



November 2006

## YouthNotes

### The 2006 Summer Teen Job Market:

*Who Got the Jobs, Who Didn't, and Why We Should Care*

**By Andrew Sum, Joseph McLaughlin, and Ishwar Khatiwada**

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The summer months traditionally have provided many teens an opportunity to gain an initial foothold in the labor market. The youth labor force (16-19 year olds) expands fairly substantially during the June-August period as high school and college students search for work during the summer school breaks. In the past summer, an average of 8.5 million 16-19 year olds were either working or actively looking for work, though many others also desired employment.

The nation's employers have typically responded to this influx of young job seekers by expanding their hiring of teens during summer months, and national, state, and local governments often provided funds for hiring teens in government agencies and non-profit organizations. For some youth, these summer jobs became the springboard for part-time employment during the school year and allowed for higher levels of year-round employment.

In recent years, however, teens have found it increasingly difficult to find summer employment. During the summers of 2004 and 2005, national teen employment rates (seasonally adjusted) were only 36.4 percent and 36.8 percent, the lowest summer employment rates ever recorded since the U.S. Census Bureau began collecting the data in 1948.

#### Trends in Teen Summer Employment, 1989-2006

The teen summer job market has deteriorated substantially since the summer of 2000. During the summer months of 2000,

the teen employment rate was 45.2 percent (seasonally adjusted). In the past summer, the teen employment rate was only 37.1 percent, eight percentage points below the summer 2000 rate and almost 12 percentage points below the teen summer employment rate in 1989, the peak year of the 1980s economic boom. Teens were more adversely affected than any other demographic group by the national recession of 2001 and the largely jobless recovery of 2002-2003, and they have been unable to benefit to any substantive degree from the national jobs recovery that has been taking place since the early fall of 2003.

#### Who Worked During the Summer of 2006?

The summer 2006 teen employment rates differed considerably across four major race-ethnic groups (Asians, blacks, Hispanics, and white, non-Hispanics). White teens had the highest employment rate of the four race-ethnic groups. An estimated 51 percent of white teens worked this past summer, which was nearly double the employment rate of black teens (27 percent) and of Asian teens (26.9 percent). Only one in every three Hispanic teens worked this past summer.

The likelihood that a teen holds a job during the summer months typically rises with their family's annual income. Contrary to the expectations of neoclassical labor market theory, youth from affluent families are more likely to seek and find employment dur-

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### LEGISLATIVE UPDATE

#### The Impact of the 2006 Midterm Elections

The midterm elections, in which the Democrats won control of the House and Senate for the first time in 12 years, are now behind us. While some House races are still too close to determine a winner, Democrats will enjoy a majority of about 30 seats. In the Senate, analysts expect Senator Joe Lieberman (D-CT) and Senator-elect Bernard Sanders (I-VT), both elected as independents, to caucus with the Democrats who will then have a narrow 51 to 49 majority.

The elections have already had a profound impact on the political situation in Washington and the results will continue to reverberate. First, congressional leadership will change. Representative George Miller (D-CA) will chair the House Education and the Workforce Committee, which has jurisdiction over the Workforce Investment Act and the entire range of education programs. Miller is a 16-term veteran with a strong commitment to education, training, and social service programs. Senator Edward M. Kennedy (D-MA), who is equally committed to improving the lives of low-income people, will return to chair the Senate Health Education Labor and Pensions (HELP) Committee. In the House, Representative David Obey (D-WI) will chair the full Appropriations Committee and may chair the Labor-HHS-Education Subcommittee, as well. Senator Tom Harkin (D-IA) will probably chair the Labor-HHS-Education Appropriations Subcommittee in the Senate. Both legislators are well-known for their support of programs that assist low-income people. Representative Charles Rangel (D-

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# YDRF Launches Out-of-School Youth Advocacy Team

By **Ed DeJesus**, Youth Development and Research Fund

On November 20, the Youth Development and Research Fund (YDRF) will conduct the first meeting of the Out-of-School Youth Advocacy Team (OSYAT). The purpose of the OSYAT is to develop and train a cadre of out-of-school youth to lead an effort designed to educate the public, policymakers, and politicians about the needs of out-of-school youth.


As politicians travel the country touting "No Child Left Behind," they often forget one very important fact. This country only provides remedial educational and employment services for 3 percent of the eligible out-of-school youth population. There are 5.4 million out-of-school youth for 250,000 federally funded program slots. Somebody is going to be left behind.

Now more than ever, youth advocates need to educate policymakers and the public about the out-of-school youth who have been undervalued and overlooked, the youth who have the potential to become America's best resource or worst liability.

The OSYAT will meet once a month at different locations throughout the Washington, DC area. Programs with youth interested in joining should call YDRF at 301-216-2566 with names of up to four the young people aged 16-24. More information on YDRF is at [www.ydrf.org](http://www.ydrf.org).

All selected young people should have strong leadership and communication skills. In addition, they should be in good program standing and possess a passion for community improvement and change. YDRF asks that each young person serve for a minimum of one year. The majority of the OSYAT meetings will take place in the late afternoon.

Each young person will receive a \$20 stipend for participation and travel expenses at each meeting or event.

YDRF will convene the first OSYAT meeting at the offices of the National Youth Employment Coalition on November 20 at 1836 Jefferson Pl., NW, Washington, DC 20036, from 4:00 - 5:30 pm. 

## NEWS AND ANNOUNCEMENTS

### **NYEC Members Forum and Retreat - Save the Date!**

NYEC will convene its Members Forum and Retreat 2007 in New Orleans, LA from March 28-31, 2007. NYEC is recruiting for the planning committee, which will hold its first conference call on November 30. If interested, please contact Eric Cline at [ec@nyec.org](mailto:ec@nyec.org).

### **NYEC Seeks Policy and Project Associates**

NYEC is currently seeking candidates for two full time positions: Policy Associate and Project Associate. For job descriptions and how to apply, visit [www.nyec.org/jobs](http://www.nyec.org/jobs).

### **Finance Project Releases Two Publications on Youth Workforce Development**

The Finance Project released *Finding Resources to Support Workforce Development Strategies for Youth*, which describes four strategies to find resources for youth workforce development services. The Finance Project also published its August *Resource Note* entitled "Improving State Coordination of Youth Workforce Development Services." Both documents are available at [www.financeproject.org](http://www.financeproject.org).

### **Child Trends Issues Brief on Measuring Out-of-School Time Outcomes**

Child Trends issued "Measuring Outcomes for Children and Youth in Out-of-School Time Programs: Moving Beyond Measuring Academics." Read the brief at [www.childtrends.org/Files/OutcomesRTRRB.pdf](http://www.childtrends.org/Files/OutcomesRTRRB.pdf).

Members wishing to make announcements in YouthNotes should contact Eric Cline at [ec@nyec.org](mailto:ec@nyec.org).

### **Guttenmacher Institute Report Indicates Decline in Teen Pregnancy**

The New York-based Guttenmacher Institute recently released its report *U.S. Teenage Pregnancy Statistics: National and State Trends and Trends by Race and Ethnicity*. The report states that, though still a problem, "teen pregnancy is down 36 percent since its peak in 1990." Read the report at [www.guttmacher.org/pubs/2006/09/12/USTPstats.pdf](http://www.guttmacher.org/pubs/2006/09/12/USTPstats.pdf).

### **New York Coalition Issues Guide to Operating Host Home Programs**

The Empire State Coalition released *A Guide to Developing and Operating Host Homes for Youth in Crisis*. The Host Home model was developed to provide short term, safe and nurturing shelter to runaway and homeless youth in host family settings. To learn more, visit [www.empirestatecoalition.org/hosthomemanual.pdf](http://www.empirestatecoalition.org/hosthomemanual.pdf).

### **NCETT Releases Report on Pregnancy Prevention and Youth in Foster Care**

The National Campaign to End Teen Pregnancy released its report *Fostering Hope: Preventing Teen Pregnancy Among Youth in Foster Care*. The report summarizes research on the high rates of teen pregnancy among foster care youth, qualitative research from focus groups and service provider surveys, discussions from roundtable meetings, and implications for the field. To read the report, visit [www.teenpregnancy.org/resources/reading/foster\\_care](http://www.teenpregnancy.org/resources/reading/foster_care).



## NATIONAL YOUTH EMPLOYMENT COALITION

NYEC distributes YouthNotes 11 months of the year.

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The National Youth Employment Coalition is supported by the Carnegie Corporation of New York, IBM, JP Morgan Chase, Lumina Foundation for Education, Charles Stewart Mott Foundation, Public Welfare Foundation, Institute for Educational Leadership, Education Development Center, fees for service, and membership dues.

## LEGISLATIVE UPDATE, from 1

NY), who has long been a champion of low income individuals, will chair the Ways and Means Committee. Senator Max Baucus will chair the Senate Finance Committee.

Committee assignments will also change. On the Senate HELP Committee, Senator-elect Bernie Sanders (I-VT) will replace Senator Jim Jeffords (I-VT). Senator-elect Sherrod Brown (D-OH) and Senator Barack Obama (D-IL) are also new additions to the committee.

The Senate Appropriations Committee will likely consist of 15 Democrats and 14 Republicans. Two Republican appropriators – Senators Conrad Burns (R-MT) and Mike DeWine (R-OH) – lost their re-election, so one new Republican will be added. Senators Susan Collins (R-ME), Mike Enzi (R-WY), and Gordon H. Smith (R-OR) are among those being mentioned for slots. Democrats added Jack Reed (D-RI), Frank Lautenberg (D-NJ), and Ben Nelson (D-NE) to the committee.

While Democrats have named their Appropriations Committee members, they have not formally determined Appropriations Subcommittee chairmanships. It now appears that Senator Byron Dorgan (D-ND) will chair the Energy and Water Subcommittee, allowing Senator Dianne Feinstein (D-CA) to replace Dorgan on the Interior Appropriations Subcommittee and Senator Tim Johnson (D-SD) to replace Feinstein on the Military Construction and Veterans Affairs Appropriations Subcommittee.

The majority shift will likely result in

an adjustment in priorities, including more oversight of policies and activities of federal departments and agencies and a different perspective on tax code as it relates to social policy. Issues that affect youth in general, and at-risk youth in particular, are likely to become a higher priority to legislators. It is important to note, however, that on the Appropriations side, Representative Obey and Senator Harkin are acutely aware of the size of the budget deficit and will be operating within a tight fiscal framework.

### Appropriations and the Lame Duck Session

On November 14, Congress returned to begin a lame duck session. They adjourned on November 17, and will return on December 4. Republicans retain their majority through the end of the calendar year. Congressional leaders want to end the session by December 15.

The highest priority item on the congressional agenda has been to try to complete action on the FY 2007 Appropriations bills that Congress did not complete before the midterm elections on November 7. Congressional leaders, however, appear inclined to pass a long term Continuing Resolution (CR) after giving up on completing the FY 2007 Appropriations bills before they adjourned.

The CR Congress passed at the end of September will expire on November 17. The current CR will carry through December 8. That week Congress will probably pass another CR that extends into next year. The key decision legislators face now is

how long to extend the year-end CR. Some congressional leaders favor a year-long CR, while others advocate for one that will expire in January after the new Congress convenes.

How smoothly the next Congress and the Administration work on the Appropriations bills may signal the tone of their relationship going forward. Both the House and Senate Labor-HHS-Education Appropriations bills are billions of dollars below the FY 2006 level and legislators in both Houses are advocating the addition of between \$2 and \$3 billion to the bills as they exist now.

### Reauthorizations

The elections will have significant implications for pending reauthorizations. Congress has been unable to reauthorize the **Workforce Investment Act (WIA)** due to a religious hiring provision included in the House bill. This issue is not likely to impede reauthorization in the next Congress.

The Administration may seek to have Congress include Career Advancement Accounts and block granting in the bill.

Congress extended the **Higher Education Act (HEA)** to June 30, 2007. The new Congress will take up work on a longer term HEA reauthorization next year. Incoming leaders have signaled their desire to make higher education more affordable.

In addition, both Representative Miller and Senator Kennedy have indicated that they intend to move ahead with the reauthorization of the **No Child Left Behind Act**. Both indicate that they remain committed to its basic framework while they are willing to make changes to it. ✨

## NYEC Welcomes New Members!

### CHALK

San Francisco, CA

[www.chalk.org](http://www.chalk.org)

Chicago Department of Children and  
Youth Services

Chicago, IL

[www.cityofchicago.org/cys](http://www.cityofchicago.org/cys)

U.S. Conference of Mayors

Washington, DC

[www.usmayors.org](http://www.usmayors.org)

## National Youth Development Symposium

December 4-7, 2006 in  
Chicago, IL

[www.nawdp.org/youth-  
symposium.htm](http://www.nawdp.org/youth-symposium.htm)

Featuring a PEPNet  
Pre-Session  
and an NYEC/PEPNet  
Workshop Track

## Registration Closes November 28!

ing the summer. Low income youth typically experience the lowest employment rates.

Low income teens in families with annual incomes below \$20,000 had a summer employment rate of only 32 percent versus 45 percent for teens with family incomes between \$40,000 and \$60,000 and 52 percent for teens with family incomes above \$75,000.

### Employment by Race-Ethnic Groups and Household Income

The 2006 summer teen employment rates in each of the four race-ethnic groups typically rose with household income up to a certain point and then leveled off as they approached the highest income levels. In each race-ethnic group, teens in the lowest income group (those with household incomes under \$20,000) were the least likely to be employed during the past summer. For example, among black teens, summer 2006 employment rates varied from a low of 17 percent among those with a household income under \$20,000, to 34 percent among those with incomes between \$40,000 and \$60,000, dipping slightly to 32 percent among those with incomes between \$60,000 and \$75,000, and increasing to a high of 38 percent for those with incomes above \$75,000. Similar patterns prevailed among Hispanics and whites. In all cases, however, white teens in each income category were more likely to be working than their Asian, black, or Hispanic teen counterparts, with frequently large race-ethnic gaps in employment rates among teens in the lower income categories.

### Summer 2006 Labor Force Underutilization Problems

The low teen employment rates over the past three summers are historically unique and have affected teens in all major demographic and socioeconomic groups and geographic areas. Most surprising, is the absence of any substantive improvements in the summer teen employment rate over the past three summers, despite relatively strong national wage and salary job growth, which in the past would have boosted the demand for teen workers. Increased job competition from newer immigrants, workers 55 and older, older college students home for the summer, and young college graduates unable to obtain jobs in their chosen field considerably reduced teen employment prospects.

The average monthly number of officially unemployed teens over the summer of 2006 was 1.44 million, yielding a teen unemployment rate of 16.5 percent – four times as high as the unemployment rate for the nation's adults (20+) over the same three month period. Male teens faced a slightly higher unemployment rate than female teens (17.3 percent vs. 15.6 percent). Teen unemployment rates varied more considerably across the four race-ethnic groups, ranging from a low of 13 percent for white, non-Hispanics to a high of 34 percent for black teens. In the summer of 2000, the unemployment rate of the nation's teens was 13.6 percent versus the 16.5 percent rate of unemployment during the summer of 2006. The teen unemployment rate for the summer of 2006 was, however, below that of the previous summer when it was 18 percent.

The underutilization problems of teens go far beyond the official unemployment statistics. Teen labor force participation is cyclically sensitive, declining during periods of job loss and rising unemployment. If teens perceive that jobs are not available, they will stop actively looking for work and no longer be counted as unemployed. Yet, many of these teens would be willing to accept jobs if they were offered to them.

Past evaluations of youth employment programs creating jobs for low income youth in central cities and rural areas have revealed that many teens, especially black teens, will enroll in such employment programs when jobs are made available to them. During the past few summers, however, national, state, and local governments made few subsidized jobs available.

Direct interviews with black teens in high poverty neighborhoods yield much higher unemployment rates than interviews with proxy respondents. Very high fractions of low income and minority teens are not only jobless during the summer months but also during the entire calendar year. Their high levels of joblessness in their teen years will exacerbate their difficulties in transitioning to the career labor market in their late teens and early twenties and reduce their future wage and earnings potential. Teens, especially economically disadvantaged teens, with no paid employment also are more likely to drop out of high school, become involved with the criminal justice system, and to become pregnant.

### Year-Round Teen Employment Rates, 2000-2006

Teen employment problems, unfortunately, are not confined to the summer months. During calendar years 2004 and 2005, the annual average employment rates of the 16-19 year old population were only 36.4 percent and 36.5 percent, also setting the record for the lowest teen employment rates in the past 56 years. Limited year-round employment opportunities for teens exacerbate their summer job market prospects. Communities face a clear need for improved job opportunities for teens on a year-round basis, especially low-income youth, those living in high poverty neighborhoods, and high school dropouts.

### Implications

Far fewer youth across the nation are gaining exposure to the job market and to the real world of work than in the late 1980s and 1990s. This reduced access to job opportunities has both long run and immediate adverse consequences. Youth not enrolling full-time in four year colleges upon graduation from high school tend to obtain important economic benefits from in-school work experience, both year-round and summer, and from employment in their late teens when they leave high school. Such work experience can be an important form of human capital investment, helping to build non-cognitive skills, soft skills, as well as occupational skills on the job that will improve their future employability and real wage prospects. These findings reveal the difficulties that many teens – especially teens from minority and low income households – faced in finding any type of employment during the past few summers. ✎

### The 2006 Summer Job Market for the Nation's Youth: Who Got the Jobs and Who Didn't and Why We Should Care

This article is an excerpt of a paper written by Andrew Sum, Joseph McLaughlin, and Ishwar Khatiwada at the Center for Labor Market Studies at Northeastern University. The paper was prepared for Jobs for America's Graduates. Read the entire paper at [www.nyec.org/The\\_2006\\_Summer\\_Job\\_Market.pdf](http://www.nyec.org/The_2006_Summer_Job_Market.pdf).