

²⁸ Heller 2014.

FIGURE 3

Average Number of Arrests per Youth Participating in Chicago's Summer Youth Program



*Difference between control and treatments means is statistically significant

Source: S. B. Heller, "Summer Jobs Reduce Violence Among Disadvantaged Youth," *Science* 346, no. 6214 (2014)

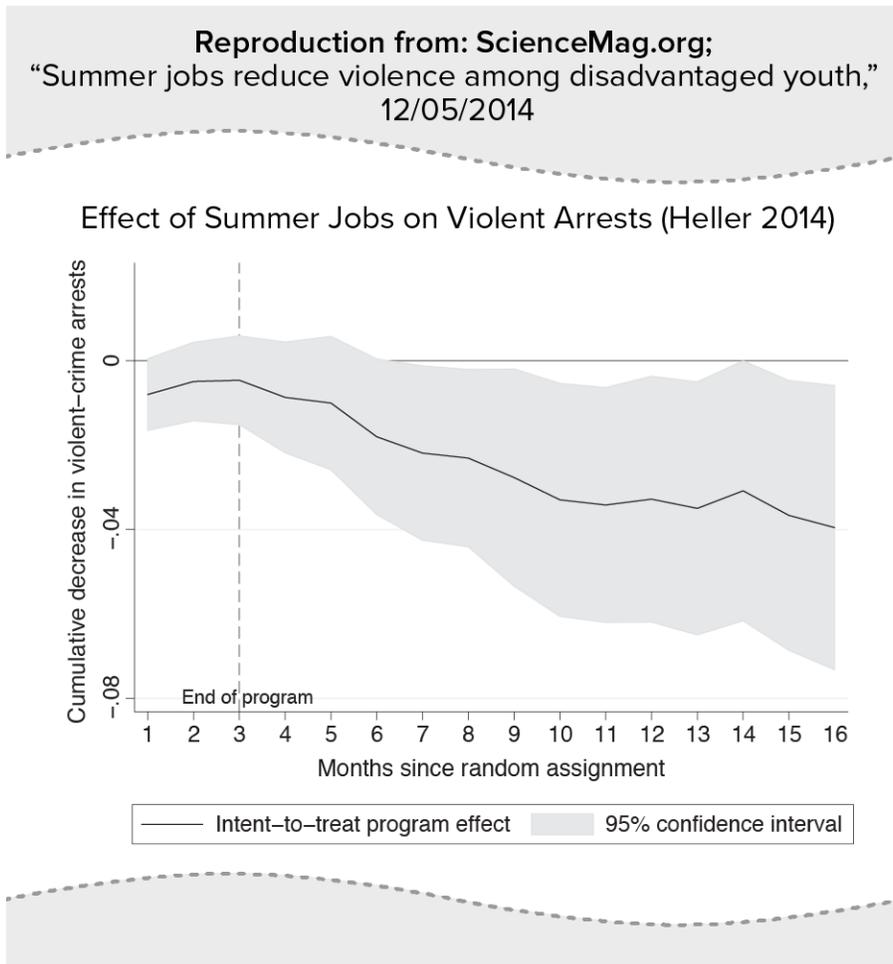
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The violence reduction benefits persisted well after the summer intervention ended. (See Figure 4.) The underlying causal mechanisms for this pattern are not fully clear. Perhaps youth developed positive relationships with adults during the summer months that provided lasting benefits, or perhaps the additional income from summer employment reduced immediate incentives for criminal activity. It is also possible that students who do not obtain paid summer employment co-offend with peers, and that these co-offending ties persist into the following school year.

One key question for future research concerns who benefits the most from such employment interventions, and how OSP, like the Becoming a Man program, was designed to serve fairly typical high school students in challenged sections of Chicago. About 20 percent of study participants had been arrested before the trial was conducted, and 20 percent had been victims of crimes. Students had about a 2.3 grade-point average and averaged about 18 percent absence. OSP was not designed to serve a higher-risk segment of youth who are no longer engaged in school or who have more serious and ongoing involvement with the criminal justice system.

Randomized trials are now underway to understand how best to serve the more intense needs of at-risk populations through interventions that offer more supports than OSP but that are less complex and costly than Job Corps and other intensive interventions.

FIGURE 4



New York Summer Youth Employment Program

Gelber, Isen, and Kessler evaluated the results of New York City’s Summer Youth Employment Program (SYEP), the largest summer youth employment program in the United States, for the years 2005-2008.²⁹ In each of those years, SYEP provided summer employment to 34,000 youth ages 14-21 at an average cost of roughly \$1,700 per participant. Young people earned the local minimum wage, working up to 25 hours per week at local employers. Participants also attended workshops on career development, financial literacy, and related subjects.

The intervention was associated with roughly a 10 percent reduction in criminal offenses and, even more striking, an 18 percent reduction in mortality due to external causes. This latter effect was especially surprising given New York’s low rate of homicides and accidents — two of the leading causes of adolescent mortality.

²⁹ Gelber, Isen, and Kessler 2016.

The authors found mixed results on subsequent earnings, with benefits to younger teens but potentially harmful effects for older youth. Many of these youth were placed in summer camps, day care centers, and other settings that did not appear to be conducive to higher subsequent wages. For other youth, participation in SYEP may have disrupted potentially fruitful links to prior employers.

Students with poor prior school attendance seemed to notably benefit, demonstrating a four- to-five-day statistically significant boost in high school attendance the following year. As a result of their increased participation, these students were more likely to attempt (and thus more likely to pass) English and math Regents Exams. The improved attendance appeared comparable to that found in other programs such as those offering cash incentives. Despite these gains, SYEP participation did not seem to have any impact on college attendance.

Program Design Challenges

Not surprisingly, a program's design and the quality of its implementation are central to its success. Effective programs require careful selection of youth most likely to benefit, cooperation between program implementers and those who will be employing youth, and supports for youth to maximize their chances of success in a real-world workplace.

Mentoring and supports can be helpful to assist youth in complying with workplace requirements and norms. These same mentoring and supports may help to prevent violence, though this hypothesis remains unconfirmed in the literature. In the Chicago OSP trial, young people who received such mentoring were about as likely to be arrested as youth assigned to another treatment arm that received all the same mentoring plus some additional violence prevention counseling.³⁰

Employers may require training and supports to address the challenges likely to arise in their relationships with low-income youth most in need of employment supports. In addition to providing such supports, effective programs involve employers in program design and the design of job roles. This involvement increases the likelihood that youth will be doing actual work valued by employers — and that employers with a sense of ownership over the intervention are more likely to remain supportive stakeholders in an ongoing program.

More granular logistical challenges may also require attention. For example, many youth have summer school obligations that must be integrated into the employment experience. Availability of part-time work or flexible work hours is important for youth who face specific academic or health challenges.

Basic employment with relatively light-touch supports may be well-targeted to the typical low-income young person. Experience with Chicago's OSP and New York City's SYEP suggests that meaningful benefits can be provided economically, for roughly \$2,000 per participating youth, but individuals with more intensive needs may require more intensive programming. A mix of different interventions is likely required to meet the varying needs across the entire population of low-income youth.

³⁰ Heller *et al.* 2017.

The Need for Rigorous Evaluation

Program evaluation — particularly randomized trials — creates significant implementation challenges. The use of random lotteries and administrative data to examine individual outcomes such as school attendance, graduation rates, and arrests dramatically improves rigor while reducing the costs associated with conducting such research. Rigorous evaluation also increases buy-in among philanthropic and government funders, who are potentially receptive to greater investments but wish to see concrete results. Any expansion of youth employment supports is likely to be far more sustainable if it is designed from the start to facilitate such evaluation.

Dilemmas and Strategic Decisions

Ideal candidates for basic interventions appear to be youth and young adults who face economic and social risks but who are still engaged in school and remain reasonable candidates for competitive employment. Specific outcomes require specific intervention and recruitment strategies. For example, summer employment programs can reduce crime and help youth stay engaged in high school, but such interventions presently seem less effective in promoting college attendance or raising hourly wages.

Youth and young adults are often unsuccessful in their efforts to obtain paid employment, and an emerging body of evidence suggests that employment supports may bring long-term benefits to both the worker and wider society. However, the research does not precisely indicate which program designs are most effective, and for whom. The optimal program design likely depends on participants' age, and interventions for younger individuals should place a greater weight on supporting high school completion.

Much remains unknown about the best focus and content of employment interventions. Do younger or older youth benefit most from employment? Which wrap-around program components are most cost-effective? Should positions be created in the public sector or provided by the private sector?

The range of employment possibilities might also require rethinking. Traditional activities such as park cleanup or camp counseling require minimal training and supervision, and offer immediate income and the benefits that come with a structured work environment. Yet these basic jobs do not appear to produce sustained gains in employment and earnings. A more ambitious and imaginative program could consider different job roles.

Proposal

Effective youth employment policies should include two complementary components to address the challenges and uncertainties regarding what works, for whom, and at what level of cost-effectiveness.

First, federal agencies should finance a range of field trials and demonstration projects to improve our scientific knowledge. Ross and Kazis have proposed the establishment of a fund of

approximately \$300 million annually to support randomized trials and other evaluation efforts,³¹ with the goal of developing feasible program models suitable for scale-up.

Second, federal agencies should finance an ambitious youth employment effort that addresses current needs in light of what is known regarding program effectiveness. One intermediate goal would be to restore Department of Labor youth employment and job training to the per-capita funding levels of the early 1980s — that is, from the current \$880 million to roughly \$2.6 billion.

An even more ambitious step would be the establishment of a national budget for part-time summer employment on the order of \$2,000 for every disconnected youth and young adult, a level of commitment on par with OSP and SYEP. This effort might be financed through an expansion of the \$14 billion federal Title I program, which already provides pertinent infrastructure to target and manage such investments.

An expansion of this magnitude would cost roughly \$6 billion annually, not an insignificant amount but small compared to other items in government budgets: it is about 1/200th what the federal government spends on health care, and less than one-tenth of state and local expenditures on corrections.³²

Though rigorous evaluations show that summer job programs reduce youth violence, crime reduction is just one benefit of making meaningful employment available for youth and young adults. Investments to employ young people express the dignity of work, and these interventions put money in the pockets of disadvantaged individuals and families.

The United States willingly and routinely spends far greater sums on policy interventions that provide less value and are less cost-effective — the home mortgage interest deduction and subsidized employer-based health insurance come to mind. Far smaller amounts for evidence-informed interventions to address widespread youth joblessness would have a profound impact on individuals, families, and communities across the United States.

³¹ Ross and Kazis 2016.

³² S. Stullich, I. Morgan, and O. Schak, “State and Local Expenditures on Corrections and Education: A Brief from the U.S. Department of Education, Policy and Program Studies Service,” 2016, <https://www2.ed.gov/rschstat/eval/other/expenditures-corrections-education/brief.pdf>.