Tomorrow’s Workforce: Re-engaging Opportunity Youth

Three Ways of Viewing Youth Disconnection from the Workforce

**Youth Unemployment**
The percentage of youth who are willing and able to work, but are unable to find a job.

**Youth Labor Force Participation**
The percentage of youth who are employed, as well as those who are not working but are seeking employment.

**Opportunity Youth Rate**
The percentage of young people ages 16–24 that are disconnected from both education and the workforce.

Opportunity Youth in Oregon
Opportunity Youth include unemployed young people who are seeking jobs, as well as those who are not looking for work. Opportunity Youth may have a high school diploma, but may not. Like unemployment, a young person’s status as an Opportunity Youth can fluctuate as they may go in and out of employment and/or education.

In 2014, there were an estimated 58,724 Opportunity Youth in Oregon. The Opportunity Youth rate in Oregon averaged 14.5% between 2011 and 2014. When broken down by race, there are noticeable disparities. Among Oregon’s Hispanic, Black/African-American and Native American/Alaskan Native populations, the rate of youth disconnection from school and work was higher than the overall rate, as shown in the chart below.

### Oregon Opportunity Youth Rates, 2011-2014

(Represented as a percentage of youth from each population group)

<table>
<thead>
<tr>
<th>Population Group</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>14.5%</td>
<td>15.9%</td>
<td>15.9%</td>
<td>14.5%</td>
<td>14.5%</td>
</tr>
<tr>
<td>Asian</td>
<td>9.2%</td>
<td>9.2%</td>
<td>9.2%</td>
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<td>9.2%</td>
</tr>
<tr>
<td>White</td>
<td>14.3%</td>
<td>14.3%</td>
<td>14.3%</td>
<td>14.3%</td>
<td>14.3%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>15.9%</td>
<td>15.9%</td>
<td>15.9%</td>
<td>15.9%</td>
<td>15.9%</td>
</tr>
<tr>
<td>Black/African-American</td>
<td>20.6%</td>
<td>20.6%</td>
<td>20.6%</td>
<td>20.6%</td>
<td>20.6%</td>
</tr>
<tr>
<td>Native American and Alaskan Native</td>
<td>24.2%</td>
<td>24.2%</td>
<td>24.2%</td>
<td>24.2%</td>
<td>24.2%</td>
</tr>
</tbody>
</table>

Key Findings
- Oregon’s Opportunity Youth rate shows racial disparities among disconnected youth, where data is available.
- Oregon’s youth unemployment rates have improved with the economy, but unemployment among teenagers is still higher than the national average.
- Work experience during young adulthood affects future employment opportunities, and many young people in Oregon have difficulty finding jobs.
- Youth unemployment and disconnection carries a cost to taxpayers and the economy, while youth employment provides a return on investment (ROI) of public and private dollars.
- There are a number of proven 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.

www.oregonyouthdevelopmentcouncil.org
Youth Unemployment in Oregon

During the recession of 2007–2009, unemployment rates across all age groups in Oregon spiked. The state’s economy has improved in recent years, and the overall unemployment rate has recovered, but among 16–24 year olds, disconnection from the workforce persists.

In 2015, Oregon’s unemployment rate for youth ages 16–19 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%.²

Unemployed and Opportunity Youth can be found in every county in Oregon, from cities large and small to rural and frontier communities. Often, disconnected youth come from communities that are marginalized from mainstream economic success, where opportunity is limited and poverty is concentrated. The Oregon county with the highest rate of Opportunity Youth in 2013 was Jefferson (26.4%), while the lowest rate was found in Benton County (4.3%).⁴

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.⁵ ⁶

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.⁷

www.oregonyouthdevelopmentcouncil.org
The Cost of Disconnection
The full scale of the economic impact of Opportunity Youth can be difficult to measure, as it includes 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 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 58,724 Opportunity Youth in Oregon would have cost state and local economies more than $563 million in 2014.8

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 Invincibles 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.9

Youth Employment Benefits Local Economies and Businesses
Investment in youth work experience can benefit local economies in addition to providing valuable 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.10

The national Grads of Life Campaign has developed a tool to assist businesses in calculating their own return on investment for providing training and employment opportunities for Opportunity Youth.11

Promising Practices

Barrier Removal
Before the work of training and connecting youth to employment can begin, the barriers that may keep youth disconnected must be addressed. Effective programs assess youth needs, evaluate their skills and strengths, and match them with appropriate resources, training and opportunities.

Work Readiness Training & Soft Skills
Training youth for the realities and expectations of the workplace can provide crucial preparation for success on the job. "Soft skills" such as self-control, communication, and social skills, and higher-order thinking skills such as problem solving and decision making can be critical to workplace success.12

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. Meaningful work experience ranges from paid internships and job placement to community improvement projects and traditional practices. Work experiences can be adapted for virtually every industry, youth career interest and skill level.

Entrepreneurship
There is growing interest in teaching entrepreneurial skills as a way of preparing youth for workforce success. The organizational, interpersonal, innovation and leadership skills developed here may help youth to start their own business, and are sought by employers. Entrepreneurship training can also be well-aligned with STEM programs.

Sector Partnerships and Career Pathways
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, IT, and agriculture 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 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 navigate the world of work, teach valuable networking, self-management and communication skills, and support them as they complete training or work experiences.

A Comprehensive Approach to Reconnecting Youth with the Workforce and Career Success
The promising practices described at right can be layered to create a continuum of services that removes barriers to success, reconnects youth to education and training, builds their skills, and provides multiple access points and supports to foster successful entry into the workforce, and development of career readiness.

Barrier Removal
Work Readiness Training & Soft Skills
Work Experience & Internships
Entrepreneurship
Sector Partnerships & Career Pathways
Mentoring
Educational Re-Engagement (Secondary & Post-Secondary)
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 Great Recession, but there is still much to be done as we seek to be good stewards 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. 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.

Recommendations

- Support effective barrier-removal programs and link them to career readiness programming.
- Develop a consistent statewide model and measurement for soft skills development and career readiness.
- Increase business engagement and show the value of re-engaging and employing youth.
- Expand youth work experience and internship programs. Align public and private resources, and link education, employment and economic development efforts.
- Build and strengthen connections between the entrepreneurial community and youth programs.
- Devote resources to data collection for Opportunity Youth and Youth Unemployment, and ensure accurate and timely measurement of disengagement, disparities and improvements in every part of the state.

References

12. The 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 the YDC’s mandate to serve youth up through 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.

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.

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