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# Alleviating Poverty for Opportunity Youth

## Opportunity Youth and Poverty

In our country today, 4.6 million young adults ages 16 to 24 are out of school and unemployed. More than one-third live in poverty.

For these young people, commonly referred to as opportunity youth, building skills and gaining work experience are key to upward mobility.<sup>1</sup> However, they face significant barriers to entering the labor market. Meanwhile, federal programs designed to serve opportunity youth in poverty are limited and funding is inadequate.

### Disconnected Youth Key Statistics

Disconnected Youth ■ Connected Youth ■

#### Living in Poverty

35.3% 18.9%

Disconnected youth are more likely to live in poverty than their peers

#### Odds of Being Young Mothers



Disconnected females are nearly 4x more likely to be young mothers than connected females

#### Education beyond High School

26.8% 50%

Disconnected youth are nearly 2x as likely to have no education beyond a high school diploma than connected youth

### Barriers Facing Opportunity Youth Living in Poverty



Many can't afford to pay for postsecondary education and training.



Many who do enroll in education or training hold jobs at the same time, so they can't take a full course load, prolonging their time to a degree and increasing the risk they won't finish.



Young adults are more likely than older workers to have jobs with low wages, inconsistent schedules, and no benefits, such as paid leave.<sup>2</sup>



Critical services that support education and work, such as child care, transportation, and housing, are often inadequate and difficult to access.

# Federal Programs with Potential for Assisting Opportunity Youth

Federal assistance programs for low-income individuals can be used to help opportunity youth access education and skills training. But overall, **these programs are able to serve only a fraction of opportunity youth** who need services. A big part of the problem is that few programs are dedicated specifically to this population.

Three major federal programs, Job Corps, YouthBuild, and the youth formula grant program authorized under the Workforce Innovation and Opportunity Act (WIOA), target low-income, disconnected youth and young adults. However, only WIOA's youth program provides funding for opportunity youth services to all states and communities. At just \$903 million in FY2019, the

program's funding is woefully inadequate, with some states receiving as little as \$2 million annually. The national Jobs Corps and YouthBuild programs, funded at \$1.7 billion and \$89 million, respectively, offer opportunity youth a range of comprehensive services, but they are not available in many local areas.

An estimated \$4.3 billion would be needed to equip just one-fourth of the opportunity youth population across the United States—or one million young people—with the skills and supports needed for economic success.<sup>3</sup> Therefore, it is critical to identify all resources that are available for meeting the skill needs of these young people.

## Patchwork Programming



Federal poverty alleviation programs like the Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Programs (SNAP), and Pell grants are designed to assist low-income individuals and can be used to help opportunity youth gain the skills they need for economic success. But each has different purposes, eligibility requirements, rules, and expectations. As a result, each serves youth in varying degrees, and organizations must patch together funding from multiple, disparate sources to meet the complex needs of low-income and disconnected young people.

# TANF

## Transform Poverty Programs to Better Serve Opportunity Youth



**The Temporary Assistance for Needy Families (TANF)** program provides cash assistance to low-income families with dependent children. In exchange for benefits, the law requires able-bodied beneficiaries to work or participate in work-related activities. To a limited degree, education and training can count toward work requirements, and states can use TANF funding to pay for skills development for beneficiaries. However, federal law currently limits education and training activities to 12 months and limits the number of recipients in training that can count toward states' TANF work participation rates to 30 percent.

TANF touches almost one million young people under the age of 20. Of those, approximately 122,000 (13 percent) are young parents who are independently eligible for TANF benefits; the remainder are approximately 820,500 non-parenting teens who are dependents in TANF families. Youth under the age of 20 who receive TANF services are exempt from the 12-month cap on training, but time limits apply at age 20. The recent push for expanded work requirements for TANF and other poverty alleviation programs could further encourage a work-first approach that ignores the skills deficits of this population.

To ensure that TANF helps provide the skills that are needed for economic success and self-sufficiency, federal and state policy should be changed to:

- **Provide incentives** to focus on quality job placements and provide the education and skills training necessary for underprepared individuals to attain good jobs
- **Eliminate the current limits** on education and training
- **Replace the current work participation rate** with new performance metrics that measure participant outcomes, such as employment, retention, earnings, educational progress, and credential attainment (similar to performance measures authorized under WIOA)
- **Provide additional funding** dedicated for education, skills attainment, career navigation, and support services

### EFFECTIVE EXAMPLE

#### Philadelphia's TANF YD Program

The city's workforce development system, Philadelphia Works, uses TANF to provide services to opportunity youth. These resources, known as TANF Youth Development (TANF YD) funds, are used to recruit and provide workforce-related services for four targeted populations:

- Youth identified as having intellectual disabilities
- Youth who have been adjudicated
- Youth who are in or have aged out of foster care
- Youth who are transitioning out of Philadelphia Career and Technical Education Programs—all ranging from ages 17 to 21 years old

Services provided include training, career counseling, support services, financial literacy, high-school equivalency completion, and paid work experiences in industry sectors expected to see job growth.

# SNAP

## Transform Poverty Programs to Better Serve Opportunity Youth



**The Supplemental Nutrition Assistance Programs (SNAP)** provide important nutritional support for low-wage working families, low-income seniors, and people with disabilities living on fixed incomes. SNAP includes an education and training component (SNAP E&T) designed to provide recipients over age 18 with the training and experience they need to find better jobs and reduce their need for public assistance. Similar to TANF, SNAP E&T should better assist participants, including young adults, to attain the skills necessary for family-supporting careers. Through increased financial investment and better alignment with local workforce development systems and employers, SNAP E&T can better prepare recipients for work.

This fall, Congress passed a bipartisan [FARM bill](#) that included reform of SNAP. The bill strengthened SNAP E&T by:

- **Requiring consultation with workforce development boards and employers** to ensure that services and supports reflect state or local employers' current and projected needs
- **Increasing funding for innovative programs** aimed at connecting participants to employment, including underserved populations like adjudicated and homeless youth

The new law reflects solutions we believe are needed to develop the skills of opportunity youth and other low-income individuals.

### EFFECTIVE EXAMPLE

## Portland's SNAP 50/50 Consortia

Portland Community College (PCC), along with colleges throughout Oregon, established the OR Community College SNAP 50/50 Consortia to increase employment and training opportunities for individuals and families who are receiving SNAP. Administered by the federal government and statewide by the Oregon Department of Human Services, colleges offer extra supports and resources to help students:

- Complete their GED
- Increase English language skills
- Earn college credentials
- Participate in internships
- Find jobs that lead to living-wage careers

PCC is focusing on skills development because of the huge return on investment, helping people move out of poverty, and prioritizing student access, success, and equity. Under Oregon's SNAP 50/50 programs, colleges are reimbursed for 50 percent of their expenses related to the project while the other half comes from existing resources, like state, local grant, or foundation funding.

# Pell Grants

## Transform Poverty Programs to Better Serve Opportunity Youth

Pell grants provide low-income students with financial aid to pay for the costs of attending eligible postsecondary education and training programs. These grants are awarded to students for programs at accredited institutions that end in a degree or certification and meet credit-hour requirements established under Title IV of the Higher Education Act (HEA). Eligible students can be awarded up to \$6,195 per year under Pell, depending on their financial need, cost of attendance, whether they are a full-time or part-time student, and their plans for attending school for a full academic year or less. It is important to be aware that there is a 12-semester lifetime limit for receipt of Pell grants.

To better serve opportunity youth in postsecondary education, federal policy should encourage innovation in the design and delivery of postsecondary education and training programs. This includes incentives for implementing strategies that can help low-income and underprepared students succeed in postsecondary education and training, such as:

- **Connecting opportunity youth with a coach,** career navigator, and/or mentor
- **Providing services** designed to help students become familiar with college life and work
- **Providing rigorous guidance and support** services
- **Providing access to accelerated pathways** to credential attainment
- **Increasing opportunities** for high-quality **work-based learning**
- **Ensuring that students have access to financial aid**, including students who may be eligible under the ability to benefit (ATB) provisions of the HEA (see textbox)
- **Establishing partnerships with community-based and other organizations** that serve opportunity youth

### KEY CONCEPT

## The Importance of 'Ability to Benefit'

Pell grants are usually limited to students who have a high school diploma or its equivalent. However, students without a diploma or its equivalent may be determined eligible for Pell grants under the HEA's ability to benefit (ATB) provisions. Under ATB, a student may be determined eligible for a Pell grant if they pass a pre-approved test or successfully complete six credit hours and are enrolled in an eligible career pathway program. These determinations are made by the school's financial aid office, based on federal guidance issued by the U.S. Department of Education.

To read more about needed higher education policy changes, see our brief on [Making Higher Education Policy Work for Opportunity Youth](#).

# Recommendations

The barriers to success that opportunity youth face in the labor market are complex. Policymakers with authority over programs such as WIOA, TANF, SNAP, Pell grants, and other poverty-alleviation initiatives

***must ensure** that young people as well as adults are **accessing appropriate skill development opportunities and support services** that lead to family-supporting careers; and that **barriers to participation are eliminated.***

This means:

- **Increasing funding for WIOA youth programming**, as well as education and skills development in federal and state poverty alleviation programs
- **Better aligning programs across systems** to leverage resources, expertise, and service delivery
- **Ensuring that education and training is encouraged in federal poverty alleviation programs** by including these activities in eligible uses of funds and encouraging them through performance metrics
- **Ensuring that participant outcomes are consistent across programs** and include skill/credential attainment as well as employment-related outcomes (e.g., performance measures similar to those required under WIOA)
- **Ensuring that opportunity youth are indeed eligible** for the range of programs that can lead to economic self-sufficiency and rewarding careers
- **Providing needed flexibility** so states and local communities can pull needed resources and expertise together, in support of a collective impact strategy for meeting the needs of opportunity youth

As we look to the future, it is critical that our country invests in opportunity youth by helping this population attain the education, skills, and credentials needed to rise out of poverty and prosper in the economy of today and tomorrow. **Everyone wins when opportunity youth are reconnected.** Estimates show that taxpayers save more than \$102 billion in lifetime savings when the majority of a cohort of one million opportunity youth are reconnected and remain permanently on track.<sup>4</sup>

## Endnotes

1. Gregory Acs et al., *Measuring Mobility from Poverty* (Washington, DC: U.S. Partnership on Mobility from Poverty, The Urban Institute, 2018), <https://www.mobilitypartnership.org/publications/measuring-mobility-poverty>.
2. CLASP, *Poverty and Career Opportunities for Young Adults: The Census Poverty Report Dials Up the Urgency—And Congress Provides New Opportunities*, <https://www.clasp.org/whats-next/poverty-and-career-opportunities-young-adults-census-poverty-report-dials-urgency%E2%80%94and>.
3. 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>.
4. Bridgeland, Ingram, and Atwell, *A Bridge to Reconnection*.