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# INVESTMENTS in Opportunity Youth Fuel Prosperity

In our country today, **4.6 million young adults ages 16 to 24 are out of school and unemployed.** At the same time, there are roughly 7 million job openings, and employers are clamoring for skilled workers.<sup>1</sup> What's wrong with this picture?

These young people, commonly referred to as “opportunity youth,” must overcome significant barriers to enter the labor market. But with the right kind of assistance, they can access the high-quality education and skills training that lead to good jobs.

**Increasing investments in opportunity youth is essential** to helping them find a path to financial stability and economic advancement. Expanding their skills also

strengthens the US workforce and sustains national economic growth.

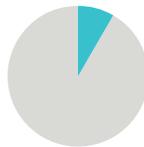
Yet federal funding for programs that build opportunity for low-income and out-of-school-youth has plummeted over the past 40 years. In fact, when adjusted for inflation, funding today is at a historic low for formula-driven programs serving out-of-school youth.

In today's rapidly changing economy, the costs of ignoring opportunity youth are too high. By 2020, 65 percent of jobs will require some form of postsecondary education and training. Today's opportunity youth can be the highly qualified workers of the future.

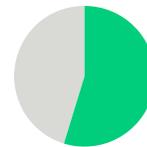
## Barriers Facing Opportunity Youth



About **50 percent** obtain a high school diploma but lack further education.<sup>2</sup>



Only **8.4 percent** obtain a bachelor's degree by age 24<sup>3</sup>



Only **55 percent** of young adults ages 16 to 24 are employed<sup>4</sup>

# INVESTING IN OPPORTUNITY YOUTH YIELDS CRITICAL ECONOMIC GAINS

Taxpayers save and communities thrive when opportunity youth make strong connections to education and work.<sup>5</sup>

Personal costs to opportunity youth are also high. People who lack steady employment by age 25 will earn 44 percent less over their lifetimes than their peers with full-time work.<sup>6</sup> They have a higher chance of being overlooked by employers if they finished high school but did not pursue postsecondary education or training.<sup>7</sup>

## Opportunity youth are assets to our nation. They...<sup>8</sup>

...are optimistic and hopeful of achieving their goals.

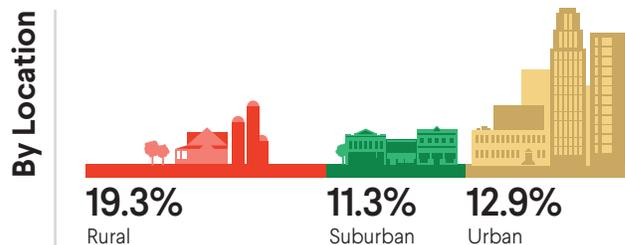
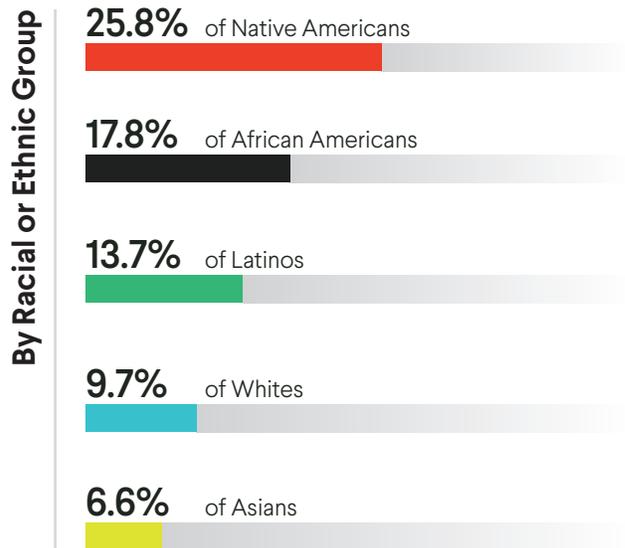
...accept responsibility for the future and understand that a good education and job will lead them toward economic prosperity, but they need help accessing high-quality programs.

...want to improve the lives of others by helping their peers get connected to high-quality education and job training opportunities.

## KEY FACTORS

### What Percentage of Young People in the US are Disconnected From School & Work?

Source: <http://www.measureofamerica.org/DYinteractive/>

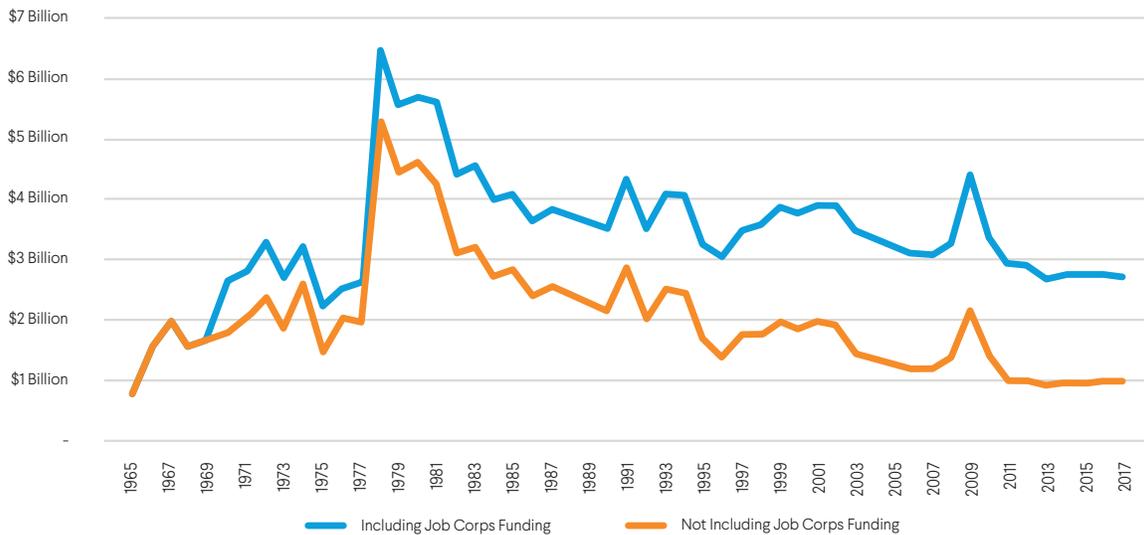


## Key Facts

- Disconnected females are nearly **4x more likely to be young mothers** than connected females.
- Disconnected youth are **more likely to live in poverty** than their peers (35.3% compared to 18.9%).
- Disconnected youth are **twice as likely to have no education beyond a high school diploma** than connected youth (50% vs 26.8%).

# FEDERAL INVESTMENT IN OPPORTUNITY YOUTH

Funding for US Department of Labor Youth Programs,  
in 2018 Dollars<sup>9</sup>



The US government has long invested in education, job training, counseling, employment, and community service programs that help low-income, disconnected youth. But the funding has declined precipitously, often in unpredictable ways since its peak in the late 1970's (see graph above).

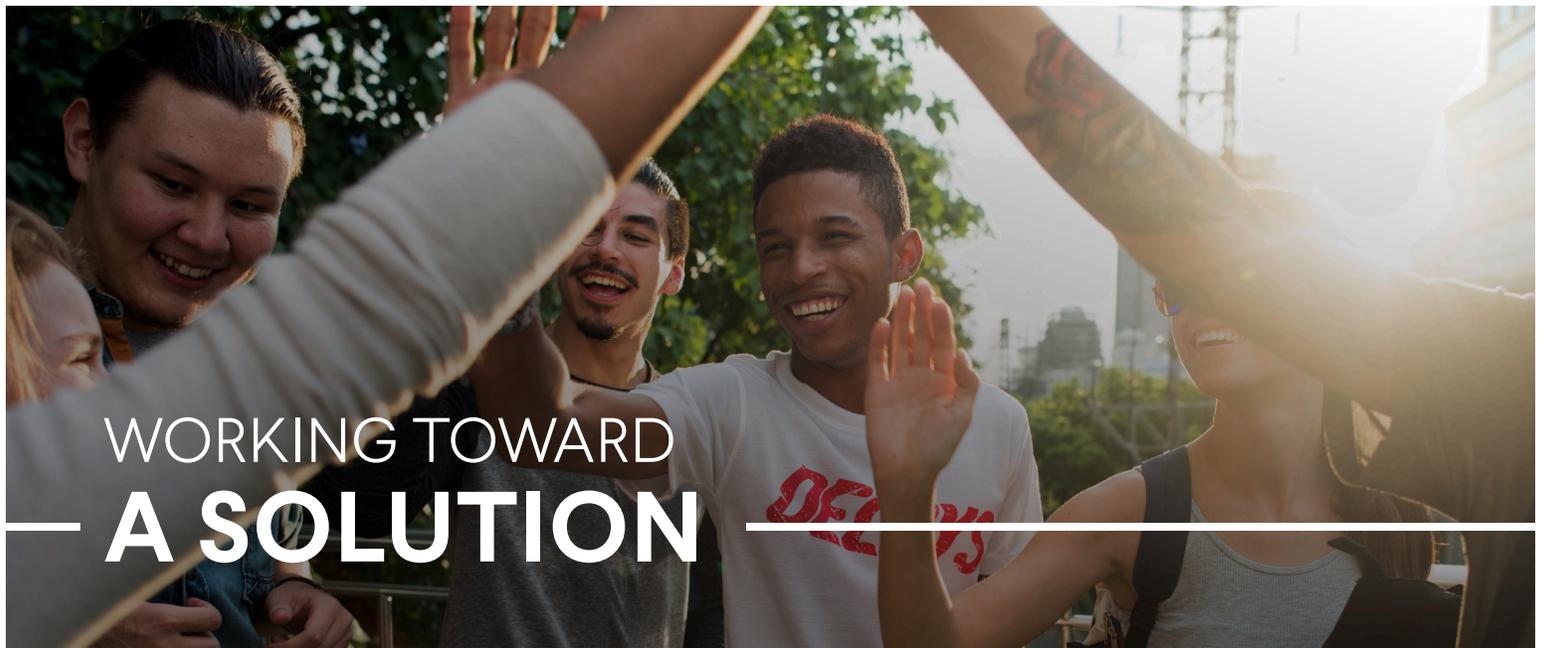
In fact, only 7.3 percent of the 4.6 million opportunity youth across the country are served by federally funded programs.<sup>10</sup> Between 2012 and 2016, the number served dropped from 440,000 to approximately 340,000.<sup>11</sup>

Adding to the financial stress, the Trump administration's federal budget proposal for Fiscal Year 2019 seeks additional deep cuts to these critical programs. Fortunately, Congress to date has rejected the cuts and has even provided slight increases. But the total funding remains inadequate.

**To serve just one-fourth of the opportunity youth population—or 1 million young people—Congress would need to invest \$4.3**

**billion over current funding levels for youth programming.**<sup>12</sup> While significant, even this level of funding would not fully meet the needs of the population.

Today's major federal programs serving opportunity youth are authorized under the Workforce Innovation and Opportunity Act (WIOA), administered by the US Department of Labor. WIOA's youth formula grant program focuses 75 percent of its resources on out-of-school youth, providing tutoring, dropout recovery, paid and unpaid work experience, occupational skills training, and support services.<sup>13</sup> The WIOA formula grant is the only major source of funding for low-income, disconnected youth in many local areas, as Job Corps and YouthBuild are national programs and available in a limited number of communities. The chart above shows how funding for youth programs (not including Job Corps) has plummeted since the late 1970s.



# WORKING TOWARD — A SOLUTION

**The nation needs bold and scalable solutions to harness the enormous untapped talent and potential of all Americans, especially our young people.**

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It is vital that individuals who are most in need have access to the full range of services and jobs that ensure economic mobility, according to [\*A Bridge to Reconnection: A Plan for Reconnecting One Million Opportunity Youth Each Year Through Federal Funding Streams\*](#). The report, written in collaboration with JFF, The Forum for Youth Investment, and YouthBuild USA, found that successful programs serving opportunity youth are typically full-time, comprehensive programs that include education, job training, counseling, personal supports, mentoring, leadership development opportunities, pathways to college and career, service- and work-based learning opportunities, and peer group activities.

Policymakers must recognize that federal policy changes and funding decisions significantly affect the lives of our nation's future workforce. While there is no one solution to connecting disenfranchised youth, the above characteristics of successful programs are key to connecting opportunity youth and meeting the current and future needs of the labor market. It is critical that we continue making these investments.

## QUICK CHECKLIST

### **Successful Programs Serving Opportunity Youth Tend To:**

- Be full-time and comprehensive
- Include education
- Provide job training and work-based learning
- Feature career counseling
- Offer personal supports and mentoring
- Give opportunity for leadership development
- Communicate clear pathways to college and career
- Facilitate peer group activities

## Endnotes

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1. *Job Openings and Labor Turnover Summary*, U.S. Department of Labor, (September 11, 2018), <https://www.bls.gov/news.release/jolts.nr0.htm>.
2. Ibid.
3. *More Than a Million Reasons for Hope*, Measure of America, <http://www.measureofamerica.org/DYinteractive/>.
4. *Employment and Unemployment Among Youth Summary*, U.S. Bureau of Labor Statistics (August 16, 2017), <https://www.bls.gov/news.release/youth.nr0.htm>.
5. Clive Belfied, Henry M. Levin, and Rachel Rosen, *The Economic Value of Opportunity Youth*, Civic Enterprises (2012), [http://www.civicerprises.net/MediaLibrary/Docs/econ\\_value\\_opportunity\\_youth.pdf](http://www.civicerprises.net/MediaLibrary/Docs/econ_value_opportunity_youth.pdf).
6. *Untapped Talent: Fulfilling the Promise of Youth Employment Programs for a Growing Economy*, JPMorgan Chase & Co. (September 2017), <https://www.jpmorganchase.com/corporate/Corporate-Responsibility/document/jpmc-summer-youth-2017.pdf>.
7. Ibid.
8. *Final Report: Community Solutions for Opportunity Youth*, White House Council for Community Solutions (June 2012), [https://assets.aspeninstitute.org/content/uploads/files/content/docs/resources/White\\_House\\_Council\\_For\\_Community\\_Solutions\\_Final\\_Report.pdf](https://assets.aspeninstitute.org/content/uploads/files/content/docs/resources/White_House_Council_For_Community_Solutions_Final_Report.pdf).
9. Funding levels are in current 2018 dollars using the Gross Domestic Product Chain-Like Price Index available at the Federal Reserve Bank of St. Louis at <https://fred.stlouisfed.org/series/GDPCTPI>. Funding is for programs specifically identified for serving youth. Included are the various youth programs funded by the U.S. Department of Labor (DOL) at different times since 1978, including the Neighborhood Youth Corps, Summer Jobs Programs, Year-Round Youth Programs, the Entitlement Program, Youth Community Improvement and Conservation Projects, the Young Adult Conservation Corps, Youth Fair Chance, School-to-Work, Youth Opportunity Grants, Youth Offender Projects, YouthBuild, and Job Corps.  
  
Funding for 1978 through 1981 are obligations. Funding for 1982 through 2017 are appropriations, except as noted below for the American Recovery and Reinvestment Act. Funding for 1978 through 1981 are from Table 1 of subsequent years of the Employment and Training Report of the President, [available at the Library of Congress](#). Funding for 1983 through 2013 are available at the ETA's website at <https://www.doleta.gov/budget/docs/tepbah.pdf>. Funding for 2014 through 2017 are available at the ETA's website at <https://www.doleta.gov/budget/>.  
  
Years 1978 through 1982 are fiscal years beginning on October 1. Years 1984 to the present are program years beginning on July 1.  
  
From 1983 through 1992, DOL appropriations distinguished between the Summer Youth Program and Year-Round Programs, but the year-round adult and youth programs were combined in one appropriation. The authorizing legislation during those years, the Job Training Partnership Act, required that 78 percent of the combined adult and youth year-round funding go to local areas, and that 40 percent of those local funds be spent on youth. The graph reflects that 31.2 percent of the formula funding was for youth (40 percent of 78 percent) during those years.  
  
The American Recovery and Reinvestment Act signed in February of 2009 included appropriations of \$1,165,482,374 for DOL youth programs. State reports to DOL showed that \$143 million of these funds were obligated in FY 2008, \$795.6 million in FY 2009, and \$226.8 million in FY 2010. The reports are available at the ETA's website at [https://www.doleta.gov/budget/WIA\\_archive.cfm](https://www.doleta.gov/budget/WIA_archive.cfm).
10. *ROI for Reconnecting Opportunity Youth in Each Congressional District*, Opportunity Youth Network (March 2017), [http://forumfyi.org/files/roi\\_for\\_reconnecting\\_opportunity\\_youth\\_in\\_each\\_congressional\\_district.pdf](http://forumfyi.org/files/roi_for_reconnecting_opportunity_youth_in_each_congressional_district.pdf).
11. John M. Bridgeland, Erin S. Ingram, and Matthew Atwell, *A Bridge to Reconnection: A Plan for Reconnecting One Million Opportunity Youth Each Year Through Federal Funding Streams, 2016 Update*, <http://aspencommunitysolutions.org/wp-content/uploads/2017/06/BridgetoReconnection.2016.pdf>.
12. Ibid.
13. These services are consistent with those identified as necessary for helping opportunity youth make successful transitions to postsecondary education and training and to employment. However, many WIOA programs do not offer this comprehensive array of services consistently, due in part to a lack of funding as well as to differing state and local priorities and quality.
14. *Recommendations to Increase Opportunity and Decrease Poverty in America*, National Council of Young Leaders, Opportunity Youth United (December 2015), [https://www.youthbuild.org/sites/default/files/Policy\\_Document-DEC-2015-ed11-d3.pdf](https://www.youthbuild.org/sites/default/files/Policy_Document-DEC-2015-ed11-d3.pdf).