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CENTERING YOUTH VOICES AND EQUITY IN A NATIONAL YOUTH SUBSIDIZED EMPLOYMENT PROGRAM

Kathy Tran | April 2023

INTRODUCTION

Subsidized employment programs aim to stimulate the economy and reduce unemployment during periods of recession. They have been an effective strategy for decades to put people to work and support economic growth. In particular, these programs have helped populations facing high rates of unemployment, including youth aged 16 to 24. However, young people need additional, dedicated federal support to ensure their success joining the workforce.

Young people experienced the highest levels of joblessness even before the COVID-19 pandemic. Today, they continue to face the steepest barriers to employment. From 2020 to 2023, youth ages 16 to 24 had the highest unemployment rate compared to workers aged 25 to 64. During the height of the pandemic, surveys showed that 1 in 10 young people experienced unemployment due to COVID-19-related reasons.¹

As Congress considers pandemic recovery efforts, policymakers should consider how a national subsidized employment program can address the youth unemployment crisis. For such a national program to meet its full potential at scale, it must center youth voices and equity at the forefront.

This brief examines the challenges youth face in the current job market and proposes recommendations for a national subsidized employment program that prioritizes equity and amplifies youth voices. The insights provided in this brief are informed by several listening sessions with members of the Communities Collaborating to Reconnect Youth Network (CCRY). CCRY is a national learning community that brings together leaders from different youth workforce systems who focus on reconnecting youth with education and career pathways.

Drawing insights from the CCRY Network, this brief provides recommendations on how decisionmakers can center youth voice and equity in the policy development and program design for a scaled-up national youth subsidized employment program.

THE YOUTH UNEMPLOYMENT CRISIS

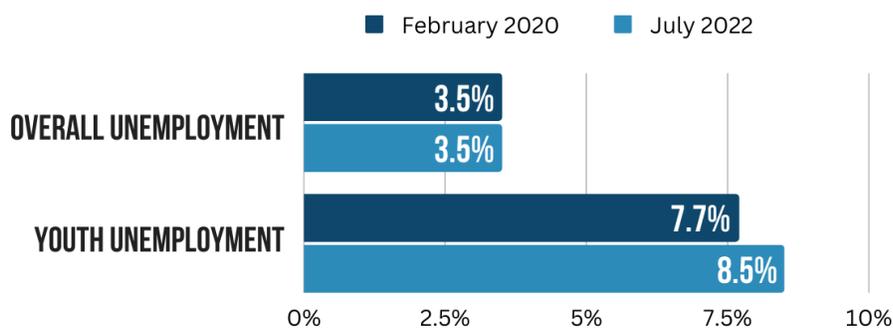
Young people have suffered from the lack of federal workforce development investments and economic opportunities for far too long. In 2020, 12.6 percent of youth ages 16 to 24 were “disconnected,” meaning they were neither working nor in school. This national disconnection rate represents approximately 4,830,700 young people who are missing opportunities to participate in the labor force.² In fact, this count of more than 4.8 million people is most likely an underestimate due to the challenges of data collection during the pandemic.

The impact of the pandemic and disconnection rates were disproportionately higher within communities of color in 2020. Specific communities of color had varying levels of youth disconnected from work and school, including the following approximate rates, which compare to the rate of 12.6 percent among all young people:

- 23.4 percent of Native American youth;
- 19.6 percent of Black youth; and
- 14 percent of Latino youth.³

These disconnection rates point to a public workforce system that has far too long left youth and young adults behind, especially youth of color.

Although the overall unemployment rate in 2022 has returned to pre-pandemic levels, the youth unemployment rate remains **higher** than the rate in February 2020.



Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey, US Department of Labor, 2022.

In 2021, the federal government responded to the economic downturn and pandemic crisis through a series of recovery measures and investments in tax credits and programs supporting basic needs. Some of these federal investments included expansions to the Child Tax Credit and SNAP through the American Rescue Plan Act (ARPA). However, leaders failed to pass meaningful subsidized employment opportunities for youth.

These investments by the federal government made a bigger difference in reducing poverty for young people in 2021.⁴ The 2.7 percent reduction in poverty for youth in 2021 was an increase from the 1.2 percent reduction in poverty for youth in 2020. Although federal investments led to an overall decrease in poverty across racial groups, many provisions, such as pandemic unemployment benefits and Child Tax Credit expansions, have expired.⁵ The lack of support for subsidized workforce recovery makes it even more important for Congress to launch a national subsidized jobs program for youth. And although the overall unemployment rate across the nation has returned to pre-pandemic levels, the youth unemployment rate as of July 2022 remains higher than pre-pandemic levels.⁶ The economic recovery from the pandemic has been slower for youth and young adults. Young people deserve to be a part of shaping policy opportunities that allow them to achieve economic justice.

ADVANCING ECONOMIC RECOVERY THROUGH SUBSIDIZED EMPLOYMENT

Subsidized Employment is a type of employment in which the government can provide funding to employers to support the hiring and training of new employees. Government subsidies can include tax credits, wage reimbursements, or direct payments to help cover the costs of training. The goal of subsidized employment is to create job opportunities for individuals who face barriers to work. Individuals may be, for example, disconnected youth, people with criminal records, immigrants, or disabled workers. Subsidized employment opportunities can support them in reconnecting with the workforce system and gaining valuable work experience to ultimately transition into a permanent job.⁷

Historically, subsidized employment has successfully been used in economic recovery legislation to connect workers with jobs. After the Great Recession in 2008, Congress passed the American Recovery and Reinvestment Act of 2009, which included the expansion of summer youth employment opportunities. This recovery legislation allowed states to use additional funding from the federal TANF Emergency Fund to create or expand subsidized employment programs.⁸ The Subsidized and Transitional Employment Demonstration study found that states and localities were able to create or expand their subsidized employment programs at a large scale through these emergency funds. For youth, about half of the placements were for summer jobs through summer youth employment programs. When the funding expired in 2010, many of the subsidized employment programs ended or significantly reduced the number of jobs available.

Since the start of the COVID-19 pandemic, the White House has invested over \$40 billion in workforce development through the American Rescue Plan Act.⁹ Although the funding expanded workforce projects, it did not include any investments in youth workforce training programs.¹⁰ Advocates are still looking to pass youth subsidized employment programs such as the Civilian Climate Corps that was supported by the administration in 2021. Even though policymakers can leverage workforce project dollars for opportunity youth in 2023, there is still a gap in funding to help train and support youth workers.

More recently, national advocates have called on Congress to enact an equity-centered national subsidized employment program for youth. Such an effort must also center youth voices as programs are developed and scaled up. Centering equity in the design of a subsidized employment program means prioritizing and targeting opportunities for disconnected youth who have been historically left out of workforce recovery efforts. The only way to ensure a subsidized employment program reaches disconnected youth is to thoughtfully engage youth leaders in the program design and policy advocacy.

CENTERING YOUTH VOICE IN SHAPING YOUTH SUBSIDIZED EMPLOYMENT PROGRAMS

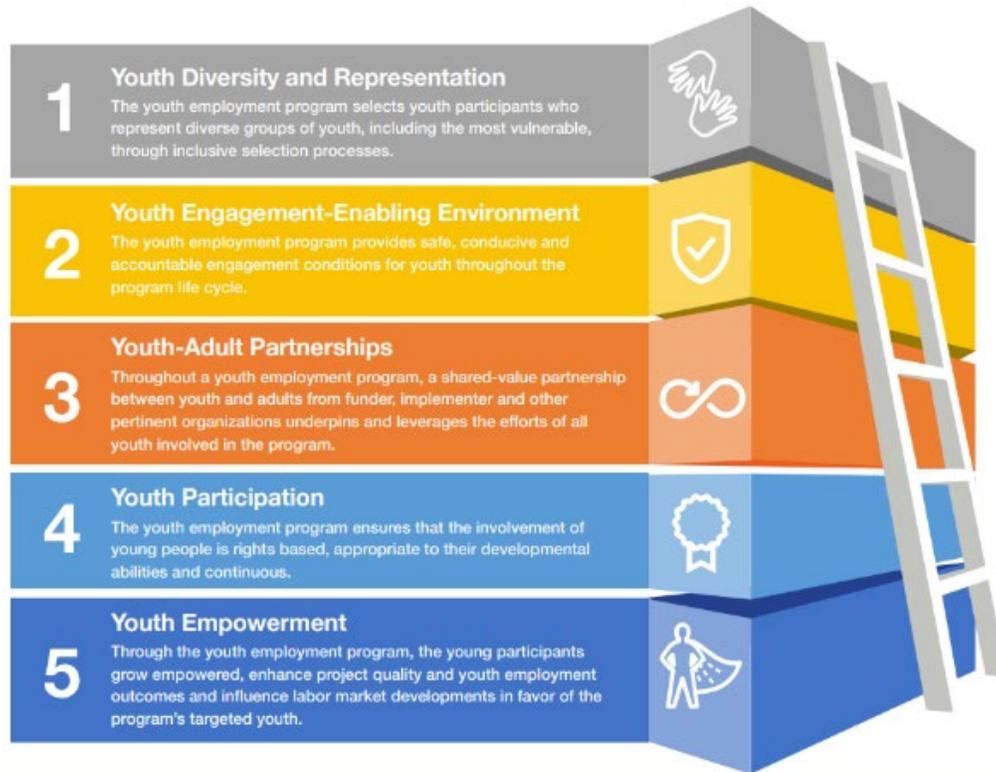
How do we ensure that youth are meaningfully integrated in shaping subsidized employment programs? **For far too long, the workforce system has favored the voice of employers rather than centering workers.** Youth and young adult workforce issues are often excluded from the larger adult public workforce conversation. When young people are invited to workforce committees to share input, leaders often do not prioritize their issues. And when youth are invited to the decision-making table, they must be integrated fully in workforce systems, so their voices do not become tokenized ‘side-table’ conversations.

Plan International’s 2021 *“Framework for Meaningful Youth Engagement”* is a roadmap to equip funders and stakeholders in understanding the five level of engagement to integrate youth engagement in employment programs.¹¹ The first level is “Youth Diversity and Representation,” in which an employment program selects youth participants to represent their peers in decision-making processes.

The last and most involved level is considered “Youth Empowerment.” Workforce leaders and policymakers should strive to achieve meaningful “Youth Empowerment” through subsidized employment programs. The guide describes this level of engagement as follows: “through the youth empowerment program, the young participants grow empowered, enhance project quality and youth employment outcomes and influence labor market developments in favor of the program’s targeted youth.”¹² Subsidized employment opportunities can ensure youth and young adults feel empowered through meaningful work that kickstarts their careers and contributes to their community.



A FRAMEWORK FOR OPERATIONALIZING MEANINGFUL YOUTH ENGAGEMENT



Source: Iris Caluag, et al., A Framework for Operationalizing Meaningful Youth Engagement, Plan International, February 2021, Image, https://www.citigroup.com/rcs/citigpa/akpublic/storage/public/youth_engagement_manual.pdf

This framework provides a first step for funders and stakeholders to identify what outcomes they hope to achieve by engaging youth in the development of a national youth subsidized employment program. To scale up such a program, policymakers need to meaningfully center youth voice in all steps of the process.

Time and time again, young people have organized within their communities and nationally to share what economic justice looks like to them. Youth changemakers from the *New Deal for Youth Initiative* envision a world where the economy is designed to uplift all young people. They further seek to dismantle any structural barriers pertaining to race, gender, ability, or citizenship status that would hinder young people's access to opportunities.¹³ In addition to demands for economic justice, youth are seeking greater representation in decision-making positions of federally funded programs that serve youth. They want more opportunities to serve in leadership positions of non-profit organizations and state and local initiatives.

Policymakers can no longer ignore youth and young adults and must center their lived experiences as assets to the policy conversation. Below are some examples of how decisionmakers can meaningfully integrate youth voice to drive subsidized employment policy and program design.

1. INCORPORATING YOUTH VOICE IN SUBSIDIZED EMPLOYMENT POLICY DESIGN

- **Create a national definition of ‘meaningful youth empowerment/engagement.’** Agencies can solicit input from young people and other members of the public to shape this definition. An official definition of meaningful youth empowerment/engagement is a first step toward creating a shared vision for workforce systems leaders and program practitioners. Agencies can also uplift program examples in implementation.

Having such a definition outlined in legislation or guidance would help workforce systems leaders streamline this shared vision when scaling up subsidized employment programs. This would allow policymakers, funders, and practitioners to be on the same page when setting up Request for Proposal processes or submitting grant proposals for youth subsidized employment programs.

- **Reinstate and adequately fund youth committees that became optional under the Workforce Innovation Opportunity Act (WIOA).** In 2014, WIOA eliminated the requirement for local workforce development boards to establish youth councils/committees. Reinstating youth committees as a requirement is the minimum when it comes to meaningful youth engagement.

However, reinstating youth committees will only be effective with adequate funding to support them. It takes time and resources to train young adults to share meaningful decision-making power on these boards. Drawing from some CCRY listening session insights, some local workforce development board leaders have expressed that the shrinking Workforce Innovation Act (WIA) and WIOA dollars made it difficult to effectively sustain and staff youth councils. Some cities that continued to keep youth councils under WIOA had to seek additional private funds to supplement their youth council work. Reinstating youth councils in future workforce legislation requires adequate funds to help prepare youth for this role.

2. ENSURING YOUTH ENGAGEMENT IN PROGRAM DESIGN

- **Invite youth to be a part of recruitment and hiring committees and panels within subsidized employment programs.** Allowing youth to be a part of hiring processes helps them build valuable skills for future jobs. Subsidized employment programs should ensure youth participants are part of recruiting and hiring other participants, as well as any program staff who will work directly with youth. Most importantly, a national youth subsidized employment program must provide adequate funding for programs to compensate youth for their time or include this work as part of their job.

Program participants know best what recruitment practices work on their peers, and they are best equipped to share input on hiring staff who work with youth.



CENTERING EQUITY IN PROGRAM DESIGN

Subsidized employment programs for youth must center equity in their design and implementation. Heartland Alliance and other national advocates have created an equity framework for national subsidized employment programs.¹⁴ It focuses on redressing inequities, stabilizing the economy, increasing earned income, and building inclusive economies.

Building from several program design characteristics discussed in the equity framework, what follows are additional recommendations to center equity when scaling up youth subsidized employment programs. They focus on worker services and supports, investing in better data, and supporting a funding structure dedicated to youth.

1. OFFERING EFFECTIVE SERVICES AND SUPPORTS TO SUBSIDIZED WORKERS

The current workforce system lacks comprehensive supports to help youth succeed in employment. As part of scaling up youth subsidized employment programs, policymakers must create resources that eliminate barriers for young adults when accessing programs. These support services should include:

- **Language accessibility.** Program design should ensure that recruitment and employment materials are translated and provided in the diversity of languages spoken by community populations. Current WIOA funding recipients are required to develop a language access plan so people with limited English proficiency can meaningfully use these programs. Having a similar requirement for national subsidized employment programming would be a first step in ensuring equity and accessibility.
- **Technology equity.** Students do not have equal access to broadband internet services or technical devices. If a subsidized employment program requires such resources, practitioners and systems leaders need to ensure that baseline technology services are readily available to all youth.

During the pandemic, the Federal Communications Commission created the Emergency Broadband Benefit program to support households struggling with internet access. More recently, this program was replaced by the new, long-term Affordable Connectivity Program. It is a \$14 billion investment giving eligible households a discount on internet services. Streamlining these resources through educational, workforce, and direct service providers would provide more access for youth to get involved.

- **Disability resources and training:** Youth and young adults with disabilities already must overcome many barriers to economic justice. They face lower high school graduation and college completion rates compared to their peers without disabilities. As a result, policymakers created the U.S. Department of Labor’s Office of Disability Employment Policy (ODEP) to support youth with disabilities in entering the workforce. Providers and employers need improved training and resources to better support youth with disabilities.

ODEP research shows that youth and young adults with disabilities may experience systemic barriers to employment that are intersectional—such as discrimination or exclusion based on race, gender, and other forms of identity. Researchers at ODEP point out that efforts supporting youth with disabilities must be coordinated across systems of care. For instance, New Mexico’s Children, Youth & Families Department provides intensive case management services to youth with mental health needs after leaving the juvenile justice system.¹⁵ Program design should also include part-time or flexible work schedules, the ability to work remotely or telecommute, and case management services.¹⁶

- **Mental health supports:** Youth are experiencing a high level of mental health challenges, and those needs tend to fall on program providers. The National Youth Employment Coalition (NYEC) surveyed youth employment leaders and built a set of recommendations that would help the workforce development field consider youth mental health needs when designing programs. These recommendations include higher Medicaid reimbursement rates for mental health services and more training for workforce practitioners to identify early mental health warning signs.¹⁷

Current workforce legislation does not have any built-in federal supports for youth mental health services within the workplace. Youth dealing with a mental health crisis have to seek and navigate supports outside of their workforce programs. Ideally, legislation should set aside funding to help employers and workforce program practitioners initiate mental health supports for youth in these employment programs. Program providers need administrative resources such as screening tools and referral processes to better screen and serve youth.



2. BUILDING EVIDENCE OF EQUITABLE EMPLOYMENT PROGRAMS THAT WORK

The Heartland Alliance equity framework recommends that national subsidized employment programs must be held accountable for equitable program access, earnings, and worker placements. According to practitioners and systems leaders from the CCRY network, the lack of data available makes it difficult to identify who is most in need. Having access to disaggregated data would allow the field to build programs and equity targeting measures.

Some data resources they identified include:

- **Unemployment and youth disconnection rates.** Trying to track youth and young adults who are disconnected from work and school can be difficult. The education and workforce systems often do not communicate with each other to track program outcomes. Leaders would find it useful to have this data disaggregated at the community and neighborhood level.
- **Up-to-date data on 'hot jobs' for youth.** Having access to trends of what jobs youth are most excited about can help inform how employers and practitioners scale up programs. Throughout the pandemic, fields like digital marketing, gaming, and e-commerce entrepreneurship grew. The traditional workforce rarely acknowledges these new, up-and-coming employment fields that are engaging youth interest.
- **Gig economy data.** CCRY network leaders also reported being unaware of how many disconnected youth and young adults take jobs in the gig economy. Some of the largest gig economy employers, such as Lyft, Uber, DoorDash, and Instacart, have little to no protections for workers. Gig economy jobs are an attractive option for young adults because they are often advertised as business and entrepreneurial opportunities that allow youth to control their schedule. National subsidized employment programs would have to compete with gig economy jobs. Having access to data about the gig economy demand could allow researchers

and stakeholders to know where to intervene and support youth.

- **Demand for youth entrepreneurship opportunities.** In a recent survey, 65 percent of youth respondents expect that they will be running their own businesses in 10 years.¹⁸ Youth and young adults have expressed wanting access to economic and financial freedom beyond simply any job. For some young people, learning how to run your own business and gaining entrepreneurship skills are an attractive option. If we are building a subsidized employment program that will ultimately place young people in long-term employment, we must be open to the idea of supporting youth entrepreneurship.

3. **ADVANCING AN EVIDENCE-BASED, TARGETED FEDERAL FUNDING STRUCTURE**

Federal funding should be targeted to priority populations based on data and evidence. Policymakers should also dedicate funding for program planning, implementation, and technical assistance for equity. Tracking data on disconnected youth can be challenging, despite the meticulous compliance data collected by workforce leaders and program providers through WIOA funding. Unfortunately, the federal government has not provided enough support to enable the real-time use of such data to determine the needs of disconnected youth.

At the local level, some CCRY network members have started drafting memorandums of understanding and data-sharing agreements in their cities requiring all youth service providers to share a single database for case management. In Hartford, Connecticut, youth are involved in a data collaborative called CTData to help inform how leaders can make informed decisions based on real-time data. At the federal level, youth-serving departments across labor, education, and health must collaborate on effective data-sharing practices that can help target funding to those most in need.

To ensure equity in youth subsidized employment programming, policymakers should ensure that the federal funding structure includes specific formula funds that target disconnected youth. Having enough data to determine the number of disconnected youth and measuring needed resources are key to shaping and scaling such programs.

CONCLUSION: INVESTING IN YOUNG PEOPLE'S SUCCESS WITH A TAILORED, EQUITABLE SUBSIDIZED JOBS PROGRAM

Continuing to invest more money in a national youth subsidized employment program would help build and grow current workforce efforts. Although the Biden-Harris Administration has made strides to support the economy during the pandemic, policymakers must do more to address the unique challenges that disconnected youth face in the workforce. This brief offers recommendations to close current gaps that keep young people, especially youth of color, out of the workforce.

To be most effective, decisionmakers must include youth voices and center equity when crafting a new, youth-focused national subsidized employment program. Incorporating young people's input throughout each step of the policymaking process is critical for youth success. Similarly, leaders must ensure they meet young people's diverse needs in any new program. Programs can achieve this goal by listening to young peoples' ideas and focusing on equity at the front end of program design. Decisionmakers must also build programs that support strong data collection to accurately target funding to youth who are most in need. Youth continue to have the highest rates of unemployment, but these solutions offer a path forward.



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ENDNOTES

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