Today’s Youth, Tomorrow’s Workforce: Reengaging Unemployed and Opportunity Youth in Oregon

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Oregon has experienced a steady decline in youth participation in the labor force, and in recent years the state has seen high rates of youth unemployment and disconnection from the labor force. During the recession of 2007-2009, unemployment rates across all age groups in Oregon spiked. In 2009, youth unemployment rates statewide rose above 30% for teenagers (16-19 year olds), and in 2013 the labor force participation rate for 16-24 year olds hit its lowest point on record, at 62%. The participation rate for Oregon teens for 2010-2014 was 38.9%, and of those youth, 29.7% were unemployed.

As the state’s economy improved in recent years, the overall unemployment rate has recovered significantly, but disconnection from the workforce persists among young people ages 16-24. In fact, the unemployment rate in this age group continued to rise after the end of the recession, and it remains much higher than unemployment rates for all other age groups. In 2015 it was at 22.2%, well above the national rate of 16.9%, and nearly four times the state’s overall unemployment rate of 5.7%.

One bright spot can be found in the unemployment rate for 20 to 24 year olds in Oregon – in 2015 it was 8.8% (compared to 9.7% nationally), which may be attributed to job growth in the state, which hit its highest rate in two decades. [1]. This is all the more reason to ensure older youth are attaining the employment skills and experience they will need to prosper and contribute to the state’s growing economy. Moreover, if work experience remains elusive for 16-19 year olds, their access to quality employment as they enter adulthood could be hindered due to a lack of experience; many employers cite this as the primary problem with hiring younger workers [2].

There are three ways to view youth disconnection from the labor force. Youth Unemployment is often used as the primary measure – this number denotes the percentage of those who are willing and able to work, but are unable to find employment. Youth Labor Force Participation encompasses all young people who are employed, as well as those who are unemployed but actively seeking work. This number can provide a sense of how many youth are working - or seeking work - and how many are completely disconnected from the job market. In recent years, the conversation has broadened to address Opportunity Youth, young people ages 16-24 that are disconnected from both education and the workforce. This group includes both unemployed youth as well as those who are not looking for work. While youth who are unemployed or out of the labor force entirely might also be in school, Opportunity Youth are not.

The Youth Development Council recommends looking at all three of these indicators to
understand youth disengagement from the labor force, and suggests that Oregon should focus primarily on supporting and reengaging Opportunity Youth.

**DEMOGRAPHICS [3]**

<table>
<thead>
<tr>
<th>Category</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oregon Overall Unemployment Rate, 2015</td>
<td>5.7%</td>
</tr>
<tr>
<td>Oregon Youth Unemployment Rate (16-24 year olds), 2015</td>
<td>12.4%</td>
</tr>
<tr>
<td>Oregon Youth Unemployment Rate (16-19 year olds), 2014</td>
<td>27.4%</td>
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</tbody>
</table>

**Opportunity Youth and Unemployment**

The Opportunity Youth Rate in Oregon averaged 14.5% between 2011 and 2014. When broken down by race, disparities can be observed. Among Oregon's Hispanic, Black/African-American and Native American/Alaskan Native populations, the rate of youth disconnection was higher than the overall rate.

<table>
<thead>
<tr>
<th>Category</th>
<th>Rate</th>
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</thead>
<tbody>
<tr>
<td>Overall Opportunity Youth Rate, 2010-2014</td>
<td>14.5%</td>
</tr>
<tr>
<td>African-American Opportunity Youth Rate, 2010-2014</td>
<td>20.6%</td>
</tr>
<tr>
<td>Native American/ Native Alaskan Opportunity Youth Rate, 2010-2014</td>
<td>24.2%</td>
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</tbody>
</table>

More troublesome disparities can be identified in the rate of disconnection from employment and education among minority youth when compared to white youth and the population at large. A recent study conducted on behalf of the Columbia-Willamette Workforce Collaborative noted that in the Portland Metro area, African American youth – while representing only 6% of the youth population – account for 23% of Opportunity Youth in that region [4]. This reflects national trends: in 2013, according to Lewis and Sharps, “youth disconnection rates for blacks (21.6%), Native Americans (20.3%), and Latinos (16.3 %) are markedly higher than rates for Asian Americans (7.9%) or Whites (11.3%)” [5].

**YOUTH LABOR FORCE PARTICIPATION**

Labor force participation provides another way of seeing youth disconnection from the workforce across the state. These numbers reflect the percentage of the population that is either working or actively seeking work. This number can also be difficult to calculate accurately at the county level, but the estimates for 2010-2014 show a wide range of participation rates for 16-19 year olds across Oregon.
Estimates ranged from 80% in Lake County to 19% in Gilliam County. Nineteen Oregon counties had teen Labor Force Participation rates below 40% [6].

The teen unemployment rate was similarly varied. In some counties it dipped below 10%, while in others the rate exceeded 40% - indicating many teens wanted to work, but could not find jobs. Seven of the ten counties with the lowest Labor Force Participation had teen unemployment rates above 30%. During this period, over 60% of teens in Oregon - and more than a quarter of the state’s young adults ages 20-24 – were completely disconnected from the labor force.

KEY FINDINGS

1. Work experience during young adulthood affects future employment opportunities, and many young people in Oregon have difficulty finding jobs.
2. Youth unemployment and disconnection carries a cost to taxpayers and the economy, while youth employment may provide a significant return on investment (ROI) of public and private dollars.
3. Oregon’s youth employment rate is recovering from the recession, but it still lags behind the overall rate.
4. Oregon’s Opportunity Youth rate shows racial disparities among disconnected youth, where data is available.
5. There are a number of successful approaches to reconnect youth with the workforce that can be models for success in Oregon. These interventions are already being implemented nationally and across the state.

ROOTS OF DISCONNECTION

There are a variety of reasons that youth disconnect from education and fail to enter the workforce, though some common themes can be identified. Unemployed and Opportunity Youth can be found in every county in Oregon, from cities large and small to rural and frontier communities. Young people from higher economic strata are less likely to drop out of high school or encounter difficulty entering the workforce. Often, disconnected youth come from communities that are marginalized from mainstream economic success, where opportunity is limited and poverty is concentrated [7]. This can be observed in both urban and rural areas. The Oregon counties with the highest rates of Opportunity Youth in 2013, Jefferson (26.4%), a rural county; and the frontier county of Malheur (22.8%) are communities where youth face different challenges in reconnecting with education and employment than they would in a more urban area [8].
There is another difficulty worth noting in looking at Opportunity Youth in Oregon – due to the method for calculating the rate using data from the American Community Survey, it can be hard to attain numbers in less populous areas, and as can be noted in these maps, many counties do not have data on the number of disconnected 16-24 year olds within their borders. This does not indicate that these communities do not contend with youth disconnection from employment; however it may reflect the challenge of reaching these youth in more remote areas, where services, training and employment opportunities may be harder to access.

The largest concentration of Oregon’s Opportunity Youth is found in the Portland Metro area; a recent study conducted by EcoNorthwest found that in 2015, a total of 15,652 Opportunity Youth lived in Multnomah and Washington Counties alone [9].

**INVESTING IN THE FUTURE**

In many ways, a young person’s work experience as a teenager and young adult can have a significant impact on his or her educational and employment success in the future. Moreover, many Oregon employers cite a lack of experience and training as a major factor in their difficulties to hire hard-to-fill positions within their companies. Many young people are simply not prepared for these jobs and lack both the awareness of these career paths and the professional networks to help them identify the potential opportunities [10].

The full scale of the economic impact of Opportunity Youth can be difficult to measure, as it includes both direct costs such as public assistance, medical care and incarceration, as well as indirect costs such as lost earnings, lost tax revenue, financial impacts on crime victims, and other services accessed by individuals who do not successfully connect with the workforce. The estimate for direct costs nationally in 2013 was at $26.8 billion in that year alone. The policy nonprofit Civic Enterprises estimates a state and local cost of $9,600 for each year that a young person is disconnected from school and work. Based on this number, the estimated 58,724 Opportunity Youth in Oregon cost state and local economies more than $563 million in 2014 [11].

Even as youth unemployment rates recover from the Great Recession, bringing youth into the workforce should remain a priority for the state. A 2014 policy paper by non-profit Young Invincible estimates that on average, one unemployed 18 to 24 year old costs the state of Oregon $1,413.37 per year in lost income tax revenue alone [12].
The Importance of Work for Teens
In many ways, a young person’s work experience as a teenager and young adult can have a significant impact on their employment and educational success. Work experience can provide the opportunity to learn a variety of important "soft skills," such as time management, communication, problem solving and leadership. Research points to increased future earnings and a higher likelihood of high school graduation for teens who work [13, 14].

Moreover, many Oregon employers cite a lack of experience and training as a major factor in their difficulties to hire hard-to-fill positions within their companies. Many young people are simply not prepared for these jobs and lack both the awareness of these career paths and the professional networks to help them identify the potential opportunities [15].

YOUTH DEVELOPMENT COUNCIL PERSPECTIVE
The Oregon Youth Development Council (YDC) has a mandate to ensure services are provided to youth in Oregon from ages 6 to 24 in a manner that supports educational success, focuses on crime prevention, reduces high risk behaviors and is integrated, measurable, and accountable. In 2015, Senate Bill 586 expanded OYDC’s mandate to serve youth up to age 24. By expanding the target population to include 21-24 year olds, the YDC will be able to direct resources to programs and services that reconnect older Opportunity Youth to education and employment, and better prepare them for success and self-sufficiency in adulthood [16].

For young people who are under-attached or disconnected, the YDC advocates for a combination of barrier removal, social supports, and educational interventions. The YDC believes that effective career readiness training, meaningful work opportunities and exposure to career pathways will be critical to reconnecting unemployed youth to the workforce.

PROMISING PRACTICES
There are a number of effective approaches to reengaging opportunity youth, examples of which can be observed nationally and around Oregon.

**Barrier Removal**
Before the work of training and connecting youth to employment can begin, work must be done to address the barriers that may keep youth disconnected. An effective assessment strategy can:
Youth & Workforce Position Paper
Cord Bueker, Jr.

- Identify the problems that are impacting a young person’s success in school and work
- Document the existing support systems and services they may be accessing
- Evaluate the skills and strengths of youth, and identify the training needed for them to successfully reengage and progress

Effective programs will assess youth needs, match them with community resources, and align missions, services, measurements and communication for greater efficiency and impact, such as in the Collective Impact Model, established in the Stanford Social Innovation Review, and adopted for use by programs receiving YDC funding.

**Work Readiness Training/Soft Skills**
Training that prepare youth for the realities and expectations of the workplace can be a critical bridge to success when a youth attains employment. A recent paper from policy non-profit Child Trends synthesized current research on the behavioral qualities known as soft skills, and identified the five key categories of soft skills that are critical to a youth’s success – and those skills which an employer would expect a good candidate to possess. These are: social skills, self-control, positive self-concept, communication and higher-order thinking skills (problem solving, decision making, etc.) [17].

**Internships & Work Experience**
Once barriers are cleared and youth have the basic skills needed for success in the workplace, the next step is first-hand experience. One of the primary benefits of work experience is the versatility of such opportunities – they can take a variety of forms, from volunteering, internships and community service; to paid internships and job placement assistance. Work experience can even be delivered through community-specific and culturally-specific projects, such as neighborhood improvement projects and traditional practices. Work experiences can be developed by governmental agencies, non-profits and private business; they can be adapted for virtually every industry, in urban and rural communities; and they can be aligned with a multitude of youth interests, skill levels, and supplemental support services.

**Entrepreneurship**
A number of programs both nationally and in Oregon have focused on entrepreneurial skills and experience as a way of preparing youth for workforce success – and the skills developed in these trainings can be useful in both established career pathways and start-up businesses. The skills taught in these programs may vary from the traditional workplace readiness curricula, but they can achieve the same goal. “Through
entrepreneurship, young people, including those with disabilities, learn organizational skills including time management, leadership development and interpersonal skills, all of which are highly transferable skills sought by employers” [18]. The skills taught in these programs also reflect portions of P21’s Framework for 21st Century Learning [19]. In particular, Learning and Innovation Skills and Information, Media and Technology Skills can translate into success in both the workplace and entrepreneurship. Entrepreneurship training can also be well aligned with STEM programs.

**Certifications, Sector Partnerships and Career Pathways** 
Employment programs serving Opportunity Youth can provide more than just soft skills and work experience – they can provide more focused instruction in career pathways and offer credentials and certifications that will allow participants to attain better jobs following program completion. Many programs offer First Aid/CPR, Food Handler’s Cards and OSHA 10 workplace safety trainings. Some projects are linked with industry partnerships, and completion of training can lead to apprenticeships, industry recognized credentials and more advanced job placement.

Each Local Workforce Board in Oregon has identified targeted sector partnerships in their respective regions. Connecting training, work experience and certifications with areas such as Manufacturing, Health Care, Information Technology, and Agriculture/Natural Resources can provide youth with an on-ramp to living wage careers in the state’s growth industries.

Oregon’s community college system offers a variety of Career Pathway certificates that provide the opportunity to earn short-term professional certifications in a multitude of fields on the way to completing an associate degree.

**Mentoring**
Mentors can be a critical factor in any of the program types described above. Connecting Opportunity Youth with caring adults can help them to navigate the world of work and support them as they complete training or work experiences. Mentors with similar backgrounds to their youth can relate their personal experiences and offer relevant insight into how they dealt with the challenges youth are facing.

They can also teach valuable networking, self-management and communication skills. The strategies, goals and outcomes can vary widely depending on the youth targeted for services, but there are proven and emerging practices that appear in a variety of training contexts. These tactics are often layered to create a continuum of services that
remove barriers to success, reconnect youth to education and training, build their skills, and provide multiple access points and supports to foster successful entry into the workforce and development of career readiness.

The career exploration opportunities offered to high school students through project based learning, internships, and Career Technical Education (CTE) programs can provide a sense of direction for their pursuit of education, training and employment, as well as opportunities for hands-on work experience and post-secondary access. For youth who drop out of high school, effective training programs can be a vital point of reconnection to education and employment through barrier removal, mentoring and connection to career track training. These programs can provide youth with skills and credentials that may improve their earning potential, pave the way for transition from “survival jobs” to a career path, and/or aid their return to educational programs.

Programs that focus on higher-risk populations – such as youth involved in the justice system, and young parents – may utilize mentors, internships and entrepreneurial skills to redirect clients, and services like these provide communities with a good return on investment (ROI) by reducing the costs associated with recidivism, institutionalization and long-term reliance on public assistance.

RETURN ON INVESTMENT
Investment in youth work experience can benefit local economies in addition to providing pro-social training experience to youth. Worksystems’ 2010 SummerWorks program, which served youth from Washington and Multnomah Counties, was found to return $1.20 to the local economy for every $1 spent on youth wages for participants. These youth not only became better prepared to access future employment opportunities and the prosperity that comes with them, they also spent their earnings within the local economy [20].

The national Grads of Life Campaign focuses on return on investment for employers and has developed a tool to assist businesses in calculating their own ROI for providing training and employment opportunities for Opportunity Youth. Their models offer approaches to assessing the value of employee engagement, recruitment, training, turnover reduction, tax credits and incentives as a result of business-led youth training programs [21].

The value of these programs to communities is not just financial – the positive social and impact of programs that connect youth with employment has been documented
widely. Just one example: Chicago’s *One Summer Plus* program provides youth from some of the city’s most crime-plagued and employment-deprived neighborhoods with summer jobs and employment mentors. A study on the program showed a reduction of 43% in violent crime arrests among participants compared to youth who did not participate [22].

**RECOMMENDATIONS**

**Support effective barrier-removal programs and link them to career readiness programming**
Organizations and agencies delivering effective, evidence-based and innovative youth development programming can be critical to removing the barriers to reengagement for Opportunity Youth. By linking these barrier-removal services with effective training and career development activities, a continuum of effective reengagement services may be established.

**Develop a consistent statewide model for Career Readiness and Soft Skills development**
A consistent measurement could allow alignment of educational and employment partners in developing these skills through schools, community-based organizations and industry partnerships.

**Expand Youth Work Experience and Internship Programs**
Develop robust paid work experience programs that target Opportunity Youth (as well as those at risk of disengaging) throughout Oregon. Align public and private resources and build linkages between work experience and educational programs, regional growth industries and recognized professional credentials.

**Increase business engagement**
Business will be a crucial partner in the work of reengaging Opportunity Youth and under-attached youth in the workforce. By increasing their awareness of the ROI of working with Opportunity Youth, incorporating their perspective in training priorities, and building bridges into target industries that assure them of a local talent pipeline, there will be an increase in their investment in and commitment to local economies.

**Build and strenthen connections between the entrepreneurial community and youth programs**
Oregon has a history of nurturing emerging companies and innovative entrepreneurs,
and the state’s start-up culture can be seen flourishing in numerous industries, from technology products and athletic apparel to breweries and knife makers. Connecting Opportunity Youth with entrepreneurial exposure and experiences can provide them with another avenue to build their skills and hone their talents. Supporting the partnership of youth programs with entrepreneurs and incubators could help produce the next generation of business leaders in Oregon.

**Devote resources to data collection around Opportunity Youth and Youth Unemployment**
Ensure accurate and timely measurement of disengagement, disparities and improvements in every part of the state.

**OPPORTUNITY YOUTH: A WORTHWHILE INVESTMENT**
Oregon is home to a significant number of Opportunity Youth, and also to an array of innovative and successful programs seeking to reconnect those youth with education, training and employment. Progress has been made since youth unemployment peaked during the recession, but there is still much to be done as the YDC seeks to be a good steward of one of the state’s most valuable resources: its human capital. The Opportunity Youth of today will have a significant impact on Oregon’s economic future, and further investment in quality programs and services is needed to ensure these youth achieve their full potential as educated and engaged members of their local economies and communities.
References

16. https://olis.leg.state.or.us/liz/2015R1/Downloads/MeasureDocument/SB586