Meet the millions of young adults who are **out** of **work**



Local profiles of jobless young adults and strategies to connect them to employment

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Introduction

elping young people prepare to engage in work and life as productive adults is a central challenge for any society. Schools, communities, families, and public policies all strive to provide young people with the tools and knowledge to tackle the problems and jobs of the future.

In theory, the path to employment providing financial security in adulthood is simple: Finish high school, enroll in and complete college or training that is affordable and a good fit, gain some work experience along the way, and launch a career. Yet the data are clear that this path does not work equally well for all.

This report and accompanying interactive data tool provide a unique perspective on young adults ages 18-24 who are out of work, focusing on those in mid to large cities and counties. We use cluster analysis to segment out-of-work young adults into groups likely to benefit from similar types of employment and education-related assistance, based on factors such as educational attainment, work history, school enrollment, disability, English language proficiency, and family status. Through the cluster analysis, we identify five groups of out-of-work young adults, and then introduce fictionalized personas as examples of people in each of the groups. Lastly, the report provides recommendations for state, local, civic, and institutional leaders to help more young people successfully navigate the transition into the labor market.

The educational landscape

High school graduation rates have increased over the past decade or so and now stand at 84 percent nationally.¹ However, rates are consistently lower for black, Hispanic, and lowincome students, and some wonder whether the increased graduation rates reflect improved student learning or reduced standards.² Moreover, for students in a substantial number of lowperforming high schools, graduating on time is a 50-50 proposition.³ High school graduation, however, as crucial as it is, is only one step in the process. Postsecondary credentials are gatekeepers to most jobs providing financial security and upward mobility. Recognizing this, a robust number of federal, state, local, and school-level initiatives have promoted college-going over the past few decades, and indeed, enrollment has risen. The share of recent high school graduates enrolling in college has dramatically increased—from 50 percent in 1980 and 60 percent in 1990 to nearly 70 percent in 2016. But enrolling in college is not the same as being prepared for college or completing college.⁴

Many students entering college are assessed as unready for college-level work and are assigned to remedial classes-about one-third, according to an estimate from the U.S. Department of Education.⁵ The share is higher in community colleges, but assignment to remedial coursework is also fairly common in four-year colleges. Several studies have described remedial education as poorly designed, ineffective, or, at best, supported by limited evidence in its ability to help students improve their skills and proceed to credit-bearing courses.⁶ One paper described remedial courses as an "obstacle course" on the way to graduation.⁷

But problems reaching the finishing line are widespread. Only a little more than half (57 percent) of all degree-seeking students who started in the fall of 2011 graduated within six years, according to the National Student Clearinghouse.⁸ These figures vary by type of institution: students starting at four-year private nonprofit institutions have the highest graduation rates (76 percent), followed by 65 percent of those starting at four-year public institutions. Among those starting at four-year private forprofit schools, the graduation rate is 35 percent, and among those starting at two-year public schools, the graduation rate is 38 percent. Other research from James Rosenbaum and colleagues show that leaving school without a credential is the most common outcome for community college students, as well as for students with low test scores who enter four-year schools.⁹

While students' academic preparedness certainly affects graduation rates, another factor is the higher education landscape and educational institutions themselves. Enrollment in postsecondary education has greatly increased, but schools are increasingly stratified by race and class, and these stratifications generally track with instructional resources. Selective schools (both public and private) requiring high grade point averages and good test scores disproportionately enroll white and affluent students and spend two to five times as much on instruction per student than open-access schools, those without grade or test score requirements to enroll.¹⁰ And resources matter: There is a clear and positive relationship between spending per student and graduation rates.¹¹ Research suggests that that higher instructional spending, separate and apart from student characteristics, is linked to higher graduation rates.¹²

The labor market

People generally seek to start their careers after they have completed their education. Educational credentials are a powerful sorting mechanism in the labor market, and jobs providing financial security increasingly require college degrees.¹³

Early work experiences may also make a difference to employment success as an adult. One strand of research suggests that employment as a young person has beneficial effects on future employment and earnings.¹⁴ Another study found that high school work-based learning opportunities such as internships were positively related to higher job quality as an adult. In this view, teens and young adults gain valuable skills, experience, contacts, and work habits through employment that serve them well in the future.¹⁵ Others, however, contend that teen employment is not a determining factor in later labor market success, citing selection effects and the pre-existing characteristics of teens who work versus teens who don't.¹⁶

Using a somewhat different lens, some argue that employment provides key developmental opportunities that benefit all young people by helping them learn how to function in a work environment-an environment they will need to navigate in just a few years and where they will spend decades of their lives. Developmental psychologist Robert Halpern wryly notes that high school students are isolated from the adult world "at just the moment when [they] need to begin learning about participating in it."¹⁷ A guide for youth employment programs posits that work experiences can prepare vulnerable teens for the world of work, but urges program designers to think broadly and incorporate education and youth development principles to ensure that young people have opportunities to act in new ways and reflect on their experiences.¹⁸

Meanwhile, employment rates among teens and young adults (commonly measured as ages 16-19 and 20-24, respectively) have declined since about 2000, most precipitously among teens.¹⁹ In 2017, 30 percent of teens had a job, compared to 45 percent in 2000. Among young adults, 66 percent worked in 2017, compared to 72 percent in 2000. This drop reflects a variety of causes, including voluntarily dropping out of the labor force to concentrate on education, as well as simply not being able to find a job.

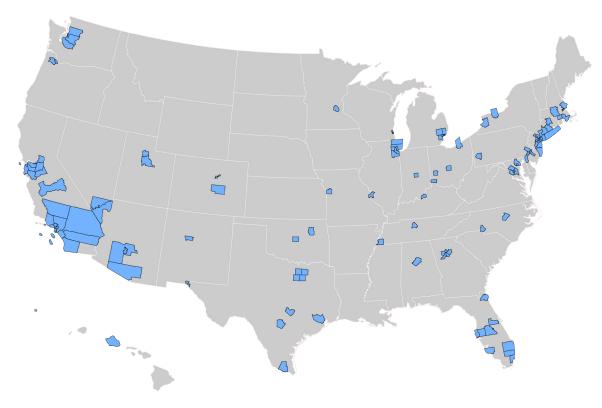
Of course, tight labor markets like today's help everyone find work, but workers with lower levels of education were disproportionately hurt by the Great Recession, and their employment rates have not fully recovered.²⁰ The vast majority of jobs that were lost during the Great Recession were for workers with a high school diploma or less, while nearly three-quarters of the jobs created since then have gone to workers with a bachelor's degree or higher.²¹ Meanwhile, median usual weekly earnings for all workers except those with a bachelor's degree have gone down since 1980.²² While low-wage jobs can be a stepping stone to higher paying jobs, too often they are dead ends.²³ And the increasingly common business practice of contracting out "non-core competencies" like accounting, janitorial work, and security is associated with lower wages for the contracted workers and the loss of internal career ladders.²⁴

About the analysis

To better understand young people who are not working and their future economic prospects, this analysis uses data from the Census Bureau's American Community Survey to profile young adults ages 18-24 who are out of work in large cities and counties across the country. Specifically, we look at young adults in 119 large cities and counties that have sample sizes large enough to support a detailed analysis with many cross-tabulations. All of those places have populations over 500,000. We chose to focus on cities and counties because of the crucial role that local officials and leaders in the public, private, and social sectors play in education and workforce development. While labor markets are often regional and thus larger than the individual jurisdictions examined here, the smaller geographic footprint reflects administrative boundaries within which many funding, program, and policy decisions are made.

While all of the jurisdictions exceed 500,000 in population, they nonetheless show substantial variation in size and other characteristics. They include large cities with millions of people, such as Los Angeles and Chicago; mid-size cities such as Albuquerque, N.M., Milwaukee, Louisville, Ken., and Nashville, Tenn.; lower-density counties, some of which include smaller cities, such as Montgomery County, Ohio, encompassing Dayton; and some with more rural characteristics which include Fresno County, Calif., Hidalgo County, Texas.

MAP1



Jurisdictions included in the analysis: 119 cities and counties with populations over 500,000

To define the out-of-work, we started with all young people who are not working: the unemployed and those not in the labor force, individuals neither working nor looking for work. Since people have many reasons for being out of the labor force, and some forms of unemployment are less concerning than others, we subtracted people from several categories to arrive at our final count of the out-of-work. We subtracted most traditional high school and college students but retained high school students not living at home and college students not living in dorms, if they were actively seeking work. We subtracted all graduate students. We subtracted individuals receiving disability benefits based on their low probability of entering the workforce. (Although many individuals with disabilities can and do work, the federal disability system disincentivizes employment and only a very small share of beneficiaries obtain employment.²⁵) We subtracted our best estimate of financially secure parents who have chosen to care for children at home, rather than work. For more detailed information about how we constructed our sample population, please see the Methods document available for download.



Lastly, in the section describing individual clusters, information on the economies and industrial composition of different regions comes from two sources: 2015 American Community Survey data reflecting the metropolitan areas in which study jurisdictions are located, and jurisdictional level data from Economic Modeling Specialists, Inc.

For detailed data on each jurisdiction, please visit the <u>interactive webpage</u>.

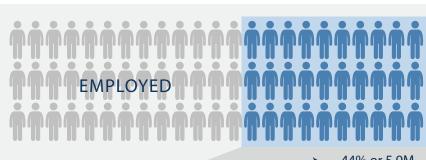
In theory, the path to employment providing financial security in adulthood is simple: Finish high school, enroll in and complete college or training that is affordable and a good fit, gain some work experience along the way, and launch a career. Yet the data are clear that this path does not work equally well for all.

FIGURE 1

Defining the out-of-work 18-24 year-old population



18-24 in the 119 study jurisdictions



• 44% or 5.9M are not working

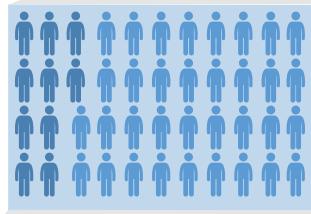
Unemployed (1.4M)

2

Individuals who want and are available for work, and who have looked for work in the past four weeks.

Not in the labor force or NILF (4.5M)

Individuals who are not working and have not looked for work in the past four weeks. They are a diverse group, including people who have chosen to engage in other activities like school and caretaking, as well as people who want to work but have given up looking.



Not all young adults who are unemployed or not in the labor force are equally interested in, or in need of, employment and workforce development services. From the population that is not working, we subtracted the following groups:



Most college students, since attending school is a common alternate activity to employment. We retained high school students not living at home and college students not living in dorms, if they were actively seeking work.

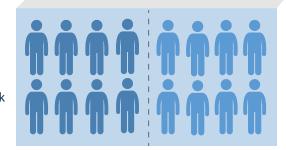


Those who may be raising children as an alternative to employment. And, those who, by receiving disability or other government benefits, have signaled that they are unlikely to pursue employment.

Subtractions equal 15 percent of the unemployed and 76 percent of those not in the labor force.

3

2.3 Final count of out-of-work young adults in the 119 study jurisdictions



Unemployed (1.2M) NILF (1.1M)

This tally includes 85 percent of those who are unemployed and 24 percent of those who are NILF.

Who are out-of-work young adults?

n many ways, out-of-work young adults are similar to their peers. Across the 119 cities and counties included in the analysis, males and females each make up about half of the out-of-work young adult population, as in the total population. They also show similar age patterns as the general young adult population, with about half ages 18-21 (54 percent) and half ages 22-24 (46 percent). Both the out-of-work and total young adult population are racially diverse, although the out-of-work group has higher shares of Hispanics and blacks. Fifteen percent of the out-of-work are foreign born, similar to the share among the total population (16 percent), and less than 10 percent of each group describe themselves as speaking English less than "very well." The majority of both groups are living with their parents or grandparents, although it is a slightly higher share among the out-of-work (67 percent) than the general population (60 percent).

In other respects, however, out-of-work young adults differ from the general population. Only 36 percent worked in the past year, compared to 69 percent of all young adults in the study jurisdictions, and nearly half (46 percent) did not work in the past five years or ever, compared to 25 percent of all young adults. They also have lower levels of educational attainment: 20 percent did not complete high school, and another 43 percent report that a high school diploma is the highest level of education they have completed. A little over one-third live below the poverty line, and 44 percent receive some safety net assistance, including SNAP (food stamps), Medicaid, and/or public assistance income.

Nonetheless, the out-of-work population is not uniformly disadvantaged. Some individuals, particularly those with higher levels of education and more recent work experience, and those in regions with tight labor markets and/or a prevalence of work that does not require a college degree, are probably experiencing temporary unemployment and are likely to find another position soon.



TABLE 1

Descriptive statistics of all 18-24 year-olds and out-of-work 18-24 year-olds 119 study jurisdictions

All 18-24 year-olds **Out-of-work** (civilian, not in institutional 18-24 year-olds group quarters) Out-of-work as share of total 17% Work effort Looking for work 10% 52% 48% Not in labor force 33% 69% Worked in past year 36% 50% 50% Male Race/ethnicity White 39% 28% 17% 25% Black Hispanic 32% 37% 8% 6% Asian All other races 4% 4% 15% 16% Foreign-born 7% 9% Who speak English less than 'very well' Enrolled in school 53% 17% Highest level of school completed Less than high school diploma 14% 20% High school diploma or equivalent 28% 43% Some college 41% 27% Associate degree 5% 3% 7% Bachelor's degree 12% Reporting any disability 5% 8% Married 6% 9% 5% 10% Single parents With children 8% 14% 60% Living with parents or grandparents 67% Below poverty line 28% 36%

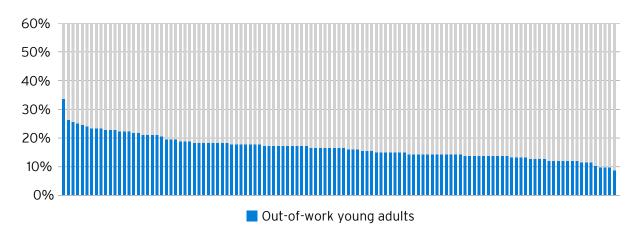
Source: Brookings analysis of 2013-2015 American Community Survey microdata

Where do out-of-work young adults live?

Out-of-work young adults account for 17 percent of the total population ages 18 to 24 in the study jurisdictions as a whole, but their relative size varies considerably by geography, and generally tracks places' economic and demographic characteristics. Out-of-work young adults make up one-third of all young adults in Detroit, and about one-quarter in the Bronx, Stanislaus County in California, and Hidalgo County in Texas. While their local economies differ in terms of industrial composition, these places all have low overall employment rates and low levels of educational attainment. On the other end, 10 percent or less of the young adult population is out of work in the following places, all of which have high employment rates and educational levels: Boston; Seattle; Wake County, N.C. (encompassing Raleigh); Hennepin County, Minn. (encompassing Minneapolis); and Denton County, Texas in the Dallas-Fort Worth region. These results are consistent with other research, which finds that controlling for an individual's own education and other characteristics, being in a highly educated labor market makes individuals more likely to participate in the labor market and find employment, especially for women and lesseducated workers.²⁶

FIGURE 2





Source: Brookings analysis of 2013-2015 American Community Survey microdata

How prepared are out-of-work young adults for success in the job market?

sing cluster analysis, we identified five separate groups of out-of-work young adults, highlighting major distinctions among the groups that affect which workforce development and educational strategies are most appropriate. These five groups have varying levels of education, school enrollment, interest in work, and work experience, among other characteristics relevant to the labor market.

The two largest groups, which together compose about two-thirds of all out-of-work young adults, have at most a high school diploma. They also have the least work experience and lowest rates of school enrollment among the groups. **Unless their current conditions change, the labor market prospects of Clusters 1 and 2 are dim.**

The next two largest groups, accounting together for about thirty percent of out-of-work young adults, have at least some post-secondary experience and a small share have associate or bachelor's degrees. They have the strongest interest in finding work among the groups as well as the highest rates of school enrollment, and relatively strong work histories. Without knowing more about the nature of their education beyond high school or work experience, it is difficult to be precise, but they are more poised for success in the labor market than the less educated groups. **One challenge that Clusters 3 and 4 will likely face is balancing work and school**.

The smallest group, making up six percent of outof-work young adults, is the best prepared (on paper at least), by virtue of having a bachelor's degree and relatively strong work history.

We discuss each group in greater detail below, including composite personas for each group.

 High school or less
 Bachelor's degree, ages ~ 22-24

 ages 18-21
 ages 22-24

 37%
 25%
 17%
 15%
 6%

 ages 18-21
 ages 22-24
 ages 22-24
 15%
 6%

 High school grad with some college or a postsecondary degree
 High school grad with some college or a postsecondary degree
 15%
 15%

FIGURE 3



Segments of the out-of-work young adult population, 119 study jurisdictions

TABLE 2

Descriptive statistics of clusters of out-of-work 18-24 year-olds

119 study jurisdictions

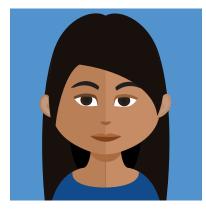
	1	2	3	4	5
	HS or less, ages 18-21	HS or less, ages 22-24	HS grad with some college or associate degree, ages 18-21	HS grad with some college or associate/ bachelor's degree, ages 22-24	Bachelor's degree, ages ~ 22-24
Share of total out-of-work	37%	25%	17%	15%	6%
Age range					
18-21 years old	100%	0%	97%	0%	6%
22-24 years old	0%	100%	3%	100%	94%
Work effort					
Looking for work	45%	43%	72%	62%	58%
Not in labor force	55%	57%	28%	38%	42%
Worked in past year	30%	32%	43%	44%	47%
Male	54%	48%	50%	47%	42%
Race/ethnicity					
White	26%	23%	31%	33%	48%
Black	27%	27%	25%	25%	11%
Hispanic	40%	43%	33%	29%	16%
Asian	4%	3%	7%	8%	21%
All other races	4%	3%	4%	5%	4%
Foreign-born	14%	20%	13%	13%	19%
Who speak English less than 'very well'	9%	14%	5%	6%	8%
Enrolled in school	8%	2%	51%	27%	18%
Highest level of school completed					
Less than high school diploma	30%	34%	0%	0%	0%
High school diploma or equivalent	70%	66%	0%	0%	0%
Some college	0%	0%	92%	79%	0%
Associate degree	0%	0%	7%	14%	0%
Bachelor's degree	0%	0%	1%	8%	100%
Reporting any disability	8%	10%	5%	7%	3%
Married	6%	15%	4%	12%	11%
Single parents	8%	16%	5%	11%	2%
With children	11%	24%	6%	16%	4%
Living with parents or grandparents	73%	57%	75%	62%	63%
Below poverty line	39%	43%	29%	32%	24%

Source: Brookings analysis of 2013-2015 American Community Survey microdata

Cluster 1. High school diploma or less, 18 to 21 year olds 37 percent of out-of-work young adults

Individuals in this cluster have a high school diploma or less and are primarily between the ages of 18 to 21. They have a weak attachment to the work world, and are most likely living with parents or grandparents in families with low incomes. They are geographically concentrated in a variety of places, including those struggling with the after effects of deindustrialization, regions with economies based on tourism or agriculture, and cities with high poverty rates.

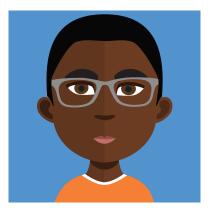
Fictionalized examples of individuals in this group include:



Karina is a native-born 19-yearold Hispanic. She graduated from high school a few months ago and isn't sure of her plans. She lives with her parents and helps take care of her younger siblings and several nieces and nephews. She speaks both Spanish and English. She is thinking about enrolling in community college or a training program but isn't sure what she wants to study. Her family lives just above the poverty line.



Jake is a 20-year-old man who left high school when he was 17 before graduating. Since then he has bounced between warehouse and custodial jobs and left his most recent job a few months ago. He recently moved in with his girlfriend after couch-surfing for a few months.



Michael is a 21-year-old who lives with his mother and younger siblings. He graduated from high school a few years ago. Although he liked many of his courses, he didn't seriously consider college: no one in his immediate family had gone, and the process of choosing and applying to a school seemed confusing. He sometimes helps out at a moving company where a neighbor is a supervisor and he is paid under the table. However, he's now looking for a job in the formal economy.

This is the largest group and consists of people ages 18 to 21 with at most a high school diploma. Seventy percent are high school graduates, and the remainder left school without a diploma. Almost all of them fall into the category of disconnected youth; by definition, they aren't working, and only 8 percent were enrolled in school in the past year. They have limited work experience (only 30 percent worked in the past year) and 45 percent are actively looking for work, below the average for all out-of-work young adults (52 percent). Most of them (73 percent) live with their parents, in families with low and moderate incomes. Eleven percent of them have children, which is higher than the share of all 18-to-24-year-olds (8 percent) but lower than the average for all out-of-work young adults in the study jurisdictions (14 percent).

Places with the largest share of their out-ofwork youth in Cluster 1 are a diverse group geographically, demographically, and in terms of their industrial bases. These places tend to have low median incomes and low economic inequality and relatively low shares of population with post-secondary education-with a couple of notable exceptions. Areas with relatively large concentrations of this group (between about 40 to 50 percent of all of their out-of-work young adults) include areas with an industrial past, such as Detroit and Cuyahoga County, Ohio; those with significant employment in tourism and arts/ entertainment, such as Pinellas County, Fla., on the Gulf Coast and Clark County, Nev., outside of Las Vegas; and Kern County, Calif., with strengths in the agriculture, oil, and natural gas sector.

On the other hand, there are also places with high shares of Cluster 1 which have aboveaverage educational attainment levels, such as Bergen County, N.J., home to many bedroom communities for New York City; Salt Lake County, Utah, the state capital and home to the University of Utah; and Jackson County, outside Kansas City.²⁷ On the low end, shares of this cluster account for about 22 percent of out-of-work youth in San Francisco and nearby San Mateo County, Calif., and 26 to 28 percent in several places in the New York City region, including Manhattan, Monmouth County in Northern New Jersey, and Nassau County (Long Island)-all places with higher incomes and higher postsecondary educational attainment.

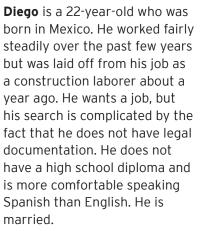
Young people in this cluster may be easier to engage than those with similar levels of education who are a few years older (Cluster 2). They are less likely to have children than those in Cluster 2, which makes work and school easier. They are also more likely to be eligible for public high school or alternative education; in most states, students age out of the right to a free public education between 19 and 22.²⁸ More speculatively, since they are closer to high school age and have a fairly recent point of connection to education and training, they may be more willing to finish high school, start further education, or generally be receptive to programmatic outreach. On the other hand, they may not have the same motivation to improve their circumstances as those a few years older, who may have had more experience with the lowwage labor market, may need to support children, or who just want to move on in their lives more generally.

Cluster 2. High school diploma or less, 22 to 24 year olds 25 percent of out-of-work young adults

Individuals in this cluster have a high school diploma or less, are primarily ages 22-24, and have a weak attachment to the work world. They are the most likely of the clusters to have children, live in poverty, and receive some form of safety net assistance. They are the least likely of the clusters to live with parents or grandparents. Similar to Cluster 1, they are disproportionately represented in places that do not specialize in industries requiring a bachelor's degree, including manufacturing, construction, and wholesale trade.

Fictionalized examples of individuals in this group include:







Crystal is a 22-year-old who recently moved back in with her parents. She is a high school graduate but didn't think seriously about college; she has dyslexia and found schoolwork to be frustrating and stressful. She worked as a banquet server until recently, when she was let go because of a slowdown in convention business. After looking for work with no success, she gave up.



Monica is a 23-year-old high school graduate and single mother. After becoming pregnant in her senior year of high school, she didn't make plans about further school or work. She worked as a day camp counselor for a few summers in high school, but has not had a job since then. She lives with her parents, close to the poverty line. This is the second-largest group, and comprises people ages 22 to 24 with at most a high school diploma. Two out of three (66 percent) are high school graduates, and the remainder left school without a diploma. They have weak connections both to education and the labor market. Only 2 percent are in school, while about one in three worked in the past year and a relatively low 43 percent are actively seeking work. They live in households with low or moderate incomes. The share of this group living with parents (57 percent) is the lowest among all the clusters. We estimate that 24 percent have children, and 16 percent are single parents, the highest among the clusters on both counts.

Similar to Cluster 1, places with the largest concentration of Cluster 2 are a geographically diverse group, including Milwaukee, Wisc. (36 percent); Lee and Polk counties in Florida's Cape Coral and Lakeland regions (36 percent and 33 percent); Phoenix, Ariz. (33 percent); Franklin County, Ohio, home to Columbus (32 percent); Dallas County, Texas (31 percent); The Bronx and Passaic County in the New York region (31 percent each); and Prince George's County outside Washington, D.C. (31 percent). Employment in these regions is concentrated in a diverse mix of industries, many of which do not require higher education, including construction, retail, and accommodations and food services in Lee and Polk Counties, and manufacturing in Milwaukee. While the places with large shares of out-of-work youth in Cluster 2 are diverse, those with the smallest shares belong to some of the most-educated, wealthiest regions of the country: Seattle, Wash. (10 percent); Denton County, Texas (12 percent), in the Dallas region; Boston, Mass. (13 percent); San Francisco and San Mateo County, Calif. (13 percent and 15 percent); and Fairfax County, Va. (15 percent) in the Washington, D.C. region.

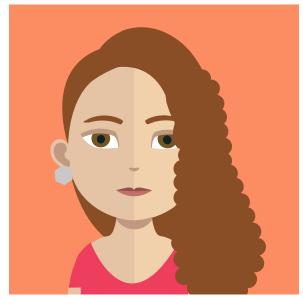
Young people in Cluster 2 are now several years removed from public education, and their educational landscape consists of a patchwork of options: GED programs, post-secondary education, job training, and communitybased organizations. Because many of them have children, they must balance their own educational and employment goals with parental responsibilities. There are very few organizations or agencies with the mission and funding to find, engage, and connect with these young people relative to the size of the population, making it more likely they will fall through the cracks.²⁹ Programs that reach these young people often do so through intensive and ongoing outreach.

Cluster 3. At least some education beyond high school, mostly 18 to 21 year olds

17 percent of out-of-work young adults

Most people in this cluster have some college experience but no degree, although a small share has an associate degree. They are primarily ages 18 to 21, and are most likely of all the clusters to be in school and to be seeking work. Three out of four live with parents or grandparents, and they generally live in households with low to moderate incomes. They are geographically concentrated in places with above-average levels of education, many of them on either coast.

Juan is 20 years old. He is a first-generation college student attending community college. He lives with his parents. He last worked in a seasonal iob at a concession stand in a baseball stadium, and since that job ended he has been looking for work.



Stephanie is 19 years old. She attended a state university for one year but left for financial reasons. Shortly after she left college, she broke her ankle and started taking prescription painkillers. Although her ankle has healed, she still uses opioids that she gets from friends. She lives with her parents (as she did during college) and is looking for work. She didn't work in high school or college, instead focusing on academics, athletics, and caring for younger siblings.

Fictionalized examples of individuals in this group include:

This is the third largest group, composed of people with at least a high school diploma and primarily between the ages of 18 and 21. More than 90 percent have completed some college or training, but did not earn a degree (although they may have earned a certification or other credential, which we are unable to identify in our data). Seven percent have an associate degree. Cluster 3's rate of school enrollment (51 percent) is the highest of all the clusters by far; Cluster 4 has the next highest share of school enrollment at 27 percent. This group also has the highest level of interest in work, as 72 percent are looking for a job. Nearly half (43 percent) worked in the past year. Three-quarters live with their parents; median household income for this group is the second-highest of all clusters (\$54,000), although there is a considerable range of household incomes represented, including a substantial minority (29 percent) who live below the poverty line.

The dozen jurisdictions with the largest shares of out-of-work youth in Cluster 3 (from 24 percent in Portland, Ore., to 31 percent in San Francisco, Calif.) represent an interesting mix of high- and moderate-income regions, most of which are among the more economically unequal of the metropolitan regions represented in our sample of jurisdictions. Those places with the largest proportions of Cluster 3 include San Mateo County, Calif. (30 percent), just south of San Francisco; Palm Beach County, Fla. (31 percent) in the Miami region; Bergen and Nassau Counties (29 percent and 24 percent) in the New York region; Indianapolis, Ind. (27 percent); Fairfield County, Conn. (26 percent), in the Bridgeport region; Providence County, R.I. (26 percent); Boston, Mass. (25 percent); and Cook County, III. (25 percent), outside the city of Chicago.

With the exception of Palm County and Indianapolis, these regions are home to relatively large employment percentages in the information, professional services, finance/ insurance/real estate, and educational services and health care industry sectors. Areas with low shares of this cluster tend to have relatively large populations in Clusters 1 and 2, and are likewise a diverse collection of jurisdictions, including Polk County in central Florida, Lee County in southwest Florida, Washington, D.C., and Delaware County, Pa., and Camden County, N.J., both in the Philadelphia region.

Members of this group most likely have the strongest identities as students, since all of them continued education beyond high school and half of them are in school or were very recently. They are also likely to combine school and work, given that nearly three-quarters would like a job and almost half (43 percent) worked in the past year. The data do not specify whether they are enrolled in school full or part-time, but this cluster likely includes students in both categories. Overall, members of this cluster are the most engaged with both education and the labor market.

Cluster 4. At least some education beyond high school, 22 to 24 year olds

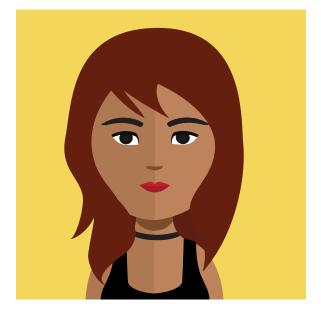
15 percent of out-of-work young adults

Most people in this cluster have some college experience but no degree, although a minority have an associate or bachelor's degree. They are primarily ages 22 to 24, live in families with low to moderate incomes, and are the second most likely of the clusters to be in school, looking for work, and have children.

Fictionalized examples of individuals in this group include:



Matt is a 24-year-old with an associate degree in business administration. He worked at a local car dealership but lost his job when the business closed about six months ago and is still looking for a new job. He lives with a roommate.



Sonia is 23 years old. After high school, she worked as a receptionist in a nail salon and then attended a for-profit cosmetology school for a few months but left before completing the program. She recently enrolled in community college and moved in with her parents to save money. (She is still paying off her cosmetology loans.) She is looking for a part-time job to pay for tuition and contribute to household finances, which are tight.

Members of this group are between the ages of 22 and 24. They all graduated from high school, and nearly 80 percent have taken some college or training courses but did not earn a degree (although they may have earned a certification). Fourteen percent have an associate degree and nearly 10 percent have a bachelor's degree. Twenty-seven percent are in school or were within the past year. The majority (62 percent) are actively looking for a job, and nearly half (44 percent) worked in the past year. Almost twothirds live with their parents, and 16 percent are parents themselves, the second highest among the clusters. Their economic circumstances are fairly similar to those in Cluster 3, as most live in households with moderate incomes, although a slightly higher share live below the poverty line (32 percent).

The share of young people in Cluster 4 out of all out-of-work young people reaches a high of 26 to 27 percent in Orange County, Fla., in the Orlando region and Denton County, Texas, near Dallas. Many, but not all the places with high shares of Cluster 4 specialize in industries that do not require a bachelor's degree. These places include Denton County, Texas; Will County, Ill., outside of Chicago; Jefferson County, Ala., encompassing Birmingham; Union County in Northern New Jersey; Bristol County, Mass., outside of Providence, R.I.; and Ocean County on the New Jersey shore. They specialize in such sectors as transportation, warehousing, wholesale and retail trade, construction, utilities, and arts and entertainment.

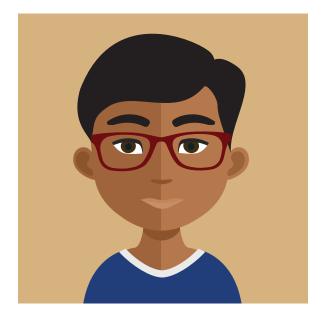
Other places with high shares of Cluster 4, however, specialize in industries requiring higher levels of education, mostly related to technology; these include the cities of Seattle and Portland, Oregon, and adjoining Washington County in Oregon. At the low end, members of Cluster 4 make up about 10 percent of the total out-ofwork young adult population in a diverse array of places, including Boston; Clark County, Nev., outside of Las Vegas, Salt Lake County, Utah; Jackson County, Mo., outside of Kansas City; Delaware County, Pa., outside of Philadelphia; and Franklin County, Ohio.

Like members of Cluster 3, this group also likely combines work and school, either to help pay the bills or to gain experience. A minority of this group have a bachelor's degree (8 percent); they likely differ from the bachelor's degree holders in Cluster 5 by coming from families with lower incomes, being black or Hispanic, or perhaps having children.

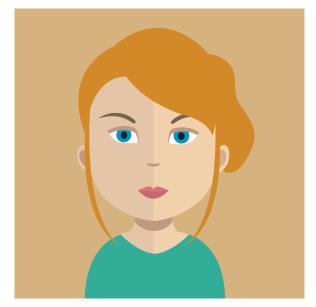
Cluster 5. Bachelor's degrees, mostly 22 to 24 year olds 6 percent of out-of-work young adults

Individuals in this cluster have bachelor's degrees and are primarily ages 22 to 24; they are the most likely to have worked in the previous year and live in families with the highest income of all the clusters. They are concentrated in places with high educational levels, primarily on the coasts.

Fictionalized examples of individuals in this group include:



Kalyan is a 24-year-old with a bachelor's degree in civil engineering. He previously worked in a construction firm and is looking for a job in the energy sector. Born in India, he moved to the United States as a child and is legally authorized to work.



Amy is a 22-year-old who graduated from college a few months ago with a history degree. She has not held a job, but she has volunteer experience as a tutor in an after-school program for middle school students. She lives with her parents.

This is the smallest group by far, and all of them have a bachelor's degree; nearly one in five (18 percent) were in school in the past year, completing college. Almost all of them (94 percent) are between the ages of 22 and 24. The majority (58 percent) are looking for work, and nearly half (47 percent) worked in the past year, the highest share of all the clusters. Two-thirds live with their parents, and their median family income (\$92,000) is considerably higher than the other clusters (the next highest is Cluster 3, at \$54,000).

The largest shares of Cluster 5 are found in highincome regions with high levels of educational attainment, and with employment specialization in the information, professional services, finance/ insurance/real estate, and educational services and health care industries. In addition, regions with high concentrations of their out-of-work youth in Cluster 5 have relatively high labor force participation and employment rates. These places include Seattle, San Francisco, and Boston, each with a little over 20 percent of their out-of-work youth in Cluster 5; as well as Fairfax County, Va., outside of Washington, D.C., and two Bay Area counties, Santa Clara and San Mateo. All of the places that top the list are found in the large metropolitan regions of New York, San Francisco, Washington, Boston, San Jose, Philadelphia, and Chicago. At the other end of the spectrum, shares of out-of-work youth in Cluster 5 are three percent or below in places like Las Vegas and neighboring Clark County; Milwaukee; Riverside and Fresno counties in California; and Snohomish County, Wash., north of Seattle.

This group has achieved a major benchmark of success by earning a bachelor's degree. That, combined with their high family incomes and fairly high level of work experience, suggests that they are on the right track. However, nearly onequarter live below the poverty line. This could simply reflect that they are at the beginning of their career trajectory when earnings are typically lower, or it could reflect a deeper level of disadvantage not captured by the data. Because such a small share of the out-of-work population in our analysis holds bachelor's degrees (7 percent, compared to 43 percent with a high school diploma or equivalent), it is likely that small sample sizes prevent us from capturing all the salient differences among this group that affects their future job prospects and economic stability. However, the fact that bachelor's degree holders are much less likely to be among the outof-work in the first place also signals the value of the credential.

Discussion and recommendations

s noted at the outset, there is a standard playbook in America for gaining the skills and knowledge to obtain employment enabling financial security in adulthood: finish high school, continue with postsecondary education to broaden your horizons and gain skills relevant in the labor market, gain some work experience, and launch a career.

This playbook works well, under certain conditions. It works best for children of middle class and affluent families who live in safe neighborhoods, attend good schools, and graduate high school ready for college-level work. It works best for children whose parents have the savvy to navigate the college application and financial aid processes and the means to support their kids throughout their years in higher education. Following the playbook also means not just enrolling in college or a training program, but ideally graduating and, in any case, gaining the skills necessary for good jobs with decent wages and opportunities for advancement.

In other words, there are a lot of people for whom it does not work, and many are reflected in the data presented here.

Once the great conveyer belt of K-12 education ends, young people and their families face an unforgiving labor market and a post-secondary landscape that can be confusing, difficult to navigate, and financially out-of-reach.

Viewed over a person's lifespan, public investments are roughly bar-bell shaped: frontloaded with public education (compulsory K-12 education and available higher education) and then heavy on retirement and health care after age 65. People in their late teens and early to mid-20s are largely on their own (or on their parent's dime). And maybe that's as it should be-but in that case, shouldn't earlier investments be more effective at helping them complete their education, gain the skills to engage fully in an information- and technology-dense culture, and find work enabling financial stability? There is much we can do to ease the transition from high school to post-secondary education and ultimately into the labor market. We know enough from evaluations, research, and practice to make major improvements in how we prepare young people like Jake, Crystal, and Karina to fully participate in and contribute to our economy and society.

Below is a menu of options for state, local, civic, and institutional leaders to consider.

1. Re-engagement centers

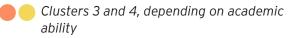
Suitable for those without a high school diploma who wish to earn a high school credential.

- Cluster 1
- Perhaps Cluster 2, depending on whether centers and programs serve people ages 22 and over or only those closer to traditional high school age

Re-engagement centers conduct outreach to out-of-school youth to encourage them to return to school to earn a high school diploma or equivalent, assess their circumstances, and refer them to a best-fit educational program.³⁰ Of course, their success also depends on the availability and quality of educational options in a given area. These include a wide variety of alternative high schools, credit recovery efforts, and GED programs. Programs increasingly recognize that the diploma or the GED should not be the end goal, but rather strive to prepare and connect students to post-secondary education.³¹

2. Bridge programs

Suitable for people with weak academic skills and those focused on education rather than, or in addition to, immediate employment.



Bridge programs are designed for students who need additional academic preparation before enrolling in post-secondary education or job training.³² Some bridge programs focus on preparing for the GED and thus are designed expressly for people without high school diplomas, but others are open to high school graduates as well, depending on their skill levels. Bridge programs typically use a contextualized learning approach, in which students develop their academic skills in the context of occupational training or real-world scenarios such as career exploration.

I-BEST and Bridge to College and Careers are examples of bridge programs that have been evaluated and had positive academic outcomes.³³ Students in these evaluations had an average age of between 26 and 30, older than the 18-24 group under discussion here. It is possible, then, that bridge programs would need to be adapted to a younger group; practitioners and researchers would need to weigh in on that. For that reason, we did not include the younger clusters (1 and 2, mostly between the ages of 18 and 21), as suitable for bridge programs.

3. Job training programs that meet local labor market needs and designed in close consultation with employers

Suitable for people interested in occupational skills training who can meet literacy and numeracy requirements, commit to courses of study that are fairly time intensive, and may not need immediate earnings.

Clusters 1-4, depending on academic ability, and may be limited to those with high school diplomas

Successful job training programs share a few key characteristics:

- offering training (inclusive of post-secondary certificate and degree programs) and job placement that aligns with regional labor market needs and in-demand skills, and
- providing guidance, counseling, and other appropriate supportive services to participants.³⁴ Additionally, programs for young people particularly strive to develop close relationships between participants and caring adults.³⁵

A number of sector-based job training programs have found positive results in recent years.³⁶ Sector-based programs are partnerships among employers, educators, nonprofits, and other stakeholders to identify the workforce needs of particular industries or occupations within a regional labor market. They typically require a baseline level of literacy and numeracy skills (say, reading at the 10th grade level) to assure that students can handle the training and then perform job duties.³⁷

4. Two-generation programs

Suitable for parents of young children who are interested in occupational skills training, can meet literacy and numeracy requirements, and can commit to courses of study that are fairly time intensive.

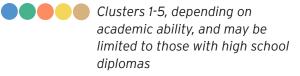
Clusters 3 and 4, depending on academic ability, and may be limited to those with high school diplomas

Two-generation programs meet the needs of parents and their children together. Different programs emphasize various aspects of family and economic well-being, with some specifically focused on employment.³⁸ These provide training to low-income parents coupled with guality early childhood education for their young children. A recent evaluation of one such program providing training in the health care field found positive effects on both parents and children.³⁹ Since program participants have an average age of 29, we recommend this program for the two older clusters (ages 22-24) without a bachelor's degree, although it is feasible that such a program could work with members of the younger clusters (ages 18-21).40



5. Apprenticeships

Suitable for people interested in occupational skills training who can commit to courses of study that are fairly time intensive. Depending on the occupation, a high school diploma and relatively high literacy and numeracy skills may be required.



Apprenticeships take an "earn and learn" approach to education and training: Apprentices earn wages while performing productive work and undergoing supervised, work-based training with related academic instruction. They represent the most structured model of employer engagement in training, since employers hire the apprentices and provide on-the-job training.⁴¹

Most apprenticeships are clustered in construction and manufacturing, although they exist in other fields such as utilities, auto and truck repair, police and fire, trucking, child care, long-term care, and increasingly, information technology.⁴² An analysis of registered apprenticeships in 10 states found large earnings gains among those who participated.⁴³ Other research is also positive: One study reported that employers participating in registered apprenticeships valued the program and found that it helped meet their needs for skilled workers, and another identified productivity gains for employers with apprenticeship programs.⁴⁴

However, while there are a number of youth apprenticeship programs, apprenticeships overall have limited reach when it comes to young people.⁴⁵ Only about one in five participants are under the age of 25, and the average age is 30.⁴⁶ In recent years, a number of actors (states, foundations, companies, and the education sector) have taken steps to further develop apprenticeships as an option for young people.⁴⁷

6. Associate or bachelor's degrees

Suitable for those with a high school diploma or equivalent interested in earning a college degree and who can commit to several years of education

Clusters 1-4 (limited to those in Clusters 1 and 2 with a high school diploma or equivalent)

It is hard to overstate the importance of education beyond high school in today's economy.⁴⁸ Accordingly, a robust number of initiatives to increase college enrollment have arisen, including federal, state, local, and community-based efforts.⁴⁹ In addition to college access, however, college completion is a priority, given the large number of students– disproportionately students of color and those from low-income backgrounds–who enroll in post-secondary education but leave without a degree.⁵⁰

The "completion agenda," as it is often known, has gained traction in recent years, applying both to bachelor's and associate degrees. There are no simple or quick answers, but initiatives to date suggest that additional upfront investments and changes in how schools organize and offer courses and related support services can pay off down the road-while cost per student may be higher, cost per degree is lower.⁵¹ Some approaches include dual enrollment or early college programs, in which high school students take college courses.⁵² CUNY's ASAP program requires community college students to attend full-time and provides a range of academic, financial, and personal supports.⁵³ Additionally, "guided pathways" reforms have been implemented at multiple community colleges, designed to offer clearer sequences of courses in particular fields of study coupled with stronger advising.⁵⁴ Lastly, the evidence base for integrating student supports, such as tutoring and advising, more closely with academics is growing.55

7. Certificates or certifications

Suitable for those interested in a credential signifying a specific body of knowledge or set of competencies



Non-degree post-secondary credentials can also provide real value in the labor market, and have become more common in recent years.⁵⁶ These include certificates and certifications. Certificates are primarily awarded by community colleges or other educational institutions upon completion of a course or set of courses, and certifications are awarded by a certifying body such as a professional or industry group based on successful completion of a test assessing a pre-determined set of skills. Certifications and certificates are commonly earned in fields such as health care, business/office management, cosmetology, auto mechanics, and computer and information services, and many can be earned in a year or less.57



8. Programs targeting the most disconnected young

people, with a mixture of supportive services, work experience, education and training, stipends or wages, and positive relashionships with adults

Suitable for those who need more support and structure than is provided in other education or job training programs.



Clusters 1-4, depending on their skills and work readiness

In a synthesis of the research on how best to improve the employment prospects of young people from disadvantaged backgrounds or in difficult circumstances, MDRC identified the following practices as effective: 1) education and training strongly linked to the job market and career pathways; 2) paid work experience that allows youth to apply concepts and skills learned in the classroom, and importantly, provides financial support; 3) supportive services such as case management, mentoring, and assistance with issues such as child care and transportation; and 4) continuing assistance after job placement to promote retention.⁵⁸ Other syntheses emphasize the need for persistent and ongoing outreach to reach the most alienated young people, coupled with a more intensive case management approach, characterized by one provider as a "bear hug" of wrap-around services.59

Programs incorporating a combination of the above approaches include YouthBuild, National Guard Youth ChalleNGe, ROCA, and Promotor Pathway.60



Conclusion

The above solutions demonstrate what is possible, yet implementation is nowhere near the scale required. The country does itself no favors by consigning millions of young people to the margins of the labor market and economic mainstream, even as many employers say they can't find the workers they need.

A key factor affecting our willingness to do the hard, slow work of reforming systems and programs often goes unspoken and unexamined: our collective attitude towards young people, specifically those reflected in the data presented here, who are disproportionately low-income, black, or Hispanic. What do we expect they will accomplish? How are we willing to support them? In turn, what can they expect from public and civic institutions and services?

Research and data should inform these questions, but they can't settle them, because they are largely about values, priorities, tradeoffs, and political will. This is the hardest nut to crack. Collectively, according to the data presented here, we are satisfied, or at least willing to accept, educational and employment practices that consistently disadvantage people of color and those from lower-income backgrounds.

Systems change thinking, about which there is a deep literature, provides a useful lens here.⁶¹ The policy ideas suggested above are important tools, but the most powerful levers for change are the implicit beliefs and mental models that undergird explicit policies and practices. We must see all young people as assets who can contribute to our collective future and be willing to challenge "business as usual" practices in education and the labor market that have resulted in grossly unequal educational and employment outcomes. That is how we will improve the life chances of all young people.

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