

Trends in NYC Youth Employment

POLICY BRIEF NO. 5

Tim Ross and Yana Mayevskaya, *Action Research*¹
Members, Child Trends Monitoring, Evaluation and Learning Team
Conrad N. Hilton Foundation Foster Youth Initiative

SUMMARY

This brief discusses trends in youth employment and workforce development to set the context for efforts to improve economic outcomes for New York City (NYC) foster youth. Several common measures have moved in positive directions in recent years. The number and rate of youth disconnected from school and work has dropped as has the youth unemployment rate, while hourly wage rates have risen. These improvements mask some troubling trends showing youth participating in more part-time as opposed to full-time work and stagnant earnings. NYC has a robust set of youth workforce initiatives, including several targeted at foster youth. Workforce experts credit these programs for contributing to improvements, but the absence of greater gains among youth during the tightest labor market on record is cause for concern.

BACKGROUND

Employment during transition age years is associated with higher school attendance, stronger academic performance, and better economic outcomes in adulthood.² For transition-age foster youth, meaningful early work experiences are that much more important. Typical youth receive tens of thousands of dollars in material support during their transition years and several weeks a year of unpaid family help.³ Youth who “age out” of foster care often have few or no such supports. Those youth who do not age out rarely return or enter families that are able to provide anywhere near this level of support. Instead, most transition age foster youth must rely on their own capacity to earn an income and pay their bills.

Most foster youth struggle economically during their transition to adulthood. Young adults currently or formerly in foster care are significantly more likely to experience unemployment, with about half unemployed at the age of 24 and as many as 20 percent becoming homeless upon aging out of foster care.⁴ These results can be improved with early connection to the workforce. Foster youth who have some connection to the workforce between the ages of 16 and 18 are

¹ Many thanks to Mike Jolley for his contributions to this brief.

² Greene, K. M. and Staff, J. (2012), Teenage employment and career readiness. *New Directions for Youth Development*, 2012: 23-31. doi:[10.1002/yd.20012](https://doi.org/10.1002/yd.20012); Leos-Urbel, J. (2014), What Is a Summer Job Worth? The Impact of Summer Youth Employment on Academic Outcomes. *J. Pol. Anal. Manage.*, 33: 891-911. doi:[10.1002/pam.21780](https://doi.org/10.1002/pam.21780)

³ Schoeni, Robert and Karen Ross. 2005. “Material Assistance Received from Families During the Transition to Adulthood,” Chapter 12 of *On the Frontier of Adulthood: Theory, Research, and Public Policy*. Edited by Richard A. Settersten, Jr., Frank F. Furstenberg, Jr., and Ruben G. Rumbaut. Chicago, IL: University of Chicago Press.

⁴ See Courtney, M. E., Charles, P., Okpych, N. J., Napolitano, L., & Halsted, K. (2014). Findings from the California Youth Transitions to Adulthood Study (CalYOUTH): Executive Summary. Chicago, IL: Chapin Hall at the University of Chicago, p. 73-74; Courtney, M., Dworsky, A., Brown, A., Cary, C., Love, K., & Vorhies, V. (2011). Midwest evaluation of the adult functioning of former foster youth: Outcomes at age 26. Chicago, IL: Chapin Hall at the University of Chicago.

more likely to be employed during their mid-twenties and to experience other positive outcomes.⁵ Those who do not connect to the workforce before leaving foster care have only a ten percent or smaller chance of employment by their mid-twenties.⁶ Foster youth, however, face the challenges of entering the workforce in a larger context. The next sections describe some of the trends in youth employment in New York City (NYC) and elsewhere.

Measuring youth employment and workforce participation

Developing indicators of progress in youth employment is challenging. By age 27, most adults have finished their formal education and live independently.⁷ In contrast, youth are a mix of several subpopulations who may be in a variety of educational programs (including secondary school, college, and vocational courses) and living arrangements (with parents/guardians, living independently, with friends, in dormitories, in supportive housing, shelters, or homeless) that may allow or require greater or lesser opportunities for workforce participation. A college student living with parents who is not working is in a far different situation than a young person living with friends who cannot find a job.

To discern employment patterns among youth in NYC, New York (NY) State, and nationally, we examined several metrics. These include the number and rate of disconnected youth (youth who are neither in school nor working), youth unemployment rates, teen idleness, and youth wage data. Many of these indicators are available through labor and economic data collected by state and federal governments. These metrics have some weaknesses. For example, the youth unemployment rate is an estimate derived from a larger survey not specifically aimed at youth employment and is not comparable to the general population unemployment rate. Still, together, this information provides a good picture of youth employment trends. None of these metrics, unfortunately, are produced routinely for foster youth in NYC or in any other locality as far as we know.⁸

National, New York State, and New York City trends

Disconnected youth. Since 2010, the rate of disconnected youth, teenagers, and young adults between the ages of 16 and 24 who are neither working nor in school, has declined nationally, in NY State, and in NYC. The most recent comparable data, from 2016, show that 11.8 percent of NYC youth and young adults are disconnected, about the same as the rates for NY State (12.1%) and nationally (11.7%).⁹ Due to small sample sizes in the American Community Survey, the trend data we located for NYC are only available as three-year averages that are not comparable

⁵ Prepared by the Urban Institute, 2008: <https://www.urban.org/sites/default/files/publication/31216/1001174-Coming-of-Age-Employment-Outcomes-for-Youth-Who-Age-Out-of-Foster-Care-Through-Their-Middle-Twenties.PDF>

⁶ Ibid.

⁷ Judith G. Dey and Charles R. Pierret, "Independence for young millennials: moving out and boomeranging back," *Monthly Labor Review*, U.S. Bureau of Labor Statistics, December 2014, <https://doi.org/10.21916/mlr.2014.40>. Last accessed December 12, 2018.

⁸ Many of the statistics on youth employment come from either the Current Population Survey or the American Community Survey. Both sources are large surveys conducted in whole or part by the U.S. Census Bureau. Information from both surveys is often produced using a three-year moving average due to small sample sizes. For more information on these sources, see the Census Bureau website.

⁹ See Measure of America available at <https://ssrc-static.s3.amazonaws.com/moa/dy18.full.report.pdf>

to the rates cited above. Nonetheless, the NYC rates have the same trends, declining from 17.6 percent in 2012 to 14.9 percent in 2016.¹⁰

Though the number and rate of NYC disconnected youth declined over the past five years, many concerns remain. Native American, Black, and Latinx youth have rates of disconnection well above their White and Asian counterparts. Furthermore, rates vary by borough. The rate of disconnected youth in the Bronx is almost a third higher than in the city as a whole, despite declines between 2012 and 2016 (see Figure 1). In 2016, one study found that the Bronx had the highest rate of disconnected youth of any urban county in the nation.¹¹

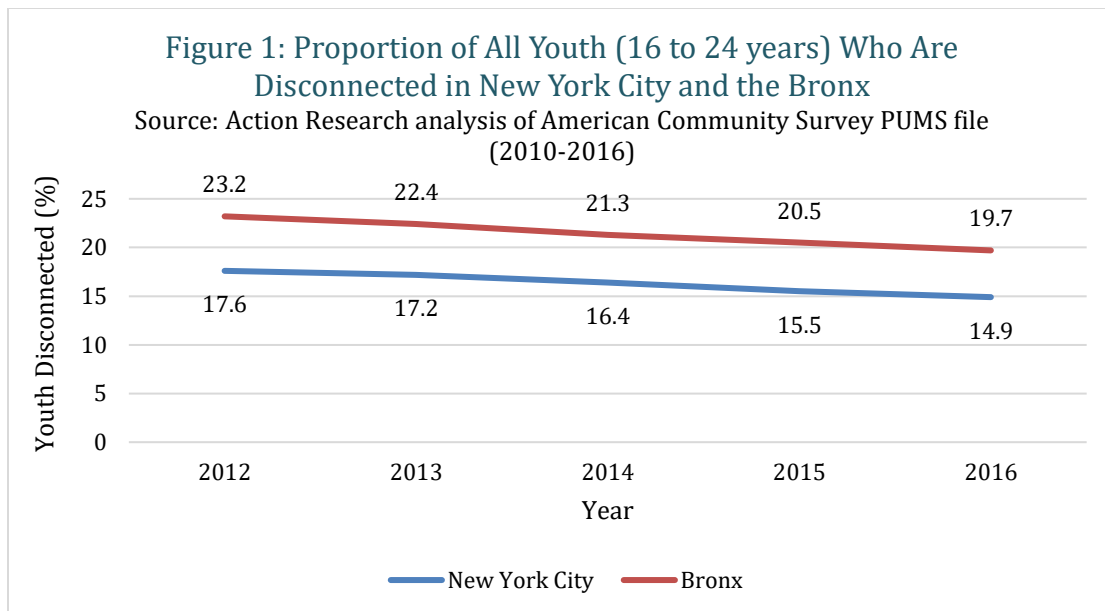


Figure 1: Proportion of youth 16 to 24 years old who are disconnected in NYC and the Bronx. Due to small sample sizes in NYC, data are available only in 3-year averages (i.e. 2016=2014-2016).¹²

Workforce researchers and advocates attribute NYC’s decrease in disconnected youth to several factors.¹³ The NYC economy is expanding rapidly: the adult unemployment rate declined from 10.0 percent in 2010 to 3.6 percent in October 2018, the lowest rate in any month in the 42 years of data available.¹⁴ Steady improvements in high school graduation and college enrollment rates have also played a role.¹⁵ Many believe that gentrification has played a role, as there are fewer

¹⁰ U.S. Census Bureau, American Community Survey 3-Year Estimates, Public Use Microdata Sample File (2010-2016); retrieved from the Keeping Track database available at <https://data.cccnewyork.org> last accessed December 13, 2018.

¹¹ See Measure of America, available at <https://ssrc-static.s3.amazonaws.com/moa/dy18.full.report.pdf>

¹² See Keeping Track Database: <https://data.cccnewyork.org/data/table/1252/disconnected-youth-16-to-24-years#1252/1439/22/a/a>

¹³ This paragraph relies heavily on Lazar Treschan and Irene Lew. 2018. *Barriers to Entry*. JobsFirstNYC: New York, NY. Available at http://www.jobsfirstnyc.org/uploads/2018_Jobs_First_Barrirs_to_Entry_V2.pdf last accessed December 12, 2018.

¹⁴ See “Local Area Unemployment Statistics Program”. New York State Department of Labor. Available at <https://www.labor.ny.gov/stats/laus.asp> last accessed December 12, 2018. This site has monthly unemployment rates dating from 1976.

¹⁵ For more information, see the education brief in this series.

youth overall in NYC and a greater proportion of them live in middle and upper income areas with high rates of educational attainment and labor force participation. While few rigorous evaluations exist, the impact of more youth workforce development programs and an expansion of the Summer Youth Employment Program are believed to be contributing factors.

This good news is offset by changes in the nature of employment that are also present in the broader labor market: increases in part-time employment and declines in full-time employment. The percent of 18- to 24-year-olds (including students) holding part-time jobs increased from 56 percent in 2010 to 61 percent in 2015. However, the percentage of full-time jobs dropped among 18- to 24- year-old non-students, from 57 percent to 52 percent.¹⁶ To learn more, we also examined the youth unemployment rate.

Youth Unemployment: Youth unemployment rates in NYC paralleled national trends over the last decade. Unemployment rates increased for young people ages 16 to 24 from 2008 to 2012, but steadily declined since then (see Figure 2).¹⁷ Youth 20 to 24 years old actively looking for work have roughly half the unemployment rate of their younger counterparts. In both age ranges, however, the youth unemployment rate is several times the adult unemployment rate.

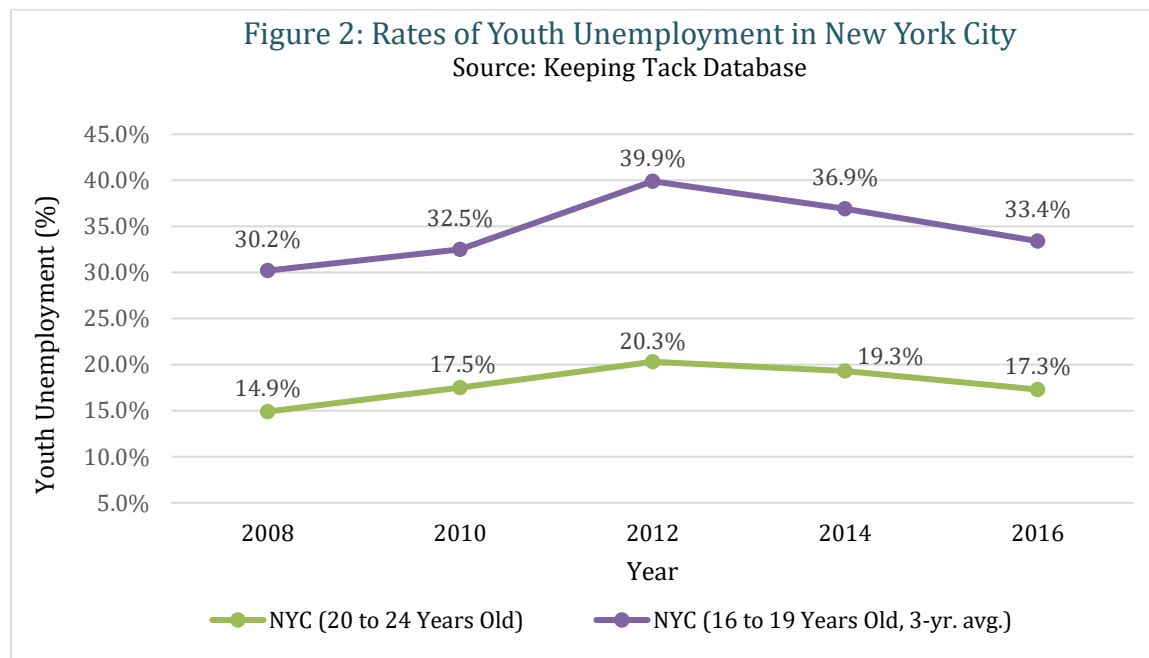


Figure 2: Unemployed youth 16 to 19 years old and 20 to 24 years old actively seeking employment in NYC from 2008 to 2016.¹⁸ Due to small sample sizes of youth 16 to 19 years old in NYC, data are presented in 3-year averages (i.e. 2016=2014-2016).

¹⁶ Treschan and Lew, 2018.

¹⁷ For national youth unemployment rates, see: <https://www.brookings.edu/research/employment-and-disconnection-among-teens-and-young-adults-the-role-of-place-race-and-education/>

¹⁸ See Keeping Track Database: <https://data.cccnewyork.org/data/table/1180/youth-unemployment-20-to-24-years#1180/1312/25/a/a>

Though moving in the right direction, the gains are tepid compared to those seen in the adult population. The youth unemployment rates in Figure 2 move in a small range. In contrast, the adult unemployment rate, though calculated using a different method, dropped by half during that same period. In 11 of New York’s 59 community districts, the unemployment rate for youth 20 to 24 years old exceeded 20 percent in 2016. That a large proportion of young people cannot find work in a very tight labor market demonstrates an urgent need for more youth workforce programming.

Youth Wages and Earnings.¹⁹ Even among young people who find work, the trends are sobering. Because data are not readily accessible, we rely heavily on information reported by JobsFirstNYC rather than the source data.²⁰

Among NYC young people (ages 18 to 24 years) 57 percent make less than \$15 an hour.²¹ Among part-time workers, 75 percent make less than \$15 an hour. Judging by the sectors in which young people work (sales, office and administrative support, and food services, see Figure 3), many likely make minimum wage.

Fortunately, the minimum wage in NY State is rising. After stagnating from 2010 (\$7.25 an hour) to 2015 (\$8.75) the minimum wage increased to \$11.00 in 2016. In 2019 the minimum wage for large employers will rise to \$15.00 for large employers, and in 2020 to \$15.00 for all employers.²² These increases will impact tens of thousands of NYC young people.

The stagnant earnings for young people and other low wage workers helped prompt these increases. Among full-time young adult workers (18 to 24), median earnings per year *fell* from \$28,000 in 2010 to \$27,000 in 2015.²³ Most employed young people who are not in school, work part time. And that share increased from 52 percent in 2010 to 57 percent in 2015.

In sum, while the NYC economy rebounded sharply from the Great Recession, this rising tide did not carry all boats. We do not have economic outcome data for young people in foster care. Judging from the educational attainment of foster TAY and the employment outcomes in areas where many young people in foster care live, however, it is reasonable to believe that the dismal employment, wage, and earnings data for young people discussed above are even worse for those transitioning out of foster care.

¹⁹ Wages refers to the hourly rates paid by employers, while earnings refers to how much a person makes over a given period.

²⁰ Wage rates by industry and sector are common, but the breakdown we want, wage rates by age in New York City, are not readily accessible. The JobsFirstNYC report cites census data as the source of their information, specifically the Current Population Survey and the American Community Survey.

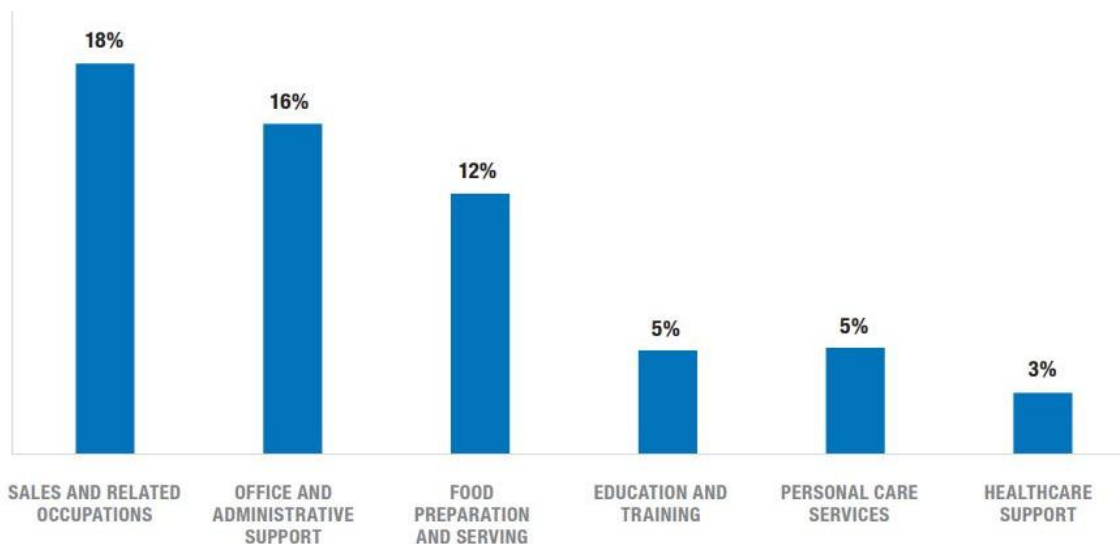
²¹ JobsFirstNYC, p. 28.

²² See the Department of Labor History of the General Hourly Minimum Wage in NY State:

https://labor.ny.gov/stats/minimum_wage.shtm and <https://www.ny.gov/new-york-states-minimum-wage/new-york-states-minimum-wage>. New York State defined large employers as those companies with 11 or more employees. For small employers (10 or less), the minimum wage will increase from \$10.50 on December 31, 2016 to \$15.00 on December 31, 2019.

²³ See: http://www.jobsfirstnyc.org/uploads/2018_Jobs_First_Barrirs_to_Entry_V2.pdf

Figure 3: Job Type of Working 18-24 Population in NYC Not Enrolled in School
 Source: JobsFirstNYC’s Analysis of the US Census Bureau’s 2013-2015 American Community Survey²⁴



Thoughts on measuring employment, wages, and earnings for foster youth

The sources cited for most of the data presented above are the Current Population Survey and the American Community Survey. Neither source reports outcomes of foster youth. One study measuring employment outcomes for youth who age out of foster care linked child welfare, unemployment insurance, and public assistance administrative data, but this was produced as a one-time study.²⁵ It is possible, however, for the NYC Center for Innovation through Data Intelligence (CIDI) to acquire earnings data for this population by submitting foster youth identifiers to the NY State Department of Labor. Workforce participation rates could be imputed from this information.

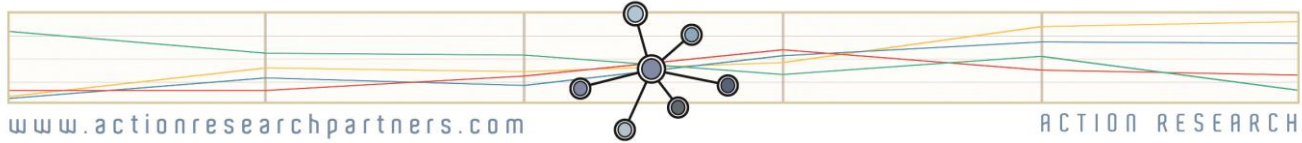
Another source of information, albeit less reliable than official statistics, is the Administration for Children’s Services (ACS) Youth Experience Survey, administered for the first time in 2018.²⁶ According to the survey, 75 percent of foster youth ages 13 to 20 years reported that they wanted to work but did not have a job. This held for youth ages 18 to 20 years too, as the survey showed that 62 percent of this group wanted to work but did not have a job.²⁷ Foster youth who were unemployed but wanted to work reported that they did not have adequate support in areas such as finding places that are hiring, learning what jobs to apply for, learning interviewing skills, learning how to create a resume and fill out a job application, and struggled to arrange

²⁴ See Pg. 10: http://www.jobsfirstnyc.org/uploads/2018_Jobs_First_Barrirs_to_Entry_V2.pdf

²⁵ Prepared by the Urban Institute, 2008: <https://www.urban.org/sites/default/files/publication/31216/1001174-Coming-of-Age-Employment-Outcomes-for-Youth-Who-Age-Out-of-Foster-Care-Through-Their-Middle-Twenties.PDF>

²⁶ See: <https://www1.nyc.gov/assets/acs/pdf/data-analysis/2018/ACSYouthExperienceSurveyMay152018.pdf>

²⁷ See Pg. 28: <https://www1.nyc.gov/assets/acs/pdf/data-analysis/2018/ACSYouthExperienceSurveyMay152018.pdf>



dependable transportation. In coming years, the Youth Experience Survey may prove useful for monitoring the impact of the workforce supports developed specifically for foster youth.

CONCLUSION

Important measures of youth workforce development have improved in recent years. These improvements are important. Rates of disconnected youth and youth unemployment in NYC have declined, while the minimum wage has increased. Despite these significant improvements in NYC, the larger picture remains bleak. Full-time employment for youth has not grown and earnings have stagnated despite a growing economy.

Future trends are hard to predict. The minimum wage offers the opportunity for young people to earn considerably more even in part-time and entry level jobs. The increase in the minimum wage may also increase competition for jobs formally the domain of young people alone. In addition, higher labor costs may lead employers to increase the pace of automation. While NYC has responded to some of these challenges, the trends reported here indicate that more remains to be done.

Appendix: NYC youth employment and workforce supports

The NYC Department of Youth & Community Development (DYCD) provides a number of workforce-related programs for young people. One of DYCD's largest programs, the Summer Youth Employment Program (SYEP), provides paid summer work experiences for many NYC youth, serving approximately 70,000 young people in 2017.²⁸ SYEP is funded primarily through city tax levy funds, with contributions from NY State, the federal Community Services Block Grant, and private donations. The Campaign for Summer Jobs, a coalition of approximately 100 community-based organizations and other agencies, have advocated strongly for increased and more consistent state funding for SYEP.²⁹

NYC administers several other workforce initiatives for young people. The Work, Learn & Grow program is also locally funded, through support from the New York City Council. This program is an extension of SYEP that allows for youth to continue their career readiness training and employment throughout the school year. Another extension of SYEP, the competitive Ladders for Leaders program, provides participants with training and paid internships at several corporations and is funded by the NYC Center for Youth Employment and the Mayor's Fund to Advance NYC. Another program funded through local tax levy funds, the Young Adult Internship Program (YAIP), is a more advanced 14-week internship program that serves disconnected young people ages 16 to 24.

Under the oversight of the Mayor's Office of Workforce Development, DYCD also administers NYC's share of federal funds under the Workforce Innovation and Opportunity Act (WIOA), formerly the Workforce Investment Act.³⁰ WIOA funds provide support for several youth workforce development programs such as the Out-of-School Youth (OSY) program, recently rebranded as the Train & Earn program. Train & Earn provides job training and placement, counseling, and career planning for disconnected NYC youth ages 16 to 24 who meet income requirements. On the other hand, the In-School Youth (ISY), or Learn & Earn program, targets income-eligible youth who are 14 to 21 years of age and enrolled in high school. In 2015, the Mayor's Fund to Advance NYC founded the NYC Center for Youth Employment (CYE), an organization focused on youth workforce development.³¹ CYE provides capacity-building services, shares best practices, gathers data, and brokers private/public partnerships in the field.

NYC employment and workforce supports for foster youth

Recently, youth employment efforts have focused on serving vulnerable youth, including foster youth. In addition to ACS' resources like the Youth Employment & Opportunities Locator,³² ACS created the Office of Employment & Workforce Development Initiatives in 2016, which has been involved in the creation of pilot programs focused on foster youth workforce

²⁸ DYCD SYEP 2017 Annual Summary:

https://www1.nyc.gov/assets/dycd/downloads/pdf/2017SYEP_Annual_Summary.pdf

²⁹ See: <http://www.campaignforsummerjobs.com/>

³⁰ See <https://labor.ny.gov/workforcenypartners/wioa.shtm> and <https://www.congress.gov/113/bills/hr803/BILLS-113hr803enr.pdf>

³¹ <https://cye.cityofnewyork.us/>

³² See: <https://www1.nyc.gov/site/acs/youth/youth-employment.page>

development.³³ Several of these pilot programs involve strategic partnerships and innovative approaches to professional learning and capacity building for foster care providers.³⁴ For example, a group of city agencies received training and technical assistance based on the Young Adult Work Opportunities for Rewarding Careers (YAWORC) curriculum delivered by The Workplace Center at Columbia University in partnership with ACS. This professional development training is designed to build staff capacity to develop their own distinctive labor market strategy and to prepare foster youth for meaningful careers. Another ACS capacity building initiative supported by the Pinkerton Foundation focuses on enhancing foster care agency staff capacity through a mentoring/internship program model.³⁵

In addition to working with CBOs and private grant-makers to develop workforce supports for foster youth, ACS has also partnered with other city agencies, including DYCD. One such partnership is the Vulnerable Youth service option of SYEP. Due to limited funding and high demand, SYEP participants are selected by lottery. Under the Vulnerable Youth service option, however, funding has been set aside so that eligible foster youth (and several other vulnerable youth populations) are prioritized. ACS and DYCD have taken a similar approach with the YAIP program. Known as YAIP Plus, this program provides specialized workforce development supports for foster youth participating in internships. While existing efforts help many young people, many TAY still struggle in the labor market. In 2018, the NYC Interagency Foster Care Task Force generated a report emphasizing the continued need for additional employment and workforce development support for transition-age youth exiting foster care.

³³ See ACS' Foster Care Strategic Blueprint: <https://www1.nyc.gov/site/acs/about/fcstrategicblueprint.page>

³⁴ See Task Force Report: <https://www1.nyc.gov/assets/acs/pdf/testimony/2018/TaskForceReport.pdf>

³⁵ See Task Force Report: <https://www1.nyc.gov/assets/acs/pdf/testimony/2018/TaskForceReport.pdf>