

# DOCUMENT RESUME

ED 254 571

UD 023 497

**AUTHOR** Burbridge, Lynn C.  
**TITLE** Employment and Training Programs for Youth: An Interpretation and Synthesis of Measured Outcomes.  
**INSTITUTION** Urban Inst., Washington, D.C.  
**SPONS AGENCY** Andrew W. Mellon Foundation, New York, N.Y.  
**PUB DATE** May 83  
**NOTE** 105p.  
**AVAILABLE FROM** Urban Institute Library, Information Clearinghouse, P.O. Box 7273, Dept. C, Washington, DC 20044 (\$7.50).  
**PUB TYPE** Reports - Research/Technical (143)  
**EDRS PRICE** MF01 Plus Postage. PC Not Available from EDRS.  
**DESCRIPTORS** Adolescents; Classification; \*Federal Programs; Government Role; Job Training; Participant Characteristics; \*Program Effectiveness; Program Evaluation; Public Policy; Secondary Education; Unemployment; Work Experience Programs; Young Adults; \*Youth Employment; \*Youth Programs

## ABSTRACT

This paper analyzes policy initiatives undertaken to address the problem of youth unemployment. There are six main sections. Section I provides a general overview of the study, and Section II reviews the problems of differing groups of youth. Differences in the severity and long-run implications of youth labor market difficulties when disaggregated by age, sex, education, race, and poverty status are briefly summarized. Section III develops a classification of the types of employment and training programs available to youth. Then, Section IV provides a brief historical analysis of the development of various youth employment and training programs, classifies them according to the scheme developed in Section III, and presents data on enrollee characteristics. Section V discusses problems in evaluating employment and training programs, and reviews the empirical literature on the actual measured effects of different programs on the employment and earnings, and other relevant variables of their participants. Finally, Section VI presents a brief summary of implications for new policy initiatives. A summary of the Comprehensive Employment and Training Act and examples of past youth employment projects are appended. (KH)

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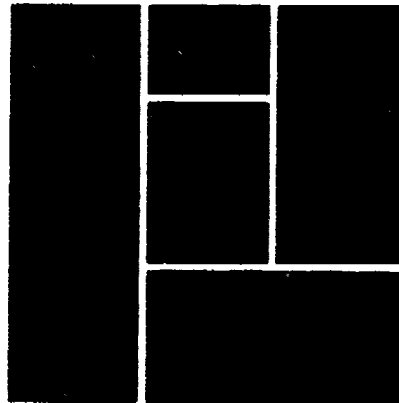
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EMPLOYMENT AND TRAINING PROGRAMS  
FOR YOUTH:

AN INTERPRETATION AND SYNTHESIS  
OF MEASURED OUTCOMES

By

Lynn C. Burbridge



**THE URBAN  
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**Research Paper**

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**May 1983**

Support for this paper was provided by the Andrew W. Mellon Foundation. However, the opinions expressed in this paper are the sole responsibility of the author and do not necessarily represent the views of the Mellon Foundation or of The Urban Institute or its sponsors.

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## I. INTRODUCTION

While social scientists and policy makers generally agree as to the existence of a youth employment problem, there is a considerable divergence of opinion concerning the causes of and possible remedies for this problem.<sup>1</sup> One reason for this is that "youth" are not a monolithic group. The severity of unemployment in one's youth and the implications of that unemployment for one's future employability varies by race, sex, and education. Thus the "youth unemployment problem" is really a collection of the divergent problems of divergent groups of youth that, in addition, often reflect an interaction with broader labor market problems such as discrimination and the rising importance of educational credentials in obtaining employment. However, there is also considerable diversity in how the problems of youth are approached in the literature, even when these differences among youth are taken into consideration.

This paper will primarily be concerned with analyzing the policy initiatives that have been undertaken in attempts to solve or ameliorate the effects of youth unemployment. This is not to say, however, that it will be unconcerned with theoretical issues. Quite the contrary, most of the youth employment and training programs that have been developed in recent decades were motivated and designed in light of previous theoretical and empirical research and analysis. For example, a program that is developed to improve the "employability" of disadvantaged youth is implicitly or explicitly accepting the proposition that the employment

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<sup>1</sup>A comprehensive review of the literature in this area is provided in David Swinton and Larry Morse, The Source of Minority Youth Employment Problems (Washington, D.C.: The Urban Institute Press, 1983).

problems of disadvantaged youth arise from deficiencies on their part that make them "unacceptable" for employment. On the other hand, the existence of a job creation program implies some determination that youth unemployment results, at least in part, from insufficient demand and a concomitant insufficiency in jobs for youth and/or other low-skilled workers.

Of course what one finds in actual fact is a proliferation of different kinds of programs which can be seen as being based on different sets of premises. Whether this proliferation reflects the "absence of a consistent theoretical framework"<sup>2</sup> in the literature leading to ad hoc programs developed from "ad hoc" theories, or whether it reflects the variation of problems and solutions for different types of youth will still be under consideration here. Without going into great detail, it can be said at this point that both factors seem to be important and interconnected. Furthermore, not only did inadequacies in the theoretical literature and the complexities of youth unemployment give rise to such a heterogeneous set of policy proscriptions, but the general inexperience of policymakers in formulating major manpower programs--at least at the outset--must be taken into consideration when looking at the ups and downs of youth employment and training programs. These programs must also be seen as products of political compromise and frequent changes in policy initiatives regarding young workers.

The next section of this paper will review and classify the differing problems of different groups of youth. In Section III a classification

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<sup>2</sup>Swinton and Morse, The Source, p. 3.

will be developed of the types of employment and training programs available to youth. Section IV will then give a brief historical analysis of the development of various youth employment and training programs, classify them according to the scheme developed in Section III, and present data on enrollee characteristics in these programs. Section V will discuss the problems in evaluating employment and training programs and review the empirical literature on the actual measured effects of different programs on their participants' employment and earnings and on other relevant variables. Section VI will present a brief summary and conclusions, derived from the preceding analyses, regarding new policy initiatives with respect to youth.

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## II. PROBLEMS OF YOUTH

Mangum and Walsh in classifying the problems of youth write that:

[T]erms such as "disadvantaged," "hard core disadvantaged," "dropouts," "potential dropouts," which are used extensively throughout the literature, imply discrete categories of youth with special employment problems. Within each of these groups, however, the individual variations are as numerous as they are for the youth category as a whole, thus making it extremely difficult to generalize about "what works best for whom"<sup>3</sup>

With this caveat in mind, this paper will attempt to delineate discrete subgroups within the youth population which--when taken alone and abstracting from possible overlap among these groups--can be characterized as having "special" employment problems. In other words, while "youth in general" may have employment problems, they often take on another or more dramatic character for particular groups of youth. However, it will be useful to outline problems common to all youth first before discussing the "uncommon" problems of subgroups in the youth population.

Some of the unemployment problems of young people--taken as a group--are attributed to the "instability of youth" in general. Osterman,<sup>4</sup> in looking at National Longitudinal Survey (NLS) data for young males for 1969-1970, finds that quit rates for young adults decline from an annual rate of .65 for 18-year-olds to an annual rate of .29 for 27-year-olds. So some of the "youth unemployment" problem represents a tendency for youth--a natural tendency up to a point--to explore different jobs and to shop for

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<sup>3</sup>Garth Mangum and John Walsh, Employment and Training Programs for Youth--What Works Best for Whom (Washington, D.C.: Government Printing Office, 1980), p. 164.

<sup>4</sup>Paul Osterman, Getting Started: The Youth Labor Market (Cambridge: The MIT Press, 1980).

the most satisfactory "niche" in the labor market. Further, using a measure of employment stability--whether a person stays in the same firm or three-digit industry for two consecutive years--Osterman finds that "the key transition period occurs at about age 20 when there is a major jump in the fraction of youth who are stable."<sup>5</sup> However, this pattern does not hold for black males whose transition to stability does not occur until age 26, an issue to be discussed shortly.

This "natural tendency towards unstability" might imply that the problems of youth are temporary and do not have long-run repercussions for society. But this does not appear to be the case. There are indications that those youth with the more troublesome early work histories will have lower earnings and more unemployment than those for whom the degree of "instability" is relatively less.<sup>6</sup> This is particularly true for women and minorities. So one should not assume that instability, at least for these groups, will have benign long-run consequences--especially if it is severe. Further, if Osterman's finding on the prolonged period of instability for black males is accurate, these negative long-run effects are exacerbated. Other factors making youth unemployment a crucial social problem are pointed out by Thurow:<sup>7</sup> a teenager's earnings can contribute

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<sup>5</sup>Paul Osterman, Getting Started, p. 10.

<sup>6</sup>For example see Wayne Stevenson, "The Relationship Between Youth Employment and Future Employability and Earnings," in Youth Unemployment--Its Measurement and Meaning, U.S. Department of Labor Youth Knowledge Development Report 2.1 (Washington, D.C.: Government Printing Office, 1980), pp. 548-562; or Brian E. Becker and Stephen M. Mills, "Teenage Unemployment: Some Evidence of the Long Run Effects on Wages," Journal of Human Resources, vol. 15, no. 3 (1980), pp. 354-372.

<sup>7</sup>Lester Thurow, "Youth Unemployment" (New York: The Rockefeller Foundation, 1977).

to increasing his or her family's income--often of crucial importance to poor families; a young person's earnings can make the difference as to whether he or she can pursue some higher education and make an important investment in his or her future; and the existence of large numbers of unemployed youth concentrated in the central cities may contribute to social unrest.

Another problem faced by American youth is the dearth of linkages between school and the world of work. Youth leaving school often suffer periods of unemployment until they become acquainted with and make contacts in the labor market. It should be noted that this does not occur in all countries. Anderson and Sawhill point out that in the United Kingdom "the Career Services system for young persons and apprenticeship programs tend to produce low entry rate unemployment."<sup>8</sup>

Finally, all youth lack work experience--which is required for many jobs, sometimes unnecessarily. Furthermore, even when young persons lacking in experience may be able to obtain jobs, they would not have accumulated the seniority necessary to keep a job when layoffs are imminent. It is no surprise, then, that youth employment is very sensitive to the business cycle.<sup>9</sup> Therefore, in a system where experience is important for obtaining a job and seniority is often crucial for keeping it, youth have more difficulty maintaining a foothold in the labor market.

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<sup>8</sup>Bernard E. Anderson and Isabel Sawhill, Youth Employment and Public Policy (Englewood Cliffs: Prentice Hall, 1980), p. 23.

<sup>9</sup>For example, see Wayne Vroman, "Worker Upgrading and the Business Cycle," Brookings Papers on Economic Activity, 1 (1977), pp. 229-252.

So high youth unemployment in general can be explained by several factors: a tendency for many youth to move around from job to job; an unwillingness by employers to hire inexperienced workers;<sup>10</sup> institutional barriers to keeping young workers in economic downturns; and the weak connections between school and work.

However, looking at youth unemployment in general may not be useful, particularly with respect to policy prescriptions for solving "the problem." American youth are not a homogeneous group. And as indicated earlier, some groups suffer more unemployment and more severe repercussions from unemployment than do others. Particularly, observers have found considerable variation in the severity and long-run implications of youth labor market difficulties when disaggregating by race, age, sex, education, and poverty status. These differences are briefly summarized below.

#### Race

Black and other minority youth have unemployment rates two to three times those of white youth (table 1), and indications are that the position of young blacks in the labor market has deteriorated over time. In explaining this differential, some have focused on the characteristics of blacks relative to whites such as their educational attainment or their willingness to "accept" certain jobs. Others have focused on external and

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<sup>10</sup> Furthermore, employers often restrict their hiring of young workers, given the perception that they are "unstable." In a study by Richard Lester, Hiring Practices and Labor Competition (Princeton: Princeton University Press, 1954), it was found that most large and established firms "prefer to hire men 25 to 30 years of age, who are married and ready to settle down, after they have, so to speak, sowed their industrial wild oats in other plants" (p. 53). This develops into a self-reinforcing situation where young workers cannot get good jobs because they are unstable and are unstable because they cannot get good jobs.

Table 1  
Unemployment Rates by Sex, Race, and Age; 1980

Age	Males			Females		
	Black & Others Nonwhites	White	All	Black & Other Nonwhites	White	All
14 and 15 Years	43.3	15.5	17.8	42.6	12.0	15.0
16 and 17 Years	40.1	19.9	22.0	41.4	18.4	20.7
18 and 19 Years	36.0	16.4	18.8	36.5	15.3	17.9
20 to 24 Years	24.4	11.6	13.2	24.2	9.1	11.2

Source: U.S. Department of Labor, Employment and Training Report of the President (Washington, D.C.: Government Printing Office, 1982).

demand-side factors such as the increasing suburbanization of jobs or the competition that blacks face from women and immigrant groups entering the labor force. However, in testing for various factors that may explain these differentials, Osterman finds that "the analysis of the individual data suggests that residual factors account for roughly 50 percent of the unemployment differential and it is conventional to interpret this residual as discrimination."<sup>11</sup>

### Age

Although teenagers under 18 years old have higher unemployment rates than those over this age (table 1), most observers feel that unemployment for this younger group is not as critical as for older youth.<sup>12</sup> First, many in this group are still in school, relatively free of family responsibilities, and primarily interested in part-time or temporary (e.g., summer) work. It is not expected that unemployment for these teenagers group will necessarily lead to serious repercussions in the future. Second, youth in this group are often inhibited in finding certain types of jobs by child labor laws and the personnel practices of many firms. As they turn 18, their employment options increase. Finally, most of these young people are new entrants into the labor market who, as pointed out earlier, have fewer labor market contacts and less labor market knowledge, making their first excursion into the world of work more difficult. This state of affairs is expected to change as these young people age and gain experience. If their employment problems persist as they grow older, it is considered far more serious.

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<sup>11</sup>Osterman, Getting Started, p. 147.

<sup>12</sup>For example see Mangum and Walsh, Programs for Youth; and Osterman, Getting Started.

### Sex

While female youth have slightly lower unemployment rates than male youth (except for black females aged 16 to 19; table 1), there is evidence that "young women, black and white, are more seriously affected by adverse early labor market experiences than young men"<sup>13</sup> in terms of future employment and earnings. Nonetheless, the thrust of much research and many training programs directed towards youth have focused on young men. There are several reasons for this. First, given their childbearing responsibilities, women are not expected to have as strong an attachment to the labor force as men. Second, unemployment among male youth is thought more likely to lead to criminal behavior than that among female youth. Ironically, even though single unemployed women with children frequently receive welfare assistance, less attention has been directed towards improving the labor market options of young women than has been directed towards young men. Increasingly, however, as more poverty households are headed by women, there has come the recognition that joblessness can have just as severe consequences for young women and their families as for young men.

### Education

Educational credentials and current school enrollment status have implications for the attachment to and success in the labor market. Those youth still in school do not participate in the employed labor force as much as youth out of school and their unemployment rates are lower (table 2). Among out-of-school youth, high school graduates have lower

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<sup>13</sup>Stevenson, "The Relationship," p. 205.

Table 2

Unemployment and Labor Force Participation Rates  
by Sex, Age, and School Enrollment; 1981

	<u>Unemployment Rates</u>		<u>Labor Force Participation Rates</u>	
	Males	Females	Males	Females
<u>Enrolled</u>				
16 to 17 years old	18.3	19.2	42.2	37.7
18 to 19 years old	15.7	18.8	44.6	46.7
20 to 24 years old	8.7	6.9	54.9	57.8
<u>Not Enrolled</u>				
16 to 17 years old	27.9	36.7	70.7	47.5
18 to 19 years old	20.5	22.2	88.7	73.1
20 to 24 years old	13.4	12.2	93.5	74.1

Source: U.S. Department of Labor, Employment and Training Report, 1982.



unemployment rates than high school dropouts (table 3), though the payoff to a high school diploma is considerably higher for whites than it is for blacks. Further, while almost three-fourths of black high school dropouts were unemployed in 1981, only one-third of white high school dropouts were unemployed in this year.

### Poverty Status

Disadvantaged youth can be described in several ways. They have been identified as those on welfare or having poverty level incomes; those in families on welfare or receiving low incomes; or those living in areas with high concentrations of poverty households. Regardless of definition, poverty status appears to be a greater disability for nonwhite youth in the labor market than it is for white youth. Table 4 presents unemployment rates for teenagers in poverty areas. The unemployment rates for black youth are twice as high as those for white youth in poverty and nonpoverty areas; metropolitan as well as nonmetropolitan areas. Overall, rates are higher in metropolitan and poverty areas. Similarly, among young people identified as disadvantaged (table 5), unemployment rates are higher, particularly those for disadvantaged minority youth.

### "Hard Core" Unemployed Youth

Of course, any one young person may have several of the characteristics associated with high unemployment. In fact, those classified as "hard core" unemployed youth are generally poor or poverty area youth who are black or minority with low educational attainment. "Hard core" youth are also described as having particular "behavioral characteristics" which prevent them from having a successful attachment to the labor market. However, it is difficult to judge whether the "attitudes" of these youth

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Table 3

Percent Unemployed--High School Graduates and Dropouts--  
By Sex and Race; For 16-Year-Olds to 24-Year-Olds; 1981

	High School Graduates	Dropouts
Males	19.5	29.0
Females	23.4	46.7
Whites	19.1	29.0
Blacks	53.5	73.1

Source: U.S. Department of Labor, Employment and Training Report, 1982.

Table 4

Unemployment Rates for Teenagers (16 to 19)  
in Poverty and Nonpoverty Areas, by Race; 1981

Race	<u>Total United States</u>		<u>Metropolitan Areas</u>		<u>Nonmetropolitan Areas</u>	
	Poverty Areas	Nonpoverty Areas	Poverty Areas	Nonpoverty Areas	Poverty Areas	Nonpoverty Areas
Total	25.9	18.4	34.4	18.5	21.2	18.1
Black and Other Minority	40.3	36.2	43.7	36.6	34.4	34.1
White	20.1	16.8	24.6	16.6	18.6	17.4

Source: U.S. Department of Labor, Employment and Training Report, 1982.

Table 5  
Unemployment Rate of Disadvantaged Youth,  
March 1978

Age	Unemployment Rate (percent)	
	White	Black and Other Minority
Total or Average	25.5	40.8
16 and 17 Years	14.8	31.1
18 and 19 Years	24.3	41.4
20 and 21 Years	25.7	43.7
22 to 24 Years	27.3	41.2

Source: U.S. Department of Labor, Employment and Training Report, 1980.

were the cause or result of their labor market histories. For example, an early study of the effect of the attitudes of MDTA trainees on post-program employment outcomes had the following findings:

There was some tendency for people who entered the job market with a feeling of some control over their destiny to do better than those who approached it with a sense of fatalism and powerlessness. There was even clearer evidence, however, that this experience of job success fed back into and reinforced these very same attitudes that helped to bring it about . . . . Many of the approaches to the motivational and attitudinal problems in "hard core" groups have assumed that these problems reflect deep personality pathologies that are residues of the trainees' disadvantaged past, that remain largely self-reinforcing and self-perpetuating and unaffected by the present realities. It is important, therefore, to recognize that in many instances, trainees' problems in attitudes and motivations might be more meaningful viewed as understandable reactions to present situational realities.<sup>14</sup>

Further, many observers feel that the greater length of time it takes minority and disadvantaged youngsters to become stabilized in the labor market--Osterman's calculated six-year differential between the young black and the young white male average transitional ages, being an example--increases the vulnerability of this group to criminal activity due to the psychological<sup>15</sup> and financial<sup>16</sup> strain of prolonged adolescence.

In looking at youth employment problems, then, it is clear that particular groups of youth have difficulties of a far greater magnitude than those of youth in general. For the particular problems associated

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<sup>14</sup>Gerald Gurin, Inner City Negro Youth in a Job Training Project: A Study of Factors Related to Attrition and Job Success (Washington, D.C.: U.S. Department of Labor, 1969), p. 112.

<sup>15</sup>For example, see Richard A. Cloward and Lloyd E. Ohlen, Delinquency and Opportunity (New York: The Free Press, 1960).

<sup>16</sup>For example, see Paul Bullock, Aspiration vs. Opportunity: "Careers" in the Inner City (Ann Arbor: Institute of Labor and Industrial Relations, 1973).

with being of a particular race or sex, of having a low income or educational level, and the concomitant negative effects on self-esteem intertwine and exacerbate the hardships of being young and a recent entrant into the labor market. It is not surprising, then, that the majority of employment and training programs have been targeted on disadvantaged youth. Most American youth still make the rocky transition from school to work without the intervention of federal employment and training programs. However, for particular subgroups in the youth population these programs, at least until recently, served as important intermediaries for many in their quest for access into the world of work.

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### III. A TYPOLOGY OF EMPLOYMENT AND TRAINING PROGRAMS

In the previous section, the employment problems of different groups of youth were touched upon. These differences among young people are often reflected in the diversity of policy initiatives taken with regard to youth. There are also differences of opinion as to the actual causes of youth unemployment, even while taking this heterogeneity in the youthful labor force into account. This disaccord in the literature has, as well, contributed to the multiplicity of policies considered and/or implemented with regard to youth employment problems.

#### Policy Options

In this section, a discussion of the policy options that have been frequently suggested--though not always implemented--as being necessary to ameliorate the problems of youth is presented. Since, as stated earlier, most policies evolve out of certain assumptions as to the nature of the economy and the causes of unemployment for particular groups in society, the theoretical antecedents for a particular policy option are important to this discussion as well.

Lowering the Minimum Wage. According to some observers, the current problems of youth can be seen as a basic problem of supply and demand. In other words, there is an over-supply of youth--particularly disadvantaged youth--at some "given" wage. The wage is rigid downwards so it does not fall "naturally" as one would expect it to in an over-supply situation under perfect competition. In this case, policies directed toward decreasing youth unemployment, therefore, would be concerned with taking action to lower the price of employing these young people.

Assuming the rigidity of the wage is due to a government-enforced minimum wage, one option would be to enact legislation to lower this minimum for young workers. Thus if the problem youth face is merely one of supply and demand, the lowered wage will increase employers' demand for the now cheaper labor of youth. Furthermore, the supply of youthful labor may decrease somewhat as those youth unwilling to work for a lowered wage--if this unwillingness exists--withdraw from the market. If the new minimum has been set correctly--in other words if it is the wage that would have cleared the market under perfect competition--the number of young people seeking work will equal the number of job slots available to them.

Providing Government Subsidies to Firms. So far lowering of the minimum wage has not been politically feasible. There are important political forces that have brought it into existence. For example, organized labor supports it to protect their members from being replaced by cheap labor, and social reformers are concerned that young workers or immigrants who can be bought more cheaply might end up being exploited by employers under a system with no minimum wage. Another option, therefore, is to lower the wage of young workers by providing a government subsidy to firms to hire young workers (or, more specifically, disadvantaged young workers). While these workers are receiving at least a minimum wage, the employer is paying less than the minimum with the government paying the difference. If it is felt that there are certain social benefits to undertaking these added costs--for example, the guarantee of the greater employment of poor youth at an adequate wage, perhaps leading to a decrease in juvenile crime--a subsidy would be a useful policy tool (although there is still the possibility that older, unsubsidized workers may be replaced by these subsidized youth).



Increasing Skills of Youth. However, there are often minimum job qualifications that many employers require, regardless of the wage rate. Employers may require a minimum level of experience, a high school diploma, or certain basic educational or vocational skills. Technology may be such that easy substitution between labor with different skill levels, even at different wages, is not possible. The crucial issue for employers is to hire workers with a minimum level of productivity, who are perceived as being able to increase their productivity on the job over time as they move up the promotion ladder. In this case, providing incentives to employers to hire low-skilled, disadvantaged youngsters by lowering the wage will be ineffective. Rather, the solution would be to raise the skill level of these workers until their productivity is comparable to the minimum wage, whether that be the government minimum or the wage equivalent to the minimum level of productivity required by employers. In this situation, a useful policy might be to propose government-sponsored remedial education, skills training, and work experience programs for these youth, depending on the perception as to which one or which combination of these approaches will most satisfy the minimum job qualifications required by employers. If the benefits to society of having these youth employed and better-skilled outweigh the costs of these programs, they would be well worth the effort.

Improving Information Systems. In a "world of imperfect information," however, more problems present themselves. For example, if employers have no way of evaluating the potential productivity of workers at the hiring gate, they may have to rely on preconceived ideas as to the productivity of certain types of workers or on the recommendations of others as to a potential employee's qualifications. Young and/or disadvantaged workers,

may, for various historical reasons, be perceived as less productive--in spite of their successful graduation from various training programs. Or, because of their disadvantage or lack of experience, they may not have credible references to present to an employer. In fact, some of these youngsters may not even know how to apply for a good job, given their lack of "connections" in the right places. As a result of these factors, employers may never hire perfectly capable and qualified young people. They may, in fact, never even see them. If this is the case, it might be useful to set up government-sponsored programs that could provide a nexus between employers and potential youthful employees. This might involve the creation of job development programs that would hire people to encourage employers to take a chance on these young workers, job search programs that would teach young workers how to search for jobs and how to present themselves to employers in that search, or job placement programs that would serve as intermediaries between potential employers and employees, trying to match up the needs of the former with the qualifications of the latter, replacing any reliance on the "old boy network." In other words, these programs would be set up to make employers more accessible to young people and to make the young worker more acceptable to the employer.

Antidiscrimination Activities. Some employers, however, may not hire disadvantaged young people because they belong disproportionately to a certain race. The employer may simply not like people--particularly younger people--of this race, or he may feel that his customers will not like them. It may then prove necessary to set up antidiscrimination programs, making it illegal not to hire qualified persons on the basis of race. Such a program can make discrimination very expensive by taking

culpable employers to court or making them pay fines; or employers could be required to take "affirmative action" to hire young people of a particular race.

Public Job Creation. However, many are of the opinion that there just are not enough jobs to go around, that the overall demand for goods and services in the economy is not high enough to hire all those who want to work, and that no matter how low the minimum wage, how high the skill level, how perfect the information, or how little the discrimination, there will be a high incidence of involuntary unemployment. Further, since young people--particularly disadvantaged young people--are at the end of a labor queue, they will suffer disproportionately from this unemployment. Any attempt to improve a young worker's position in this queue may only result in an older worker being replaced by a younger one without there being any overall increase in employment. In order to employ more youth without displacing other workers, it may prove necessary to enact legislation that will create new jobs altogether for these young people. It is preferable that these newly created jobs be "meaningful jobs" that will give these young people the skills and work experience that they need when pursuing work in their adulthood. But even jobs that do little more than dispense stipends and "keep those kids off the street" may be socially desirable. The cost of public job creation is high, but the investment in today's youth will provide a future payoff in adults who will be in higher tax brackets than they otherwise might have been, and who will consume more goods and services and fewer transfers than might have otherwise been the case.

### A Typology

The previous discussion tried to elaborate upon how the approach to youth unemployment will vary given one's decision as to the causes of the youth unemployment problem. Unfortunately, in developing a typology of employment and training programs that have actually existed, things are not as clear cut as they appear to be in the simple examples presented earlier. Most programs may have several of the components discussed earlier. For example, the Youth Incentive Entitlement Pilot Projects (YIEPP) provided work experience for participants, which in some cases was provided by subsidizing private industry or through job creation, under the proviso that participants remain in school to build up their basic skills. Also, a particular program component may in fact be relevant to several approaches to youth unemployment. For example, a work experience component may be useful to a skill-building, a labor-market knowledge, or a job-creation approach to youth unemployment; or an employability development program will usually incorporate the teaching of basic skills as well as familiarizing participants with the world of work, two theoretically separable goals.

In other words, while different theoretical premises may dictate different program components in an hypothetical example, in fact the programs that have existed are not so easily classified. Nor is this only due to incorrect reasoning, though there has been considerable muddled thinking in the area of youth unemployment. The fact is that youth unemployment is a complex problem requiring approaches on many fronts, particularly as far as disadvantaged youngsters are concerned. Evidence is accumulating in favor of well-balanced, multicomponent programs as being

most successful. However, in looking through the typology, the reader should keep in mind that more than one of the approaches outlined in the previous examples may be subsumed under one "type" of program; or one particular approach may be repeated under more than one "type." In practice, there are not the clean lines to demarcate program types as there are in theory. But the reader should keep the previous discussion in mind in order to get a sense of the implications lying behind the programs and types of programs discussed in the following pages.

Five program types are delineated. Most of these "types" are acknowledged in the literature,<sup>17</sup> although there is some variation among authors. As stated previously, this classification is dictated both by the theoretical premises underlying each component and the ways in which programs that have existed have come to be represented as particular program "types" or as embracing certain conventionally accepted components.

Incentives to Private Industry Programs. As stated earlier, one incentive to private industry--subsidized employment--may be subsumed under a work experience program as in the case of YIEPP. And although in the past very little faith has been put into the possibilities for encouraging private industries to hire youth by using such mechanisms as tax credits, a graduated minimum wage, and various subsidy schemes, given the recent emphasis on these as policy alternatives, their separate inclusion in the classification seems warranted. Furthermore, this kind of policy has been

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<sup>17</sup>For example, Mangum and Walsh, Programs for Youth; and Charles Perry et al., The Impact of Government Manpower Programs (Philadelphia: University of Pennsylvania, 1976).

used extensively in some other countries.<sup>18</sup> However, few examples are given of this kind of program in the pages that follow, since so little has been done in this area thus far.

Work Experience Programs. So much has been subsumed under "work experience" programs that it is difficult to pinpoint the goals of work experience programs in general. Ostensibly the purpose of a "work experience" program is just that, a program that gives the participants some experience in order to better qualify them for jobs in the private sector. However, work experience can be an activity that does little more than give participants something to put on their resumes or it can provide some "meaningful" skills that are useful for future employment. In fact, the meaningfulness of many jobs in work experience programs has been a subject of considerable debate. They have been referred to as merely income-transfer programs--giving participants "busy work" in order to justify the redistribution of income to poor, disadvantaged youth. They have also been referred to as "aging vats" that keep youth busy until they are old enough to qualify for adult jobs or adult skills training programs not open to them. (This would be the "keep the kids off the street" syndrome.)

Furthermore, most work experience programs consist of public service jobs that were "created" for these youth. There is some question whether private employers consider public service employment a useful "work experience" which qualifies participants for work in the private

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<sup>18</sup>This is documented in Shirley Williams et al., Youth Without Work, Three Countries Approach the Problems (Washington, D.C.: Organization for Economic Cooperation and Development, 1981).

sector.<sup>19</sup> Youth from these programs may actually be stigmatized as being necessarily disadvantaged and troublesome--and therefore undesirable--for having been in a government program. However, the fact that these programs may only transfer some income and provide youth with something to do should not be cause to dismiss them out of hand, especially if one sees job creation as one of the only viable solutions for youth unemployment, given the overall shortage of jobs. The question is whether these programs can come to be respected as also providing useful skills. Some of the recent literature has spoken hopefully of "enriched" work experience programs that encompass the provision of a "meaningful" work experience, pre-employment training, as well as some income maintenance for its participants.

Employability Programs. Employability programs make it their purpose to "prepare" the participant for the labor market. Usually this involves teaching basic skills when needed and teaching proper "work habits." Proper work habits can involve such things as the correct way to dress on an interview and a job, punctuality, and comportment. There is some overlap in what is taught in employability programs and in job search/placement and training programs discussed below. Generally, employability programs, taken alone without skills training or job placement, have fallen out of favor with youth and with policy makers. Experience has shown that unless a participant sees a viable job or skill directly coming out of a program, they lose interest quickly and drop out.

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<sup>19</sup> Robert Taggart, Youth Employment Policies and Programs for the 1980s, Youth Knowledge Development Report 2.12 (Washington, D.C.: Government Printing Office, 1980).



Skills Training Programs. Skills training programs--particularly for disadvantaged youth--often cover remedial as well as occupational skills training. There are usually elements of employability development, as discussed above. Skills training can occur on the job (i.e., on-the-job training or OJT) and may have "work experience" elements to it as well; or it can take place in a classroom. In many programs, classroom training and OJT are combined such that orientation, prevocational, and remedial training are provided in the classroom first, followed by OJT. Often private employers are subsidized to provide OJT to disadvantaged youth so there are "private industry incentive" elements as well. Older youth (18 or over) are referred to skills training programs to a larger extent than school-age youth, as they (the older group) appear more prepared to focus on a more specific occupational goal.

Job Placement Programs. Most job placement programs engage in some job development, consisting of efforts to recruit employers to hire their youthful clients. Most job placement programs teach job search skills to their clients. Finally, most of these programs, of course, engage in placement activities, trying to match their clients to the job orders they have acquired. So although these three activities can be treated separately and may be more or less emphasized in different individual programs that have existed, job search, job development, and job placement have been subsumed under one program "type." All are involved in improving the "connection mechanism" between the youthful worker and the employer.

Public Service Employment. Under CETA, public service employment (PSE) was provided for unemploy'd adults and youth as a countercyclical measure in times of high unemployment. Its main purpose was job



creation. However, many of the jobs in work experience programs for youth were also jobs created in the public sector to provide this experience. So the overlap between these categories makes separating them extremely difficult, except that the emphasis in PSE was more on employment with no pretense of training. Further, when employment program participants were placed in public sector jobs, it was often very difficult to determine which jobs were newly created for each participant and which jobs would have needed filling anyway. The problem of "fiscal substitution"--of a state and local government using federal funds intended for public job creation in order to subsidize jobs that would have been funded internally in the absence of the job creation program--is a problem frequently discussed in the literature, and a subject discussed in another section.

#### The Role of Antidiscrimination Programs

Although discrimination is an important problem facing many youth, those who are discriminated against because of race are covered by the laws and agencies charged with protecting all workers so discriminated against.<sup>20</sup> Since this paper is concerned specifically with youth employment and training programs, anti-discrimination programs would not come under the classification scheme. However, it must be kept in mind that discrimination is still an important variable in understanding minority youth unemployment. Further, the fact that minority youth make up

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<sup>20</sup>Although if Spring is correct in his view that most "bridge jobs" that provide youth "informal and close supervision, informal personnel policies, casual employment, and a chance to learn the trade" (p. 19) are concentrated in small manufacturing shops--often not covered by EEO requirements--then youth are not protected, at least in comparison to adults with greater representation in "covered" firms. William Spring, "Youth Unemployment, Bridge Jobs, and National Policy," Adherent, vol. 4, no. 1 (1977).

a disproportionate share of all these training programs imbues them with anti-discrimination elements although the connection is somewhat oblique. Robert Taggart also points out that given the nature of most youth jobs, discrimination is hard to prove:

For teenagers and for youth jobs, discrimination is difficult to address directly because the hiring procedures tend to be informal, the jobs short-term, and the discrimination indirect. At this stage, efforts to provide usable labor market information and to offer job search assistance for youth in order to substitute for inadequate networks, and efforts to document accomplishments, are probably more effective than efforts targeted on potential employees. At the career entry point, after youth have had some period to acquire credentials and to demonstrate competence, job access activities become more important.<sup>21</sup>

If, as Taggart suggests, antidiscrimination efforts should be directed to the "career entry point," two things are particularly crucial. First, youth employment and training programs must be effective in making disadvantaged youth competitive with other youth when they reach this career entry point. Second, the possibility of anti-discrimination action against employers who continue to discriminate against these youth--in spite of their successful completion of these programs--must be real and enforceable. Without a firm commitment in both these areas, the youth programs will be no more than income maintenance organizations which still leave participants ill-prepared for the labor market and vulnerable to discrimination on reaching adulthood.

It should be noted that as individual programs are discussed, it will be apparent that this typology provides only a very broad classification.

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<sup>21</sup>Taggart, Youth Employment Policies, p. 11.

For example, specific programs may be directed toward a particular subgroup in the youth population, such as in-school youth, out-of-school youth, or "hard core" youth, etc. Also, some will be summer programs, some full-year programs, some part-time, some full-time, and so on.

Also, the programs discussed will be the federally run or federally sponsored youth employment and training programs. The main reason for this is that the federal programs are the most elaborate and most studied of the programs. Although state and local governments and some private industries have also sponsored their own programs, the information is not available, by and large, to include them in the discussion.

#### IV. HISTORY, CLASSIFICATION, AND PARTICIPANTS OF YOUTH PROGRAMS

##### A Brief History

The history of manpower legislation can be divided into three phases. The first phase evolved out of the labor crisis resulting from the Great Depression in the 1930s. The Wagner-Peyser Act of 1933, which authorized the establishment of the Employment Service to be operated by state and federal governments in cooperation, and the Social Security Act of 1935, which provided for unemployment insurance, were passed during this time. The Bureau of Apprenticeship and Training, which was established in 1937 to regulate the apprenticeship system on a voluntary basis, was also established.

The second phase was relatively short-lived and grew out of the concern for technologically displaced labor and bottlenecks in skilled labor in the 1950s and early 1960s. The Manpower Development and Training Act (MDTA) was passed in 1962 to provide vocational and on-the-job training. At first this program primarily served male heads of households with previous labor market experience. As it became clear that the labor market problems of minorities--including minority youth--and those labeled as the "hard core" unemployed were more severe, the emphasis was changed and the MDTA was redirected towards the needs of these groups.

The third phase was the Great Society programs of the mid-1960s which extended into the 1970s. Though the legislation of this period may not have affected the same numbers of people as did the Social Security Act of 1935, it represented a significant and far-reaching change in the view of the government's role in redressing inequities in the labor market. There was The Civil Rights Act of 1964, prohibiting employment discrimination and

establishing the Equal Employment Opportunity Commission (EEOC). The Economic Opportunity Act of 1964 (EOA) provided for the emergence of grass-roots, community-based organizations (CBOs) or "Community Action Agencies" that would coordinate services for the poor. The Neighborhood Youth Corps and the Job Corps were established under the EOA.

Besides these important pieces of legislation, other programs followed. Amendments to Title IV of the Social Security Act which were passed in 1967 authorized the Work Incentive (WIN) Program to provide women on AFDC (and with children over the age of six) with work and to get them off welfare rolls. Concern for unemployment led to the passage of the Emergency Employment Act in 1971. This legislation provided for the creation of public service employment for the unemployed during 1972 and 1973.

As part of the Nixon administration's program to consolidate and decentralize government programs, a major new initiative was introduced in the early 1970s in the form of the Comprehensive Employment and Training Act of 1973 (CETA). Both the MDTA and EOA were superseded under this new legislation. State and local governments or other locally based "prime sponsors" were to assume responsibility for the operation of manpower programs--which were still largely funded through the federal government. WIN and the Job Corps were the only categorical programs from the previous era that remained federally controlled and operated.

In 1974 CETA was amended by the Emergency Jobs and Unemployment Assistance Act to provide temporary countercyclical public service employment to ease the impact of recession-induced unemployment. This program was extended in 1976 under the Emergency Jobs Programs Extension

Act of 1976. Finally, in 1977 the Youth Employment and Demonstration Projects Act (YEDPA) was passed to fund a variety of programs specifically directed to the needs of youth, to be administered under the CETA umbrella. Although youth had been served under pre-existing CETA programs expressly for young workers, rising youth unemployment spurred Congress and President Carter to produce a separate legislative mandate. Originally authorized for FY 1978 but later extended through FY 1980, YEDPA provided a wide range of programs and a previously unheard of research agenda to study the effects of various programs on youth unemployment problems.

The passage of YEDPA represented the culmination of years of experimentation with different program strategies for affecting youth employment problems. Some of the antecedent programs were ill-designed and ad hoc in nature. The post-program results of these programs were difficult to evaluate, if an adequate evaluation was undertaken at all. YEDPA was an attempt to present a coordinated set of programs coupled with a clearly stated mandate to research and evaluate the effects of these programs on youth. In the discussion of the individual youth programs in the pages that follow, the changes that occurred in the programs over time will be traced.

Before doing so, however, another government program that provides employment and training for youth should be noted, the U.S. Armed Forces. Though its primary mission is obviously not employment and training, the military has often promoted itself as providing these benefits. This has especially been true since the conversion to an all-volunteer force--occurring during the same time period as the other events discussed above--has made the promise of training part of its efforts to meet recruitment

goals. The extent to which the kind of training obtained in the military is transferable to civilian life is largely unknown. It should be noted, however, that in 1979 762,000, or 41 percent, of the male military force were young adults between the ages of 17 and 22, and 23 percent of the male military force were minorities. Many of these young and minority enlistees, discouraged by high unemployment and desirous of an opportunity to obtain marketable skills, have relied on the military to sustain and prepare them, just as others in their respective cohorts came to rely on the employment and training programs outlined below.<sup>22</sup>

#### Classifying the Programs

Table 6 presents a list of the major manpower programs in existence from 1965 to 1972, before CETA. As one can see, the Neighborhood Youth Corps (NYC), Job Corps, and the Apprenticeship Outreach Program (AOP) were the programs that were predominately--if not totally--directed towards youth. A youth initiative not included in this list involved the establishment of Youth Opportunity Centers (the YOC program) within the Employment Service. These Centers were discontinued as separate units of the ES after a few years. Further, one should note that youth were also significantly represented in the Job Opportunities in the Business Sector (JOBS) program, the MDTA, and the Concentrated Employment Program (CEP).

Table 6 also categorizes each program using the typology developed earlier. Once again it should be noted that these programs may have had components relevant to more than one "type" in the classification scheme; the category to which each program is ascribed represents the predominant component.

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<sup>22</sup>See Laurie Leitch and Wayne Vroman, "Minority Youth Experiences in the Military" (Washington, D.C.: The Urban Institute, 1983).

Table 6  
Employment and Training Programs, 1965 to 1972

Program	Youth Percent of Total	Total Enrollment (thousands)	Program Type
Neighborhood Youth Corps	100.0	4558.0	Work Experience
Job Corps	100.0	68.0	Employability
Apprenticeship Outreach Program (1968-1973)	90.9	22.0	Job Placement
JOBS--Contract	46.0	302.0	Incentives to Private Industry
JOBS--Noncontract	N/A	N/A	Job Placement
MDTA--Institutional	41.7	1138.0	Skills Training/ Classroom
Concentrated Employment Program (1968-1972)	41.2	449.0	Employability
MDTA-OJT	35.3	728.0	Skills Training/OJT
Opportunities Indus- trialization Centers (1964-1971)	33.1	163.0	Employability
WIN	24.1	385.0	Employability
Public Employment Program	23.0	193.0	PSE
Public Service Centers	20.5	111.0	PSE
Operation Mainstream	3.3	96.0	Work Experience

Source: Perry et al., The Impact, Tables 1-1 and 1-2.



Using the youth percentages and the designations of program types from table 6, the importance of each program type to youth is ranked in table 7, and for adults in table 8. (The enrollment figures are rough estimates so the ranking is of more concern than the actual numbers.) Work experience programs were far and away the most important type of program for youth, while being least important for adults. Older workers were found more in employability and skills training programs. For both youth and adults, programs providing incentives to private industry and emphasizing job placement were ranked quite low. Also it should be noted that in the job placement programs, the emphasis was usually on job development rather than job search skills for both youth and adults.

Although CETA was passed in 1973, it was not completely implemented until 1975. Thus, many of the programs discussed above were still in existence as federal programs through 1973 and 1974, though they were being slowly phased out. Of the original list of manpower programs in table 6, only the Job Corps and WIN remained in complete federal control following the final implementation of CETA. Variations of the other programs, including the NYC and AOP, may have existed, however, as locally sponsored programs under CETA. The 1973 CETA legislation (as amended by the Emergency Jobs and Unemployment Assistance Act of 1974 and by the Emergency Jobs Programs Extension Act of 1976) had seven titles authorizing a variety of activities. Title I provided for employment and training programs administered by prime sponsors, while public service employment was authorized under Titles II and VI. Title IV authorized the Job Corps and Title III provided for training programs for "special groups," including youth.

Table 7

Employment and Training Programs (1965 to 1972)  
Youth Enrollment by Program Type

Program Type	Youth Enrollment (thousands)
Work Experience	4561.00
Skills Training Classroom	475.00
Employability	400.00
Skills Training/OJT	275.00
Incentives to Private Industry	139.00
PSE	67.00
Job Placement	N/A

Table 3

Employment and Training Programs (1965 to 1972)  
Adult Enrollment by Program Type

Program Type	Adult Enrollment (thousands)
Employability	665.00
Skills Training Classroom	663.00
Skills Training/OJT	471.00
PSE	237.00
Incentives to Private Industry	163.00
Work Experience	93.00
Job Placement	N/A

In October of 1978 CETA was reauthorized with several changes, including some affecting youth programs. Title IV, which formerly only contained provisions for the Job Corps, also provided for youth programs authorized earlier under the Youth Employment and Demonstration Projects Act of 1977 (YEDPA), except for the Young Adult Conservation Corps (YACC) which had already been placed under a new Title VIII. The new YEDPA programs placed under Title IV were the Youth Employment and Training Programs (YETP), the Youth Incentives Entitlement Pilot Projects (YIEPP), and the Youth Community Conservation and Improvement Projects (YCCIP). The federally sponsored and controlled Summer Program for Economically Disadvantaged Youth (SPEDY), formerly under Title III, and a series of pilot projects under the aegis of the School to Work Transition Program (SWTP), also under this title, were subsumed under Title IV with the other youth programs. SPEDY was renamed the Summer Youth Employment Program, or SYEP.

While Titles IV and VIII provided for programs expressly designed for youth, people were also enrolled in programs under Titles I, II, and VI (or, after the 1978 reauthorization, Title IIB and C, Title IID, and Title VI, respectively). Table 9 shows youth representing a significant proportion of participants under Title I (Title IIB and C) which provided federal support for locally administered manpower programs. The representation of youth under Title I declined somewhat around the time YEDPA was introduced, with youth enrollments switching over to Title IV. Table 9 also shows the representation of young people in WIN, which has ranged from 14 to 18 percent of the total in WIN.

Table 9

Youth (22 Years Old or Younger) as a Percent of Enrollees  
in CETA Titles I, II, and VI<sup>a</sup> and WIN

	1973	1974	1975	1976	1977	1978	1979	1980	1981
CETA Title I			61.7	56.7	51.7	49.0	47.9	47.9	44.9
CETA Title II		-	23.7	21.9	20.3	20.8	23.0	36.1	25.7
CETA Title VI			21.4	22.0	20.3	21.4	22.0	24.0	24.4
WIN	18.0	17.0	N.A.	15.7	15.7	14.4	13.8	N.A.	N.A.

Source: Manpower Report of the President 1975; Employment and Training Report of the President 1976, 1977, 1978, 1979, and 1980.

<sup>a</sup>After 1979 Titles I, II, and VI should be interpreted as Titles IIB and C, IID, and VI, respectively.

Table 10 provides enrollment figures for youth in selected federal youth programs since 1973. Only the summer youth programs (though under different names at different times) and the Job Corps go all the way back to 1973. Enrollments for the YEDPA programs begin in 1978; the Targeted Jobs Tax Credit program in 1979. Other youth programs that may have persisted are difficult to find since they had been subsumed under various CETA titles. Table 10 also classifies these youth programs using the typology developed earlier.

YEDPA provided a variety of program types, as did the non-YEDPA CETA programs. Using available enrollment breakdowns by program type,<sup>23</sup> it is possible to rank the extent of youth participation in different program components (table 11). Once again, as the numbers are rough approximations, the relative ranking is of greater significance than the actual numbers involved. The ranking by program type varies little from the one prepared in table 7 for the pre-1973 programs. The major difference is the increased role of PSE and job placement programs. The former change is in accord with the greater reliance on public service employment found in general under CETA to alleviate increasing unemployment. In fact, for adults, public service employment was four times as important as any of the other program components (i.e., work experience, classroom, or OJT) and was far and away the most important manpower program for those over 22 years old. For youth, however, work experience still dominated. This is not to say, however, that there had

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<sup>23</sup> Available in Westat, Inc., Characteristics of Youth Enrollees Who Entered CETA Programs During Fiscal Year 1980 (Rockville, Maryland: Westat, Inc., 1982).

**Table 10**  
**Youth Employment and Training Programs**  
**1973 to 1980 (by Fiscal Year)**

Program	Program Type	Total Enrollment (thousands)								
		1973	1974	1975	1976	1977	1978	1979	1980	1981
Job Corps	Employability	43.4	45.6	46.0	43.0	66.2	72.0	85.0	104.0	114.0
Summer Youth Program <sup>a</sup>	Work Experience	388.0	577.0	888.0	888.0	907.0	1009.0	821.0	734.0	766.0
YETP	Work Experience/ Placement/Classroom/ OJT Training	--	--	--	--	--	126.0	414.0	450.0	392.0
YIEPP	Work Experience/ Incentive to Private Industry	--	--	--	--	--	30.0	53.0	N.A.	N.A.
YCCIP	Work Experience	--	--	--	--	--	13.0	38.0	43.0	38.0
YACC	Work Experience	--	--	--	--	--	27.0	67.0	67.0	68.0
Targeted Job Tax Credit <sup>b</sup>	Incentive to Private Industry	--	--	--	--	--	--	29.0	226.0	N.A.

Source: Manpower Report of the President 1975; Employment and Training Report of the President 1976, 1977, 1978, 1979, 1980, 1981; Youth Programs, Winter 1982.

<sup>a</sup>Figures for Summer NYC Program for 1973; 1974; for SPEDY 1975, 1976, 1977.

<sup>b</sup>Certifications of Disadvantaged Youth and Cooperative Education Students.

Table 11  
 Employment and Training Programs  
 Youth Enrollment by Program Type, FY 1980  
 (thousands)

Program Type	Youth Enrollments
Work Experience	163,000
Classroom Training	135,700
Employability	104,000
PSE	71,100
Job Placement <sup>a</sup>	64,300
On-the-Job Training	29,600
Incentives to Private Industry <sup>b</sup>	9,626

<sup>a</sup>Referred to as Career Employment Experience under YEDPA.

<sup>b</sup>TJTC certifications of disadvantaged youth and cooperative education students plus private sector initiatives program youth enrollments.



been no change in youth programs over the years. As the discussion proceeds, it will be found that many efforts had been made to enrich work experience programs with other services.

#### Characteristics of Enrollees

In an earlier section it was shown that the employment problems of some groups of youth were more severe than those of others. It would be useful to investigate, therefore, the characteristics of participants in these programs. Table 12 presents characteristics of enrollees in the pre-1973 programs. In the three major youth programs, at least 50 percent of the enrollees were blacks and other minorities. However, many of the nonyouth programs had equally high or higher representations of minorities. Females were almost 50 percent of the NYC, but noticeably less represented in the Job Corps (a fact that has been of considerable concern to female representatives in Congress). Women were also underrepresented in the AOP. Sex stereotyping in job training has been a consistent problem throughout the history of these programs. Not surprisingly, the vast majority of those in the youth programs had not finished high school. Many, of course, were still in school, but young high school dropouts were often targeted for these programs as well. Finally, relative to the other programs, those in the youth programs were more likely to have received public assistance than those in adult-oriented programs (with the exception of the OIC and WIN).

Table 13 presents enrollee characteristics for YETP, YCCIP, SYEP, and other CETA nonyouth programs for FY 1980. As in the earlier pre-CETA programs (table 12), blacks and other minorities made up a minimum of 50 percent of the enrollees in most of these programs. They were particularly

Table 12  
 Characteristics of Enrollees (1965 to 1972)<sup>a</sup>

Program	Percent Black	Percent Other Minority	Percent Female	Percent With Less Than 12 Years of Education	Percent That Received Public Assistance
Neighborhood Youth Corps					
In school	47.9	5.3	45.2	97.4	32.4
Out of school	45.8	5.0	47.7	87.2	29.7
Job Corps	60.0	9.9	27.0	91.4	33.9
Apprenticeship Outreach	86.4	9.1	N/A	9.1	N/A
JOBS	61.3	8.0	31.6	62.3	15.3
MDTA Institutional	39.4	4.1	44.8	56.4	13.7
Concentrated Employment Pgm.	65.5	7.5	42.4	65.5	13.6
MDTA--OJT	27.8	3.0	30.4	47.8	5.1
Opportunities Industrialization Centers	89.6	5.0	69.9	74.8	62.6
WIN	39.4	4.1	63.1	64.3	99.3
Public Employment Program	26.0	3.0	27.9	26.9	12.1
Public Service Centers	45.6	N/A	64.3	35.7	19.6
Operation Mainstream	22.2	13.3	25.6	76.7	20.0

Source: Perry et al., The Impact.

<sup>a</sup>Listed in order of programs having highest to lowest percent youth enrollees.

Table 13  
 Characteristics of Enrollees, FY 1980  
 CETA Youth and Mixed Programs<sup>a</sup>

	Percent Black	Percent Other Minority	Percent Female	Percent With Less Than 12 Years of Education	Percent Who Received Public Assistance
Job Corps <sup>b</sup>	55.0	14.0	29.0	87.0	33.0
YETP	34.6	17.7	52.5	86.6	27.1
YCCIP	33.7	17.8	24.8	81.0	25.0
SYEP	46.0	21.8	48.1	87.7	38.7
CETA					
Title IIB & C	33.3	16.0	53.0	49.0	27.0
Title IID	33.7	15.5	50.4	32.8	27.7
Title VI	33.0	15.9	44.8	30.7	22.0

Source: Employment and Training Report of the President 1981; Assessments of Job Corps Performance and Impacts (1979).

<sup>a</sup>Listed in order of programs having highest to lowest percentages of youth enrollees.

<sup>b</sup>For Job Corps only: data for 1978, percent with less than 12 years of education equals percent of dropouts.

overrepresented in the Job Corps and the summer youth program. However, other changes had taken place in enrollment. Nonblack minorities had come to represent a more significant proportion than was the case earlier. Women represented approximately one half of the enrollees in each of these programs, with the notable exception of YCCIP and the Job Corps. In the case of YCCIP this may have been due to sex stereotyping since YCCIP involved intensive manual labor more so than did the other programs. Involving women in the Job Corps' program for "hard core" youth has been a long-standing problem, although there is some improvement compared to pre-1973 enrollments. Not surprisingly, enrollees in the youth programs were more likely not to have finished high school than those in the programs available to adults. However, the percentages of those without 12 years of education were high in the nonyouth programs as well. The percentage of those receiving public assistance varies from around 22 to 30 percent for all programs except the SYEP, where it was as high as 38 percent.

Analysis of data from the National Longitudinal Survey (NLS) can also provide information on the characteristics of enrollees receiving various services in government-sponsored employment and training programs. Table 14 presents data on the services received by youthful participants in employment and training programs for the year 1979. Females more often than males were to be found in some form of classroom training: basic education, college preparatory, and skills training. This may, in part, reflect the fact that the kinds of occupations for which females were trained in these programs--the white collar and clerical fields--more often required classroom training, than those for which males were trained. Blacks and Hispanics made use of most of the services to a greater extent

Table 14  
Proportion of Participants Receiving Various Services,  
by Sex and Race

Type of Service	Sex		Race			Total
	Female	Male	Black	Hispanic	White	
Job counseling	49	47	54	53	44	48
Basic education	22	17	21	27	16	19
English language	2	2	2	10	1	2
GED	12	13	14	16	11	13
College preparatory	18	11	19	17	10	14
Skills	33	22	29	28	25	27
Subsidized jobs	88	90	89	88	90	89
Non-CETA job placement	8	10	7	12	10	9
Medical	15	16	17	22	13	16
Child care	6	2	7	4	2	4
Transportation	17	14	16	15	15	16
Total	48	52	35	11	54	100

Universe: Enrollments of civilians aged 14 to 21 on January 1, 1979 in government-sponsored employment and training programs since January 1, 1978 (N = 2,558,000).

Source: Michael E. Borus, ed., Tomorrow's Workers (Lexington: Lexington Books, 1983).

than did whites, with the possible exception of subsidized jobs and non-CETA job placement. So there has been a real or perceived greater need for the provision of supportive services for minority youth in these programs in addition to the employment and training provided.

The preceding chapter provided a background on the nature of employment and training programs for youth: their development, a classification of the different kinds of programs, and an analysis of the kinds of participants in these programs. In the chapter that follows a review of many program evaluations will be presented, with a discussion of program effectiveness, particularly with respect to the different subgroups in the youth population.

## V. PROGRAM OUTCOMES--A SYNTHESIS

Although in theory the evaluation of program outcomes is a straightforward process, in practice it has often been difficult. Until YEDPA--which consciously and specifically included "knowledge development" as an important component of youth employment and training programs--evaluators often did not begin their work until after a program had begun. This often disallowed well-designed experiments--which should be set up prior to program implementation--that could accurately measure changes specifically attributable to the program in question. Evaluators have often had to use inadequate data and conduct analyses very vulnerable to error and bias. In discussing program outcomes, therefore, these weaknesses must be taken into account. Some of the problems that have frequently occurred are summarized below.

### Issues in Interpreting Program Outcomes

The post-program gains in employment and earnings of participants are the most familiar indices of success. However, gains in employment and earnings must be interpreted carefully. An increase in the average earnings of a program participant may reflect the fact that he or she is receiving a higher wage or it may imply that he or she is simply working more hours. For this reason, increases in both earnings and employment must be subject to scrutiny to determine whether economic gains from a program derive from greater employment or from occupational mobility (increased wages). In his analysis of CETA training programs--those for both adults and youth--Taggart (1981) has found that, by and large,

occupational mobility rarely occurs as a result of CETA training though gains in employment often do.<sup>24</sup>

Further, since a large portion of young program participants are new entrants into the labor market, many will show increasing employment and earnings with or without an employment and training program. For this reason, it is extremely important to look at these gains with respect to some comparison or control group of similar youth who are not program participants. Even in assessing adult-oriented programs, controls are necessary since there may be a number of reasons why a given age cohort may be experiencing the same gains over time. These include the payoffs to their increasing experience, an economic upturn, etc.

However, if members of a participant group were more employable than those in the respective nonparticipant group before the program, any relative gains made by the former after the program may reflect their greater pre-program employability rather than any program effect.<sup>25</sup> Therefore, in assessing the "gains" of a participant group, they must be analyzed with respect to a nonparticipant group that is similar in age, education, socioeconomic background, geography, etc.

Many of the program evaluations that have been undertaken have been severely flawed in their choice of controls in other ways. Even if a pool

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<sup>24</sup>Robert Taggart, A Fisherman's Guide: An Assessment of Training and Remediation Strategies (Michigan: WE Upjohn Institute, 1981).

<sup>25</sup>Choosing those most likely to succeed for a program has been referred to as "creaming." While this has presented a problem in evaluating programs in some cases, so has the reverse. Often the least employable, so-called "hard core" youth predominate in programs and must be compared to similar youth to prevent downward bias in post-program outcomes.



of identical youth--some of whom participate in a program and some of whom do not--can be found, unless program participants were selected at random, there is still a problem of self-selection bias. In other words, if those who were in the program entered out of their own volition and choice, then that action may reflect a difference between the participants and the control group. The former may be more motivated or may have better information than the control group, giving them an unmeasured and uncontrolled-for pre-program advantage over the comparison group.

Second, there have been problems in finding control groups. Often evaluators have not entered the evaluation process until after a program has already begun. Unless the pre-program characteristics of participants have been clearly identified and carefully documented before the program begins, it is impossible to determine what an identical control group should look like. Further, even if a control group can be identified, there is no way of knowing how that group has changed since the program began. Sometimes program dropouts or applicants who were not selected for the program are used as a comparison group. These groups are useful in that they have often filled out the same forms and completed the same pre-tests as program completers, but program dropouts or rejects are unlikely to be the same as completers. On the one hand, dropouts may have been less motivated or less able to complete the program. On the other hand, they may have been more motivated and qualified, perhaps having dropped out to take a good job. Applicants who have been rejected may have been rejected because they were overqualified (i.e., having greater pre-program employability) than those accepted or for being less qualified than those accepted (i.e., the "cream" of the applicant pool was selected).

Because of these problems, many researchers have drawn their control samples from longitudinal surveys that have been taken separately. For example, a control sample may be drawn from the National Longitudinal Survey (NLS), from Social Security data, or from the Current Population Survey (CPS). If these surveys extend through the relevant pre-program to post-program period, one can take a true "snapshot" of a control group before and after a program. Unfortunately, there is no guarantee that one will be able to extract a control group identical to the participant group from one of these surveys, since they have been conducted with other goals in mind. Further, unless the survey asks about participation in government programs, there may be program participants "contaminating" the control sample, whom the researcher cannot identify.

Another important consideration is the appropriate time period for evaluation of program effects. For example, it is conceivable that a program graduate may experience a cut in earnings at first, because he was able to obtain a low-paying entry level job that promises promotions and higher future earnings in the long run. Further, while the participant is taking part in a program, the nonparticipant may have been out seeking a job, giving the latter a head start on the participant. In the short run, therefore, the control group may have higher post-program employment and earnings than the treatment group whose members have taken a drop in earnings to invest in "human capital." The "success" of a program, therefore, may only be determined after allowing for a certain time lag. The acceptable lag period is determined by the program analyst, based on his knowledge of the program and the costs associated with a longer lag period. Sometimes this decision is affected by reporting deadlines and the optimal period cannot be used.

One other factor that may affect short-run program outcomes is sometimes referred to as the "placement effect."<sup>26</sup> If a program has a strong placement component, then participants will be "placed" in jobs more quickly. Their post-program earnings may be higher in the short run than controls or members of other programs. If the "placement effect" decays over time, however, net post-program gains may disappear in the long run. Similarly, on-the-job trainees have the advantage of being in a job when they finish training, as opposed to classroom trainees who must look for a job after their training period. Therefore, comparisons must take into account the relative placement advantage of OJT participants in the short run. Once again, long-run comparisons may provide different information on net gains.

Another important measure of program success is the benefit/cost ratio, or the relationship between program costs and individual or societal gains. In measuring the payoff (benefit/cost) one must first determine which cost to compare with which benefit. Costs and benefits can be estimated for society as a whole--including, therefore, costs and benefits to participants and nonparticipants alike. Costs and benefits can also be estimated simply from the taxpayers' point of view, excluding those of program participants. Finally, costs and benefits can be estimated from the participants' viewpoint alone.

Further, this kind of analysis depends on a range of assumptions. One of the most important assumptions concerns the rate of discount used when projecting costs and benefits into the future. In order to compare costs

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<sup>26</sup> Taggart, A Fisherman's Guide.

and benefits which accrue in different time periods, values must be "discounted" or converted to present value units. The outcome of this exercise is very sensitive to the discount rate that is selected. Another assumption concerns how far into the future it is expected that net post-program gains will accrue and the extent to which they will decay over time. Other assumptions have to be made in imputing the "shadow prices" of certain costs and benefits that have nonpecuniary aspects, such as assigning a monetary value to the benefit of reduced criminal activity and estimating the value of output produced in these programs. Other benefits from these programs that are not easily measurable in monetary terms are: (1) improvements in job awareness, satisfaction, aspirations, and work-related attitudes, (2) increases in self-esteem, and (3) improvements in health, education, family formation, and "responsible citizenship."

Taggart points out that different assumptions must be made in benefit/cost calculations for different types of programs.<sup>27</sup> For classroom training the cost of training is easily determined from the program costs. To calculate the costs of training for an OJT program where trainees are paid the same wage as regular workers, however, one must estimate the difference between the trainee's wage and his productivity and include that difference as a cost. This is then added to direct training costs and the administrative and transfer expenditures that are used in the cost calculations for classroom training programs.

There are also practical difficulties that may affect the interpretation of program outcomes. For example, a program design may be

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<sup>27</sup>Taggart, A Fisherman's Guide.

theoretically sound but the implementation of activities may contain inconsistencies that affect outcomes. Or the framework for data analysis may be appropriate but the data collection procedures used in the program evaluation may be seriously flawed.

Unfortunately, many program analyses do not include evaluations of the implementation process itself.<sup>28</sup> In regards to data collection, several problems arise. One difficulty involves the reliability of the interview process. Often interviewees may not be willing or able to provide accurate information on such things as previous earnings. They may be reticent to answer personal questions concerning their family situation or their receipt of public assistance. In the case of youth, parents--who are surprisingly uninformed about the employment and earnings of their offspring--often are the ones providing the interviewer with such information. Furthermore, follow-up surveys become more and more difficult as members of the original interview pool move or become less willing to be interviewed again. This attrition in the original sample may be particularly problematic if it is biased towards a particular group of people. If, for example, the more "unstable" members of the original sample are those more likely to move and to be difficult to locate, then over time the sample becomes biased in favor of the "more stable" group, biasing long-run, post-program results in that direction as well.

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<sup>28</sup>An analysis of the implementation of the WIN program found clear evidence that "[H]igh performing local WIN units tended to differ systematically from low performing units in the way they were managed and delivered services to clients." John Mitchell et al., Implementing Welfare-Employment Programs: An Institutional Analysis of WIN Program (Washington, D.C.: Government Printing Office, 1980), p. xix.

Because of many of these problems in program evaluation, the YEDPA initiative included a strong research component in order to provide for more careful and systematic program analyses. The research agenda incorporated into YEDPA was extremely significant as "[N]ever before has legislation provided so many opportunities to develop knowledge about a single problem of public concern."<sup>29</sup> Part of this knowledge development activity included the collaboration of the DOL and Educational Testing Service (ETS) in the selection of a reliable set of assessment instruments--e.g., standardized program intake and exit forms, pre- and post-program tests, and program completion and follow-up surveys--to be used in a wide variety of programs sponsored under YEDPA. In using these instruments not only could individual programs be assessed employing the same battery of tests, but evaluations across programs and types of programs could be made. The results from this project have promised new insights into the effectiveness of youth employment and training programs.

#### Program Outcomes

Unfortunately, many of the results from YEDPA are still unavailable at this point in time. However, much can be learned from the literature that has been published on programs that preceded YEDPA. Further, preliminary reports from the YEDPA projects have already begun to shed important insight into the effectiveness of these programs for youth.

Work Experience Programs. Work experience programs make up the overwhelming share of the available employment and training programs for youth in both the pre-CETA and post-CETA periods. Unfortunately, many

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<sup>29</sup>Andrew B. Hahn, "Taking Stock of YEDPA; The Federal Youth Employment Initiatives Part I," Youth and Society, vol. 11, no. 2 (December 1979).

studies have shown these programs as having minimal effects on the post-program employment and earnings of youth. There is some evidence, however, that "enriched" work experience programs--those combining work experience with some training, counseling, and placement assistance--may be more effective. A work experience program without these components often proves to be little more than "a combination income maintenance and maturation device to help youths stay out of trouble."<sup>30</sup>

The Neighborhood Youth Corps (NYC) was the first major youth-oriented work experience program. It was established as a part of the Economic Opportunity Act of 1964. Its purpose was to provide work experience and training to low-income youth. The program had three components: (1) an in-school component to provide part-time jobs for in-school youth; (2) a summer job program for low-income youth; and (3) an out-of-school program to provide work experience and develop the employability of low-income, out-of-school youth.

The first two components were directed towards giving youth an economic incentive to remain in or return to school. The out-of-school component went through two phases, NYC1 and NYC2. The NYC2 program was directed more towards 16- to 17-year-old dropouts, a younger group than in the NYC1. It also placed a greater stress on training than work experience as a result of dissatisfaction with the "meaningfulness" of simple work experience for disadvantaged youth.

A study by Robin found no impact of the NYC program on dropout rates, school performance, occupational aspirations, work attitudes, employment,

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<sup>30</sup>Perry et al., The Impact, p. 449. This reference was made with regard to the NYC program.



or criminal activity.<sup>31</sup> However, the follow-up period in this study was only one year and the control group was chosen from the waiting list of applicants. Another study by Walthur and Magnusson found no effect of the NYC program on male employment and earnings, though females in the experimental group did do better with respect to controls in these areas.<sup>32</sup> Male participants did show greater post-program participation in academic and vocational education than did nonparticipants. The follow-up period varied and was only a few months at best. Controls were chosen from the applicant waiting list but were found to be well matched with participants.

Under the restructured NYC2 program, a combination of work experience, remedial education, and skill training was to be offered. However, according to a study by Walthur and Magnusson, a majority (86 percent) of participants still spent at least some time in the work experience component.<sup>33</sup> This study also found no measurable change in employment in comparing NYC2 to NYC1 participants and in comparing NYC2 participants to their control group. The follow-up interviews were conducted after a year and controls were chosen from school records, matching each sample member with someone dropping out of a similar school, at the same grade level,

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<sup>31</sup>Gerald D. Robin, An Assessment of the In Public School Neighborhood Youth Corps Projects in Cincinnati and Detroit (Washington, D.C.: U.S. Department of Labor, 1979).

<sup>32</sup>Regis H. Walthur and Margaret L. Magnusson, A Retrospective Study of the Effectiveness of Out of School Neighborhood Youth Corps Programs in Four Urban Sites (Washington, D.C.: U.S. Department of Labor, 1967).

<sup>33</sup>Regis H. Walthur and Margaret L. Magnusson, A Longitudinal Study of Selected Out of School NYC-2 Programs in Four Cities (Washington, D.C.: U.S. Department of Labor, 1975).



during the same year. A study by Kiefer found little overall effect of the NYC program except a marked increase in black female participants' earnings in 1972 and 1973 (from a sample drawn in 1969).<sup>34</sup> Although final follow-up interviews in this study were completed only a year after program completion, social security records of earnings up to five years later were added to the survey data. Controls were sampled from a pool of program eligibles from each of the ten SMSAs covered in this analysis.

Another major work experience program for youth has been the summer youth programs. A summer youth program has been available to disadvantaged youth since the early 1960s. Along with the Job Corps, it is one of the most durable of the youth employment and training programs. Unlike the Job Corps, it has taken different names. In the past three years it has served over 800,000 disadvantaged youth (from fourteen to twenty-one years old), on average, per year. According to Hahn and Lerman, "estimates suggest that between 60 to 75 percent of all employment growth among poverty area teens during the summer of 1979 can be attributed to the SYEP program,"<sup>35</sup> making it an extremely important program for disadvantaged youth. Over 65 percent of participants are black and other minority youngsters.

Over the years summer youth programs have been highly criticized for providing "meaningless" work experience and negligible training, producing a program having a minimal impact on the future employability of participants. In response, several monitoring and technical assistance

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<sup>34</sup>Nicholas Kiefer, "The Economic Benefits of Four Manpower Training Programs," presented at the Conference on Evaluating Manpower Training Programs, May 6-7, 1976.

<sup>35</sup>Andrew Hahn and Robert Lerman, Representative Findings from YEDPA Discretionary Projects (draft), p. 72.

activities were initiated by the Department of Labor and the Office of Youth Programs (OYP) of the SYEP in 1979 and 1980.<sup>36</sup> One study of over 2,000 worksites by the Office of the Inspector General of the DOL found charges of fraud could not be verified and that most jobs (84 percent) were "meaningful." The latter finding was also verified by an ETA study. However, a monitoring effort by the OYP did find problems of inadequate work activity being provided participants in 40 percent of the larger urban worksites. The DOL and OYP studies also found problems of inadequate supervision being provided at many worksites. In 1980 technical assistance grants were provided to some of the most troublesome worksites by the OYP in order to improve their quality. As a result of these efforts:

The SYEP program has been one of the most comprehensively monitored programs of the U.S. Department of Labor in recent years. Overall, the findings of monitoring activities show a substantial improvement in the quality of the worksites and supervision of the SYEP program during the past few years. Moreover, program monitoring has come to be an integral part of the SYEP effort, as responsibilities for the monitoring effort have been delegated increasingly to the regional offices and to local prime sponsors.<sup>37</sup>

However, it must also be pointed out that one of the main purposes of summer programs for youth--whether acknowledged explicitly or implicitly--has been "to achieve equity goals and directly or indirectly reduce social tensions."<sup>38</sup> So although the SYEP has been categorized as a work experience program and although it often has been evaluated as such, the redistribution of income is an important element of this program. Whether

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<sup>36</sup>These initiatives are surveyed by Hahn and Lerman, *ibid.*

<sup>37</sup>*Ibid.*, p. 77.

<sup>38</sup>Ernst Stromdorfer, "An Analysis of Current Youth Initiatives," in Anderson and Sawhill, Youth Employment, p. 98.

this is necessarily undesirable in terms of the eventual long-run outcomes for participants will be discussed in a later section.

Further, while a recent study by A. L. Nellums and Associates on the Summer Youth Employment Program (SYEP) did not find greater full-time employment for participants relative to nonparticipants following the summer, it did find that participants returned to school more often than nonparticipants (explaining the low rate of full-time employment) and that participants had a greater degree of part-time employment than nonparticipants.<sup>39</sup> Similarly, Hahn and Lerman in reviewing various "enriched" summer work experience programs undertaken by YEDPA find that they have "consistent positive effects on school enrollment rates" relative to controls (often participants in the regular SYEP) even though "summer enrichment programs tended to deal with youth who were older and more disadvantaged than even the economically disadvantaged youth eligible for the regular summer program."<sup>40</sup> These programs combined career exploration, counseling, placement, and other supportive services with work experience. Several of these programs also resulted in increased employment rates among participants relative to controls at the time of the eight-month follow-up interviews.

A preliminary conclusion to be drawn from the preceding discussion is that work experience programs can be important in providing an incentive for youth to remain in school. They are therefore more appropriately

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<sup>39</sup> A. L. Nellums and Associates, Impacts of SYEP Participation on Work Related Behavior and Attitudes of Disadvantaged Youth (Washington, D.C.: U.S. Department of Labor, 1980).

<sup>40</sup> Hahn and Lerman, Representative Findings, p. 37.

directed towards younger, in-school youth. However, experiments with "enriched" programs have also shown some positive impacts on school enrollment among older, hard-core disadvantaged youth. These results, as well as the efforts by the OYP to improve work-site supervision in these programs, will likely improve the credibility of these programs. But it must be emphasized that youth often consider work as a substitute for schooling--as was discovered in a study by Barclay et al.<sup>41</sup> So nonsummer work experience programs must be designed to encourage, if not require, youth to remain in school.

One such program authorized under YEDPA, the Youth Incentive Entitlement Pilot Projects (YIEPP), attempted to use the promise of a job to keep youngsters in school and to encourage dropouts to return. YIEPP guaranteed or "entitled" a job to any youth, 16 to 19 years old, who was economically disadvantaged and resided in one of the selected geographic areas chosen for this pilot project. The youngster had to be in school or returning to school. He had to stay in school--until graduation--to remain in the project. Part-time jobs were provided during the school year and full-time jobs were guaranteed during the summer. Seventeen communities were selected--competitively--to participate in this pilot project.

The purpose of this project was to test the effect of a guaranteed job on the school retention and completion rates of disadvantaged youngsters. It represented the first test in the nation's history of a job guarantee. Although YIEPP was primarily a work experience program, insofar as it

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<sup>41</sup>Suzanne Barclay et al., Schooling and Work Among Youths from Low Income Households (New York: Manpower Demonstration Research Corporation, 1979).

provided youngsters with incentives to remain in school, basic education could also be considered an important component and program goal. Furthermore, subsidies were provided to private employers to hire YIEPP participants, making incentives to private industry an element of this program as well.

According to a study by Diaz et al., in areas where the economy was slack, enrollment levels did appear to be higher when a job guarantee was provided.<sup>42</sup> So the effectiveness of this kind of program depended upon the range of opportunities available to youth. YIEPP was not as successful in bringing in dropouts, although it was found that the latter were more amenable to returning to school if so-called alternative schools were among the range of possibilities. It was more difficult to get them to return to the traditional schools they had left, where they would be older than their classmates.

In addition to the studies discussed above, the Supported Work Demonstration Project should be noted. Though not solely a youth program, one target group was disadvantaged high-school dropouts. This project was a carefully designed research project where various biases were avoided by randomly assigning applicants to the work experience program or the control group. No statistically significant differences were found in the post-program employment and earnings of participants relative to controls (interviews were conducted as late as 27 months after enrollment).<sup>43</sup> This

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<sup>42</sup>William Diaz et al., Entitlement Implementation--Two Years Experience, Youth Development Report 11.2 (Washington, D.C.: Government Printing Office, 1980).

<sup>43</sup>Manpower Demonstration Research Corporation, Enhanced Work Projects--The Supported Work Approach for Youth, Youth Knowledge Development Report 7.3 (Washington, D.C.: Government Printing Office, 1980).

is consistent with the findings for the NYC2 program for dropouts. This leads to the conclusion that for out-of-school and older youth for whom schooling is no longer an issue, work experience alone does not appear to benefit program participants.

The only exception to the conclusion that work experience programs did not lead to gains in employment in earnings, were the findings in some of the NYC studies of the employment and earnings benefits to young women enrolled in work experience programs. This outcome is also reported in a study of youth in CETA by Westat.<sup>44</sup> While the net impact of work experience in CETA was positive (though insignificant) for young women, it was negative and insignificant for young males. Whether this is a result of greater gains to these women (relative to men) from the work experience program or a better response by employers to women with work experience (relative to men with work experience) is not clear. However, there has been an increasing demand for low-wage clerical labor during the time these programs have been in effect. It is conceivable that work experience is considered a sufficient background for women to enter these jobs, while an insufficient one for men to enter the more male-stereotyped jobs. This is a subject for which further research would be in order.

Skills Training Programs. It has been difficult to evaluate the impact of skills training programs on youth. Though young people participated extensively in training programs under the MDTA and CETA, these programs were not specifically targeted on youth. And though youth-targeted programs have incorporated training activities, it is often

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<sup>44</sup>Westat, Inc., "Technical Note: Net Impacts for Youth," (Rockville, Maryland: Westat, Inc., 1981).

difficult to find specific youth programs which have training as their primary activity. So while it is possible to find evaluations of the impact of the MDTA or CETA-OJT components on all participants, until recently it has been difficult to isolate their impact on youthful participants. And while it has been possible to evaluate the impact of programs such as the Job Corps on youth, it is difficult to isolate the impacts of the training component within this program. Furthermore, there are the examples of programs such as the MDTA Chicago Jobs Program for youth and the NYC2 program in which training was a primary component in the program design, but did not prove to be so in practice. Nevertheless, recent studies from YEDPA programs and from longitudinal data on CETA have begun to shed some light in this area.

The Manpower Development and Training Act (MDTA) was one of the first programs providing training for youth. Originally geared towards the retraining of older established workers, by the time of its implementation in 1962 the need to direct resources to the overwhelming problems of youth became apparent. The MDTA allowed for a wide variety of training activities: remedial training, classroom skills training, on-the-job skills training, and various supportive services including training allowances. It also established a fairly flexible administrative structure that allowed for a variety of programs or changes in focus over time. Therefore, it was able to adjust to new concerns of youth and minorities.

Kiefer's study has found that MDTA training had a far greater impact on the earnings of female trainees relative to their comparison group than on males, who seemed to lose ground relative to their comparison group after the program.<sup>45</sup> Other studies of the MDTA (e.g., see Perry et al.)

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<sup>45</sup>Kiefer, "The Economic Benefits."



have shown the primary gain to be in employment rather than earnings, with women trainees once again showing the greatest gains with respect to their control group.

In one Westat study of youth in CETA, the on-the-job training (OJT) component was found to have a positive and significant impact on young white males, young white females, and young black females.<sup>46</sup> Its impact was positive as well for young black males, but the results were insignificant, as were all net impacts of the different CETA components with respect to young black males. OJT performs significantly better, however, than all other components in terms of net post-program outcomes for youth.

It should be noted, however, that the Westat study is flawed in many ways. The data used was the Continuous Longitudinal Manpower Survey (CLMS) of CETA participants and a matched sample of nonparticipants from the Current Population Survey (CPS). The CPS does not give information as to whether those surveyed have ever participated in CETA, so the data is contaminated. Since the participation of disadvantaged youth in CETA is relatively high, the proportion of disadvantaged youth in the matched sample with some CETA experience may also be high. This will also be complicated by self-selection bias.

It should be noted that other studies of CETA, though focusing on adults or all workers, show similar results. A recent evaluation of CETA programs, again by Westat, shows OJT enrollees with the greatest gains in

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<sup>46</sup>Westat, Inc., "Technical Note."



earnings and employment relative to those in other CETA components.<sup>47</sup> A joint study by the Congressional Budget Office and the National Commission on Employment Policy shows both OJT and classroom training as consistently performing well.<sup>48</sup> Further, Taggart in his review of CETA performance makes a strong case for the effectiveness of OJT.<sup>49</sup> According to his calculations, the social benefit/cost ratio for CETA OJT ranges from a high of 4.35 to a low of 1.57.

Although it may be difficult to disentangle the effects of training from that of other program components, some conclusions can be drawn from recent programs for youth. For example, Taggart has pointed out that the significant difference in the Job Corps impact on out-of-school youth compared to that of the Supported Work Project on these young people "may be due to either the residential factor or the greater impacts of a training rather than work approach."<sup>50</sup> He also pointed to the fact that participants in the Ventures in Community Improvement (VICI) program--emphasizing greater supervision and training--had higher post-program wages than those in the regular YCCIP program. The Service Mix Alternatives demonstration found that participants in the training-oriented component had a greater degree of post-program full-time employment than those in

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<sup>47</sup>Westat, Inc., Post Program Experiences and Pre/Post Comparisons for Terminees Who Entered CETA During Fiscal Year 1976 (Washington, D.C.: U.S. Department of Labor, 1979).

<sup>48</sup>Congressional Budget Office and National Commission on Employment Policy, CETA Training Programs--Do They Work For Adults? (Washington, D.C.: Congressional Budget Office, 1982).

<sup>49</sup>Taggart, A Fisherman's Guide.

<sup>50</sup>Taggart, *ibid.*, p. 119.

which work experience was emphasized. Finally, a study of youth in the WIN program found that those with OJT were consistently better able to find work after WIN than those participating in any other activity.<sup>51</sup>

Examples from the Youth Community Conservation and Improvement Projects (YCCIP) have been particularly instructive. This program was available to 16- to 19-year-old unemployed youth. (Participants were engaged in community improvement projects.) Both in-school and out-of-school youth could participate, but out-of-school youth with severe employment problems were the primary target. VICI was one of the demonstrations undertaken under YCCIP and was unique in being run by a nonprofit intermediary corporation--the Corporation for Public/Private Ventures.

A study by the Corporation for Public/Private Ventures found that one month following the program, both VICI and YCCIP youth did better than controls--who were eligible youth on waiting lists--with respect to post-program wages, finding unsubsidized employment or union apprenticeships, and obtaining union memberships. VICI youth had significantly higher wages than controls and other YCCIP youth. They also had higher post-program levels of employment, had more success gaining full-time as opposed to part-time employment, were more likely to find work similar to their training, and were more satisfied with their training program than other YCCIP youth.<sup>52</sup> These results persisted after three months with respect to

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<sup>51</sup>Ann Richardson, Youth in the WIN Program: Report on a Survey of Client Background, Program Experience, and Subsequent Labor Force Participation (Washington, D.C.: Bureau of Social Science Research, 1975).

<sup>52</sup>Corporation for Public/Private Ventures, Enhanced Work Projects--The Interim Findings from the Ventures in Community Improvement Demonstration, Youth Knowledge Development Report 7.5 (Washington, D.C.: Government Printing Office, 1980).

other YCCIP participants, although data on the control group was not available at the time of publication.

The greatest failure of VICI was in not providing adequate training for females. Eighty percent of participants were black, 73 percent were dropouts, but only 19 percent were women. It was found that not only were supervisors more reticent about working with women, but that females in this particular age group--16- to 19-year-olds--were less willing to accept nontraditional jobs. It also appears that this program was more attractive to 18- and 19-year-olds (70 percent) than to those who were younger.

According to the evaluators of this program, the use of union journeymen as supervisors was "key" in the successful operation of the VICI program. Program operators also maintained close relationships with unions throughout the operation of VICI.

Of course, there is a strong placement effect associated with OJT since, by definition, in order to obtain OJT one has to be "on the job." But that does not diminish the importance of using OJT as an employment and training strategy. Time and resources may be better spent in funding training in an established job, rather than providing training in the hopes of finding a job later. In regards to youth, however, this feature of OJT better recommends it to older, out-of-school youth than to those still with school commitments or still unsure of their occupational preference.

One of the main trainers of youth is the military. According to Cooper, after boot camp 95 percent of recruits attend some kind of formal technical school. He states that "casual examination of the evidence" shows that "black and high school dropout veterans both tend to see greater gains from their military service in subsequent civilian employment than do

white high school graduate veterans."<sup>53</sup> Certainly a more rigorous empirical analysis of the impact of military training on veterans' civilian employment and earnings would also contribute to the understanding of the effectiveness of military training. (Military service may simply be providing a credentialing effect too, but this is a problem wherever one looks at training.)

There are other forms of training as well. Detail about the effectiveness of a high school and college education will not be presented here since this has been well-documented in the education literature. Various attempts under YEDPA to encourage college attendance (e.g., Career Advancement Demonstration Project) and to increase collaboration between training programs and secondary schools resulted from the recognition of the importance of educational institutions in providing training. Further, it should be pointed out that CETA classroom training has been found to be effective with respect to employment and earnings when it has been of sufficiently long duration. In regards to youth in particular, the Westat study has found net outcomes for classroom training were positive and significant for white males and females, positive and insignificant for black females, and negative and insignificant for black males.<sup>54</sup> Further, Taggart estimates the social benefit/cost ratios for CETA classroom training (for all workers) as ranging from a high of 4.48 to a low of 1.03.<sup>55</sup> Vocational education--particularly post-secondary vocational

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<sup>53</sup>Richard V. Cooper, "Youth Labor Markets and the Military" (Santa Monica: Rand, 1978), p. 31.

<sup>54</sup>Westat, Inc., "Technical Note."

<sup>55</sup>Taggart, A Fisherman's Guide.

education--has also been associated with gains in employment and earnings, particularly for young black males.<sup>56</sup>

Employability Programs. Programs solely devoted to increasing the employability of youth were discredited in the early experiments with employment and training programs. Too often "employability" was associated only with work habits and attitudes, with little emphasis on actual training. So while there may be an employability component in many programs, it is difficult to find examples of programs in which the impact of employability activities--taken alone--can be isolated. In spite of the poor reputation of employability programs in general, the Job Corps, which is defined in this paper as an employability program, is probably one of the most successful of all youth programs. This seeming contradiction derives out of differences in one's interpretation of what "employability" means and the evolution of this concept within the Job Corps.

If programs for improving the employability of youth are solely concerned with improving the attitudes and work habits of young people they generally are not successful in doing so. Employability programs often have engaged in what Mangum and Walsh (1980) appropriately refer to as "non-skill training."<sup>57</sup> The emphasis often was on orientation to the world of work, the teaching of coping skills, partaking in self-assessment activities, developing good work habits, the correct attitudes and modes of dress, and remedial education. It was found that programs only offering

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<sup>56</sup>National Commission on Employment Policy, The Federal Role in Vocational Education (Washington, D.C.: National Commission on Employment Policy, 1981).

<sup>57</sup>Mangum and Walsh, Programs for Youth.

"non-skill training" had very high dropout rates. Most applicants enter a program in hopes of acquiring either training or placement in a job. If these employability activities were not somehow tied to these ends, they were found to have little impact on program participants.

An early example of an employability program is the MDTA Chicago Jobs project. Although training was a component of this program, an evaluation by Gurin found that few "meaningful" occupational skills were actually taught. Gurin also found that those program components emphasizing skill development had lower dropout and absenteeism rates than those that did not. He noted a growing sense of "purposelessness" among those not receiving training so that their attitudes actually worsened exactly when greater emphasis was being placed on improving attitudes:

It may seem obvious to stress the fact that motivation to remain in such a program will diminish when a person feels he is not receiving the training that will be relevant in the job world he will enter after leaving the project. But the focus on the other needs such trainees have--their attitudinal and behavioral problems, their literacy problem--has sometimes in the past operated to make one minimize this obvious point. The concern over the "special" pathological motivational problems of this population of youth can blind one to the fact that many of their motivational problems are fairly straightforward reactions to some obvious realities in their immediate situation."<sup>58</sup>

This pattern was repeated in the WIN program where it was found that "projects which relied heavily on sending all or most clients through basic education, orientation, and institutional training seemed to have high dropout rates for all enrollees."<sup>59</sup> Further, Mangum and Walsh comment on the fact that program performance in the Job Corps actually improved when

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<sup>58</sup>Gurin, Inner City Negro Youth, p. 11.

<sup>59</sup>Richardson et al., Youth in the WIN Program, p. 6.

many "frills" of the program were slashed and emphasis was redirected from motivational training to training and education specifically directed to job performance.

Work habits and attitudes are, of course, difficult to measure. For the YEDPA projects an entire battery of pre-program and post-program tests was developed, including some to measure vocational attitudes, self-esteem, work attitudes, etc. These tests were given to youth in a variety of programs. A preliminary survey of the impact of various programs on work habits and attitudes, as measured by these test results<sup>60</sup> found that they had little effect on work-relevant attitudes. Where impacts were found, they were modest in size and had no clear relation to success in the job market. So even the more sophisticated and more carefully evaluated YEDPA programs demonstrate the difficulties in changing attitudes.

Furthermore, research has shown that there may be no clear relationship between certain positive work attitudes and job market success. Andrisiani's analysis of NLS data found that overly high ambition--deriving from a lack of adequate labor market knowledge--may lead to greater job dissatisfaction and turnover than low expectations.<sup>61</sup> Gurin's study found that those black males with the greatest "internal" orientation--those most likely to consider themselves, rather than external phenomena, as being responsible for success in the labor market--were actually less successful, contrary to the conventional wisdom with respect

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<sup>60</sup>Youth Programs, Winter 1982.

<sup>61</sup>Paul Andrisiani, "The Establishment of Stable and Successful Employment Careers: The Role of Work Attitudes and Labor Market Knowledge," in U.S. Department of Labor, Youth Unemployment.



to the relationships of internal/external attitudes towards success.<sup>62</sup> Those black males who were more likely to believe that luck and racial discrimination played important roles in one's ability to succeed actually made smoother adjustments to the labor market, whereas a focus that was too internally oriented led to unnecessary "intrapunitiveness" in young men who were faced with very real obstacles to success. Finally, as pointed out earlier in this paper, it is very difficult to discern whether it is one's attitudes that affects one's ability to get a job, or whether the attainment of a job is more responsible for changing one's attitude. Certainly, job-market success and job-relevant attitudes are self-reinforcing.

As stated earlier, the notable exception to the failure found in employability programs is the Job Corps. But the Job Corps itself has changed over time, placing greater emphasis on training in recent years. One of the two most survivable of the youth programs, it was established under the EOA in 1964. It is targeted on severely disadvantaged youth; those from low-income households with severe personal problems that may affect their ability to successfully participate in other kinds of programs, i.e., the "hard core" youth. It is unique in providing residential centers where these disadvantaged youngsters can live and work separate from their "negative" home environment. Clothing, health care, room and board, and a stipend--quite small relative to other youth programs--are also provided. Men and women 16 to 22 years old who are U.S. citizens are eligible if they are determined to be severely disadvantaged.

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<sup>62</sup>Gurin, Inner City Negro Youth.



There were many problems with the Job Corps as originally conceived. Residential centers were located in largely rural areas and extreme homesickness was a major source of dropouts. The centers were moved closer to urban areas which reduced transportation costs. A greater emphasis was placed, not altogether successfully, on increasing female enrollment. Furthermore, per capita expenses have been cut and services streamlined--evidently without deleterious effects--by successive administrations.

With the new initiatives for youth in 1977, plans were made to expand the Job Corps. These plans included a doubling of total enrollments as well as improving operations. Some of these improvements included increasing contacts with prime sponsors and the Armed Forces for Job Corps referrals; establishing an Industry Work Experience Program to strengthen linkages to the labor market; introducing new reading and GED programs, as well as implementing an Educational Improvement Effort to try alternative education strategies; and introducing a world of work program to provide job-seeking and job-holding skills.<sup>63</sup>

By 1980 there were approximately 30 civilian conservation centers (CCCs) administered by either the Department of Interior or the Department of Agriculture. There were 70 Job Corps centers under the aegis of the Department of Labor, but run under contract to state and local governments, private for-profit and nonprofit firms, CBOs, and prime sponsors. These contract centers have an average capacity of 600. All in all, by 1980 there were 48,600 slots in the Job Corps that served 103,800 participants.

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<sup>63</sup>U.S. Department of Labor, Employment and Training Report of the President 1979 (Washington, D.C.: Government Printing Office, 1980).

The Job Corps is classified here as an employability program as it still emphasizes the placement of participants in residential centers within which "complete remediation" in a controlled environment can take place. Basic skills, discipline, and training are all important components. Although this is a very expensive program, the social benefit cost calculations indicate this program is economically efficient.

According to Mallar et al., the Job Corps has a positive impact on the employment and earnings of participants, increases the probability of participants finishing high school or obtaining an equivalency degree, increases participants' probability of entering college, and decreases criminality and the degree of welfare dependence among participants.<sup>64</sup> Furthermore, these effects did not decay after a two-year follow-up, except in the case of reductions in crime. The impacts on employment, earnings, education, and welfare receipt were larger for women without children than for those with children. Furthermore, participation of women in the Job Corps appears to delay family formation and decrease the incidence of extramarital childbearing. Among participants, whites and Hispanics had higher net post-program employment and earnings than did blacks or American Indians. Those over 18 years old did better than those under age 18.

Considering that the Job Corps is targeted on "hard core" unemployed youth, these results are even more impressive. There is much to be said, therefore, for an employability program of this type. Complete remediation, however, involves a little bit of everything: work experience, training, placement, remedial education, and the maintenance of a positive, disciplined environment. Employability in this context deals

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<sup>64</sup>Charles Mallar et al., Evaluation of the Economic Impact of the Job Corps Program (Washington, D.C.: U.S. Department of Labor, 1978).

with the total person--not just attitudes--and recognizes the impact of one's job market experience on these attitudes. Further, one study does find a positive impact of this program on participants' self-esteem, attitude towards authority, job satisfaction, etc.<sup>65</sup> But these results come out of a program that incorporates several different components whose interactions seem to produce the desired effect.

Job Placement Programs. Under this category we have an admittedly "mixed bag" of programs. The only factor these programs have in common is that they are concerned with improving the "connections" between employer and potential employee. This may occur through job development and placement efforts or through the teaching of job skills and the provision of occupational information to program participants. The latter kinds of activities have also been considered relevant to employability programs, but as of late have usually been combined with placement-oriented activities.

As stated earlier, placement activities--if effective--tend to give participants a head start over those in other kinds of programs. By the mere fact of being placed at the end of the program, they have the advantage over those who, upon completing a program, must begin their job search on their own. Furthermore, Taggart, in an evaluation of CETA, found that classroom trainees who were placed at the end of program completion not only did better than nonparticipants in the short run, but had higher relative earnings even after the second post-program year.<sup>66</sup> Of course,

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<sup>65</sup>U.S. Department of Labor, The Noneconomic Impacts of the Job Corps (Washington, D.C.: Government Printing Office, 1978).

<sup>66</sup>Taggart, A Fisherman's Guide.

part of this may be due to sorting. For example, those who were placed right away might have been more capable. But some evidence is available showing that intermediaries are often quite useful in helping disadvantaged workers obtain better jobs in the long run. So not only have placement programs become more recognized, but program designers are beginning to see the advantage of incorporating placement components into training and work experience programs.

The Apprenticeship Outreach Programs, one of the first placement efforts, have been credited with greatly increasing the numbers of minority apprentices.<sup>67</sup> Established in 1967, it was authorized under the Manpower Development and Training Act of 1962 and directed by the Department of Labor. Its purpose was to open up the trades to disadvantaged minorities. As the title suggests, the AOP was more an outreach and placement program than a training program. Its major activity was to recruit and screen potential apprentices, provide them with information on the various trades, and tutor them for entrance exams in a trade. However, some AOP offices did have a preapprenticeship skill training component. Further, there were skill training programs directed towards upgrading the skills of minority or disadvantaged workers already in a trade but who had not as yet achieved journeyman status.

The AOP had its roots in the Recruitment Training Programs which were, in turn, an outgrowth of the effects of the Workers Defense League, a civil rights organization founded in the 1930s. The actual structure of AOP programs varied from site to site. Some local offices only provided

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<sup>67</sup>For example, see Perry et al., The Impact.

classroom training for entrance exams in certain trades. Other offices maintained relatively close relationships with the actual apprenticeship organizations to aid in the provision of preapprenticeship classroom training. Other programs were equipped to provide actual on-the-job training, as well as classroom training, and had established mechanisms for placing its clients in apprenticeship programs. The ability of these programs to actually penetrate the obstacles to apprenticeship training varied from site to site.

Gatewood's study of Recruitment Training Program, Inc.'s apprenticeship outreach program found that most (90 percent) AOP placements were over 22, two-thirds had at least finished high school, and all were male.<sup>68</sup> So very few were educationally disadvantaged, youth, or female. Also, only three out of every ten individuals placed actually completed their indentures and most of the separations occurred for the younger apprentices (28 years or under). Finally, while average earnings of those placed were greater than controls, the differential was not found to be statistically significant.

Another program coming out of this era--Project Build--is more appropriately called a pre-apprenticeship training program. Most participants were male, out-of-school youths aged 17 1/2 to 24. The purpose of this program was to prepare these young men for apprenticeship entrance exams. But this program was carried out with the cooperation of various trade organizations and had a strong placement component. During the year

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<sup>68</sup>Lucian B. Gatewood, A Comprehensive Evaluation of Recruitment and Training, Inc.'s Apprenticeship Outreach Programs for the Construction Trades (Madison: University of Wisconsin, 1977).

he observed this program, Roberts found that two-thirds of program participants graduated from the program and, of these, 90 percent were placed.<sup>69</sup> However, after a little more than a year, only 50 percent were still apprentices. Project Build graduates were found to have considerably higher gains in employment and earnings than did nongraduates, but the extent to which this was due to "sorting" is not known. Roberts calculated the first year benefit/cost ratio for this program to be from .33 to .36, which makes it a good investment if the net benefits continue in constant terms for at least three years.

Under the more recent YEDPA programs, there have been several placement-oriented demonstration projects. For example, many of the "enriched" summer programs discussed earlier had "world of work" or "occupational awareness" components. However, according to Hahn and Lerman, although participants in these programs had higher school enrollment than those in the comparison group, their "work-relevant attitudes" remained unchanged--a finding that conforms to those discussed with respect to the employability programs.<sup>70</sup> The Youth Career Development Projects (YCD), another in-school career exploration program, showed mild increases in full-time employment and job-relevant attitudes among program graduates.

Job Search Assistance programs have been much more successful. The Cambridge (Massachusetts) Job Factory--serving graduating seniors and

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<sup>69</sup>Markley Roberts, Pre-Apprenticeship Training for Disadvantaged Youth: A Cost Benefit Study of Training by Project Build in Washington, D.C., Ph.D. dissertation (Washington, D.C.: American University, 1970).

<sup>70</sup>Hahn and Lerman, Representative Findings.

unemployed youth--was able to increase the job-finding rates of the treatment groups. According to Hahn and Friedman, however, this only held in the short run.<sup>71</sup> So it probably is more accurate to credit the program with speeding up job-finding among participants rather than actually increasing it. This is still significant since participants were also found to have slightly better jobs, in terms of wages and hours of work, that apparently derived from their speedier job-finding success. The Jobs for Delaware Graduates (JDG) program, emphasizing job development and job placement for graduating seniors, was found to greatly increase participants' chances of full-time employment (17 percent higher than matched non-JDG Delaware youth). Preliminary analysis of the San Francisco Job Search Training Demonstration Project--emphasizing job-search training and job-search efforts among unemployed youth--found that 51 percent of the treatment group had jobs compared to 42 percent of the comparison group. Since the latter were more advantaged, these results are particularly encouraging.

It does appear that placement programs, or a placement component within a particular program, can be quite useful. For out-of-school youth, an emphasis on job-search skills and actual job attainment is most successful. While the more general career-exploration activities may be useful in encouraging younger, in-school youth to remain in school, they have little effect on actual job finding, which is the major concern of out-of-school youth. Judging from the AOP programs, sex stereotyping is a

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<sup>71</sup>Andrew Hahn and Barry Friedman, The Effectiveness of Two Job Search Programs for Disadvantaged Youth (Brandeis: Center for Employment and Income Studies, 1981).



severe problem that needs to be addressed by placement program employees. Further, the AOP experience is also an example of how unsatisfactory placement programs can be; while many were "placed," few actually completed the apprenticeships in which they were placed. Further, if Herbert Hill is correct in stating that most whites enter trades without having to go through these kinds of apprenticeship programs in the first place, these programs are even more problematic.<sup>72</sup> In other words, while placement programs may be useful intermediaries for young, disadvantaged, minority workers, they are intermediaries through which the majority population is not obliged to go. There is some question, therefore, of the extent to which these programs may be substitutes for a well-enforced anti-discrimination policy. Further, as Swinton and Morse suggest, if young whites are better able to use family connections to obtain jobs than are black youth, it may be more useful to require firms to take affirmative action in the hiring of minority youth in order to prevent the continuation of discriminatory patterns.<sup>73</sup>

Public Service Employment. Public service employment (PSE) under CETA has also had many youthful participants. However, the extent to which public job creation can increase overall employment levels of youth depends upon the extent of "fiscal substitution," or the use of federal money to fund state and local government activities that would have been funded from local resources otherwise. The degree of fiscal substitution is very

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<sup>72</sup>Herbert Hill, Labor Union Control of Job Training: A Critical Analysis of Apprenticeship Outreach Programs and the Hometown Plans (Washington, D.C.: Institute for Urban Affairs on Research, Howard University, 1974).

<sup>73</sup>Swinton and Morse, The Source.



difficult to estimate but according to Bassi, for untargeted public service employment the rate of fiscal substitution has been estimated to be as high as 100 percent after a year of funding.<sup>74</sup> For targeted public service programs, however, estimates of the rate of fiscal substitution range from 14 percent for under one year of funding to 29 percent after a year of funding. Estimates of fiscal substitution for youth programs in general are unavailable but there is evidence from the YIEPP evaluation that "virtually every new YIEPP job translated into increased employment of poor, in-school youth,"<sup>75</sup> rather than resulting in substitution. Of course, the YIEPP program was a relatively short-run, highly targeted program. But most youth programs are highly targeted and involve a narrower range of jobs than general PSE.

According to Taggart, CETA PSE participants do experience an easier transition into unsubsidized public sector employment than do CETA work experience participants.<sup>76</sup> PSE apparently operates somewhat like OJT except in the public sector. PSE employees seem to be perceived as receiving more meaningful training than do those in work experience components. Westat's study, looking specifically at youth in CETA, finds that while the net impact of PSE is positive for all youth, it is only significant for white female youth.<sup>77</sup>

Incentives to Private Industry Programs. Recently, policy makers and researchers have stressed the importance of increasing private-sector

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<sup>74</sup>Laurie Bassi, "Evaluating Alternative Job Creation Programs" (Washington, D.C.: The Urban Institute, 1981).

<sup>75</sup>Hahn and Lerman, Representative Findings, p. 49.

<sup>76</sup>Taggart, A Fisherman's Guide.

<sup>77</sup>Westat, Inc., "Technical Note."

initiatives in the employment and training of youth. While enhancing the role of the private sector is certainly desirable, it has its problems. First, as pointed out earlier, many firms are simply unwilling to hire young workers, whom they perceive as being unstable. Second, many firms are prohibited in hiring youth or other workers not covered by collective bargaining agreements. Third, employers tend to regard youth enrolled in special programs for the disadvantaged with suspicion. Thus, being enrolled in a program that is directed towards encouraging private firms to hire disadvantaged youth may actually count against, rather than for, these young people.

The JOBS (Job Opportunities in the Business Sector) program administered by the DOL and the National Alliance of Business (NAB) was developed to provide subsidized and nonsubsidized employment and on-the-job training for disadvantaged workers, many of whom were youth. This program has been criticized for providing the disadvantaged with the same kinds of dead-end jobs they could have obtained in the absence of the program.<sup>78</sup> Furthermore, the program was seriously undermined during the 1970-1971 recession and, according to Perry et al., "whatever impact the program had on employer attitudes, standards, or practices was confined to a limited number of employers."<sup>79</sup>

Similarly, the more recent Targeted Jobs Tax Credit, allowing firms to claim tax credits on wages to target-group employees (50 percent on the first \$6,000 in the first year and 25 percent in the second year), appears

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<sup>78</sup>For example, see Bennett Harrison, Education, Training, and the Urban Ghetto (Baltimore: John Hopkins University Press, 1972).

<sup>79</sup>Perry et al., The Impact, p. 195.

to have been taken advantage of by only a limited number of employers as well. According to a CBO publication, many firms claiming this tax credit are those that already hire large numbers of youth, leaving employment patterns unchanged.<sup>80</sup> One half of those certified for credit were cooperative education students--who, it is felt, did not need these credits in order to be placed in jobs--and two-thirds of those remaining were certified retroactively (i.e., those who were hired previously). It is estimated that at best 18 percent of those hired under this program in 1980 represented new job demand.

The Youth Incentive Entitlement Pilot Projects provided subsidies of up to 100 percent to private employers to hire youth. In spite of this, private employers contributed only 20 percent of all youth job hours in this demonstration. However, a wage variation experiment was undertaken under this pilot in which it was found "that raising the subsidy rate from 50 to 75 to 100 percent raised participation from 5 to 10 to 18 percent of firms contracted."<sup>81</sup> So, while employers are sensitive to the price of youthful labor, they are not likely to hire youth in large numbers even at greatly reduced rates. It was also found that private sector firms most eager to hire youth were small, retail establishments. They also tended to be more selective in hiring and more quick to terminate youth for poor attendance and work habits.

Gilsinan and Tomey found in their study of YIEPP that "youth assigned to the private sector transition more often to unsubsidized employment at

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<sup>80</sup> Congressional Budget Office, Improving Youth Employment Prospects: Issues and Options (Washington, D.C.: Government Printing Office, 1982).

<sup>81</sup> Youth Programs, Winter 1982, p. 2.

the same worksite."<sup>82</sup> In other words, private employers are more willing to keep their youthful workers--in whom they have invested time and training--when the subsidy runs out than are public sector employers. If the goal of a program is ultimately to place youth in unsubsidized jobs, this result, though not conclusive, is of interest. However, as in the case of fiscal substitution and public service employment, this result could indicate that these employers were hiring youth they might have hired anyway.

Although private sector involvement can be "bought," the response is not great and the cost is high. Of course, public job creation requires a 100 percent subsidy to the public sector as well and, further, the public sector is more obliged to provide the jobs required by policy makers. So the fact that it was necessary to provide such a high subsidy to private firms--firms that were also more likely to keep on their employees once they were trained--in order to get one-fifth the response that came from the public sector may not be terribly surprising. There remains the question, however, of the extent to which subsidies can create new jobs or simply result in increasing the employment of one group (e.g., youth) at the expense of another (e.g., women)? According to an econometric analysis of labor market competition by Hamermesh and Grant, there is some evidence that this can happen.<sup>83</sup>

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<sup>82</sup>Gilsinan and Tomey, Youth Work Experience: A Comparison of Public and Private Sector Worksites--An Interim Report, Youth Knowledge Development Report 7.7 (Washington, D.C.: Government Printing Office, 1980), p. 41.

<sup>83</sup>Daniel Hamermesh and James Grant, "Econometric Studies of Labor-Labor Substitution and Their Implications for Policy," Journal of Human Resources, vol. 14, no. 4 (1980).

## VI. SUMMARY AND IMPLICATIONS FOR NEW POLICY INITIATIVES

### Summary of Results

In spite of the problems in evaluating employment and training programs, several patterns were found, both in the earlier impact studies and in the YEDPA studies which benefited from access to more adequate data. First, although work experience programs have no discernable impact on post-program employment and earnings, the provision of work to in-school disadvantaged youth appears to increase their probability of staying in school. Enriching these programs with world of work and career information also seems to add to school retention. Insofar as remaining in and completing high school contributes to long-run employment and earnings, these programs are not without economic benefit.

However, these two components--work experience and occupational awareness--apparently have no discernable effect on out-of-school youth. Certainly for older out-of-school youth this is the case. For younger high-school dropouts the YIEPP demonstration has shown that it may be possible to entice them back into school or an equivalency program with a job guarantee. But the success of the Job Corps in increasing the education and income of severely disadvantaged youth, most of whom are dropouts, is even more dramatic. Furthermore, the success of the latter two programs contrast sharply with the failure of the Supported Work Program--a work experience program--to help dropouts. The weight of the evidence, then, leans toward complete remediation programs as the best bet for "hard core" disadvantaged youth, particularly older disadvantaged youth.

Out-of-school youth who are not dropouts appear to benefit from the same kinds of programs that benefit adults. On-the-job training seems to top the list, though classroom training, if intensive enough, is also important. Job search and placement programs, where the emphasis is on placing the client as soon as possible, seem to give participants a head start that translates into higher employment and earnings in the long run. Further, as these youth are older, finished with school, and more stable, they are more appealing to private employers and may, therefore, benefit more from government hiring incentives to the private sector.

Women benefit more than men from employment and training programs. Although they often make greater gains than men relative to their respective comparison group, this does not mean that they do better than men overall. In fact, their better performance may reflect more the opening up of a large number of low-wage, clerical positions in the private sector, than the treatment they receive in any one program. Programs that attempt to combat sex stereotyping may allow women to make even greater breakthroughs. Thus far, the evidence has shown that women have not done well in programs giving training in traditionally male fields.

Furthermore, women with children still do not fare well, even in complete remediation programs such as the Job Corps. Given that poor, single mothers with children are increasing as a percentage of the population, their labor market problems pose an important challenge that has yet to be dealt with satisfactorily. Innovative programs that take the child care needs of these women into account would be most useful.

To the extent that these programs have benefited their participants, they appear to have benefited their minority participants. But in many of

them whites still make greater post-program gains than nonwhites. This may reflect discrimination against blacks in the type of services they receive within programs or it could reflect post-program labor market discrimination. Probably both factors are at work.

For example, the study of youth in CETA by Westat found that nonwhite males were underrepresented in OJT where post-program gains are the greatest.<sup>84</sup> While this could in part be the result of real perceptions on the part of program operators that some minorities have a greater need for classroom training, perfectly qualified blacks may suffer from "statistical discrimination" whereby the perceived greater need for basic skills for many members of one's ethnic group overwhelms any assessment of one's individual capabilities. However, a study of the impact of YEDPA programs by the Educational Testing Service (ETS) found that white males were more likely than blacks and women to obtain full-time post-program employment, regardless of program type, local labor market conditions, labor market knowledge, attitudes, education, and reading ability.<sup>85</sup> The gap between minorities, women, and nonminorities decreased when both full-time and part-time employment were considered as outcomes. It decreased even further when school enrollment was added as an outcome. So discrimination apparently has the effect of forcing minorities and women more often into part-time work or longer school participation than may be necessary.

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<sup>84</sup>Westat, Inc., "Technical Note."

<sup>85</sup>Ronald Rock et al., The Relationship Between Program Processes and Employment Outcomes for YEDPA Youth (Princeton: Educational Testing Service, 1982).

### Policy Implications

The YEDPA initiative expired during FY 1980 and has not been renewed. Under the Reagan administration, CETA was scrapped and replaced by the Job Training Partnership Act of 1982 (JTPA). Set to begin operations in October of 1983, it has many program components similar to those found under CETA. Title II provides for adult and youth training programs and a summer youth employment and training program. Title III provides for employment and training assistance to dislocated workers. Title IV provides for various federally administered programs including the Job Corps.

As before, the summer youth program and Job Corps have been the most survivable of the programs. The 1984 Budget of the President estimates \$589 million in expenditures for the latter and \$638 million in expenditures for the former. This represents an increase of 2.8 percent (in nominal terms) in the Job Corps budget since 1981 and a decrease of almost 20 percent in the summer youth program budget since 1981. Further, 40 percent of the funding under Title II must be used to serve disadvantaged youth (16 to 21). Total estimated funding levels for JTPA for 1984 are, however, almost one half those for CETA in 1981.

One reason for the lower funding levels under the current initiative is that there is no provision for countercyclical public service employment.<sup>86</sup> Further, there are severe restrictions on the amount of funding that can be used for allowances and social services. According to this new law, administrative costs--which include allowances and social

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<sup>86</sup> Although since JTPA there has been a job creation initiative.



services--can only be 30 percent of total costs for programs under Title IIA. Finally, it should be noted that this legislation is specifically targeted on the disadvantaged; those receiving or in families receiving public assistance or food stamps, those whose incomes are below the poverty level or within 70 percent of the lower living standard income, and handicapped adults on welfare or with poverty incomes.

For youth JTPA is a no-frills program in comparison to earlier initiatives and offers three kinds of programs: (1) a short-term summer youth program for disadvantaged youngsters; (2) the Job Corps' complete remediation program for "hard core" disadvantaged youth; and (3) JTPA's training programs under Title IIA with limited funding for allowances and social services. From past experience it is known that summer youth programs provide little in the way of post-program employment and earnings gains, although it can increase school enrollment and keep youth occupied during the summer months. The Job Corps has been successful with severely disadvantaged male youth and young women without children. Finally, past experience suggests that programs under Title IIA can only be successful if they provide real, marketable skills. Unless youths see a program as providing a job or leading to a job, they will not be responsive to it. Since public service employment and job allowances are not important elements in this legislation, its only possible attraction for youth will be its ability to concretely prepare them for the job market. If programs under Title IIA become little more than employability programs, like those in the past, they will probably not be considered useful by youth or adults.

Insofar as JTPA is targeted on disadvantaged workers, it probably can help many of those who are able to benefit most from it. The CBO-NCEP paper on CETA concluded that those most served by CETA were marginal workers who had room to increase their overall levels of employment.<sup>87</sup> One of the reasons, they found, that women gained more than men from CETA was that women have lower labor force attachment and are better able to increase their hours in the labor market. However, it was found that CETA did not particularly benefit fully employed low-wage workers--most of whom are men. In other words, while CETA led to increases in employment, it did not lead to increases in earnings or to occupational upgrading. Similarly, Westat's study of youth in CETA found that those with high levels of unemployment (the structurally unemployed and discouraged workers) benefited more than those who had some employment.<sup>88</sup>

Unless JTPA provides a higher level of training than was found under CETA, therefore, it will probably not benefit low-wage employed workers. Further, since there is no provision for public service employment, it will provide little for those suffering from recession-induced unemployment, unless the dislocated workers program is successful in redirecting these people to new areas. It is not obvious, however, that even when workers are redirected, the economy is producing enough jobs to hire all those who are out of work.

So there is still a question as to whether youth will benefit significantly from JTPA. Insofar as many youth are in the position to increase

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<sup>87</sup> Congressional Budget Office and National Commission on Employment Policy, CETA Training Programs.

<sup>88</sup> Westat, Inc., "Technical Note."

overall employment levels, the training programs provided by JTPA may be of some benefit if, given the deemphasis on allowances, JTPA can attract youth. But, as designed, it is not clear that JTPA can help youth move into higher wage sectors of the economy, a particular problem faced by minority youth who do not achieve occupational mobility as they age as easily as do nonminority youth. Nor would it appear that JTPA will be able to have an impact on recession-induced unemployment, which has hit minority youth disproportionately in comparison to any other group in the economy.

The Job Corps, a relatively successful program, will hopefully continue to serve hard-core disadvantaged youth. The summer youth program, as it stands, will continue to provide summer employment to young disadvantaged workers and, perhaps, will continue to have a positive effect on school enrollment.

But results from YEDPA have also shown that aggressive placement efforts, involving private employers and unions, can help provide youth greater access to the labor market. Furthermore, minority youth will continue to require the enforcement of antidiscriminatory measures to insure labor market success. Given the emphasis of this administration on voluntary efforts by private industry--albeit aided by tax credits--to hire disadvantaged youth,<sup>89</sup> the problems faced by this group may persist well into the future.

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<sup>89</sup>Unfortunately, this administration has mixed feelings about affirmative action. Recent changes in regulation by the Office of Federal Contract Compliance have raised the firm size threshold levels required for the filing of an affirmative action plan. This may disproportionately affect youth since it has been suggested that they are largely dependent on small firms for employment.

## APPENDIX A

### Comprehensive Employment and Training Act--A Summary

Title I provided for a nationwide program of employment and training services to be administered by prime sponsors--states and local governmental units representing 100,000 or more population.

Title II authorized transitional public service employment and manpower services to areas that have unemployment rates of 6.5 percent or higher for three consecutive months.

Title III provided for federally sponsored and supervised employment, training, and placement programs for special groups in the population such as youth, Indians, migrants, offenders limited-English-speaking persons, and other disadvantaged groups.

Title IV authorized the Job Corps originally authorized under the EOA.

Title V provided for the establishment of a National Commission for Manpower Policy, a manpower advisory group to the Secretary of Labor and the Congress.

Title VI was a countercyclical public service employment program to ease the impact of high unemployment.

Title VII included several general provisions applicable to all the preceding titles. It contained such things as prohibitions against discrimination, administrative procedures, and various definitions.

## APPENDIX B

### Examples of Projects Undertaken Under YETP and YCCIP

#### YETP

##### 1. Youth Service Demonstration Project

The purpose of this project was to test the concept and feasibility of a National Youth Service Corps for out-of-school youth. Undertaken through Action, this project gave 16-year-olds to 21-year-olds stipends to work in "meaningful" community service projects. A process analysis of the problems in implementing this kind of program was to be part of the research program.

##### 2. Education Entitlement Voucher (EEV) Demonstration Project

This demonstration project tested the feasibility of providing disadvantaged youngsters in selected employment and training programs with education vouchers which they could use in post-secondary (or continuing secondary) education to further their skill acquisition. Based on the GI Bill concept, this program was for in-school youth. Research interests included testing the effectiveness of alternative methods of and conditions for providing EEVs, and analyzing how these vouchers are perceived and ultimately used by program participants.

##### 3. Exemplary In-School Programs Demonstration Project

This demonstration provided a mechanism to financially reward and give national recognition to exemplary projects for in-school youth. Emphasis was on exemplary in-school programs that provided occupational information, that were successful in retraining and meeting the needs of potential dropouts, and that integrated employment into the curricula and provided academic credit for work experience.

##### 4. Career-Oriented Alternative Education Demonstration Projects

This program replicated the successful Career Intern Program (CIP), operated by the OIC in Philadelphia, in several other localities. It provided career education for dropouts and potential dropouts.

##### 5. Private Sector Initiatives for Youth

This project tested four approaches to increasing private sector involvement in the employment of disadvantaged youth: (1) direct employment subsidies, (2) training cost subsidies, (3) apprenticeship subsidies, and (4) entrepreneurship options for youth.

## 6. School to Work Transition Demonstration Projects

This project continued funding of Education and Work Councils (established under SWTP) in 33 local areas. A study of their effectiveness in improving the school-to-work transition will be undertaken. The programs or approaches of a variety of other agencies, institutions, and CBOs providing school-to-work transition services were to be adopted and tested by YETP as well.

## 7. Service Mix Alternatives Demonstration Projects

This demonstration tested the effectiveness of providing a service mix for out-of-school disadvantaged youngsters. One model provided subsidized employment and a variety of support services, another provided work experience alone.

## 8. Special Studies

A variety of research projects were to be undertaken as a part of the knowledge development goals of YEDPA. Areas of interest included: measuring and analyzing youth employment problems in general; assessing work output and work valuation in employment and training programs; identifying useful program performance measures; introducing a longitudinal survey--focusing on disadvantaged youngsters--to explore factors important in their "school-to-work transition;" analyzing the possibility of using nonprofit corporations to replicate exemplary projects; testing the effectiveness on motivation and labor market awareness of mixing youth of different income levels in the same program (10 percent of YETP funds were set aside for programs available to all youth); testing the effectiveness of occupational information in aiding youth (funds were transferred to the National Occupational Information Coordinating Committee to improve availability and content of this kind of information to youth).

## YCCIP

### 1. Ventures in Community Improvement (VICI)

Undertaken in nine sites, this demonstration replicated a model community improvement program. The feasibility of this replication being undertaken by a nonprofit intermediary corporation--the Corporation for Public/Private Ventures--was an important research question. Also of interest was the measurement of the value of work done to the participant and community.

### 2. Community Improvement Demonstration

Established in ten sites and run by local community development corporations, this demonstration tested the efficacy of these organizations in aiding youth and their communities.

3. Rural Housing Improvement Project

This project involved youth in the rehabilitation and restoration of homes for the elderly and the Farmers Home Administration (FmHA).

4. Railroad-Related Community Improvement Demonstration

This project--undertaken in three states--involved participants in railroad improvements. Youthful ex-offenders were targeted in two of the sites.