DEFINITION

Youth career development is a subfield of workforce development. It serves disengaged youth—young people aged 14-24, who are not actively engaged in education, training, or the workforce. The goal is to help these youth return to school, enroll in post-secondary education or career training programs, or start a career. Programs in this field provide skills development, work experiences, and youth development activities.

SOCIAL ISSUE REPORT SUMMARY

Investment in programs that re-engage youth in education, training, and the workforce presents a significant opportunity for social impact:

- Disengaged youth comprise 17 percent of individuals aged 16-24 and represent a total social burden of $4.745 trillion. For more on the scope of the issue, see page 2.
- High-performing organizations use a three-component approach, which experts in workforce development call providing meaningful work experience. This approach seeks to re-engage youth in schools by encouraging career aspirations, exposing youth to various careers to develop transferable skills, and providing youth development services that ensure a successful transition to productive adulthood. For more on the recommended approach, see page 3.
- Effective investment can reduce the societal and governmental burden of disengaged youth. Currently, the total burden on taxpayers over the lifetime of one 16-year-old disengaged youth is $258,240. For more on the return on investment, see page 5.
With the unemployment rate for adults without a high school diploma at 13.1 percent, high school credentials are becoming an increasingly crucial requirement in the emerging U.S. economy. However, the gap between employment opportunity and eligibility expands with every disengaged youth as 7,000 students drop out of high school every day. This problem is compounded by the fact that a traditional high school curriculum alone cannot provide the full set of skills required by employers in today’s demanding job market. For youth to be successful, traditional education needs to be supplemented with further education and transferable work experience. Thus, in lacking the necessary skills for a future job, youth who disengage from school also fail to gain the minimum level of post-secondary training necessary for employment eligibility. Consequently, these factors contribute to why youth aged 16-19 face the highest rate of unemployment of all age groups and why they eventually fail to become productive adults.

There are three key reasons why youth need to be supported to ensure their successful transition from youth to adulthood with family-sustaining employment is necessary. First, the lack of education and job training significantly lower an individual’s lifetime earnings. In fact, the lifetime earnings gap between those without a high school degree and those with high school credentials is $400,000. Shrinking employment opportunities for youth aged 16-19 only compound this problem further. In the 10 years between 2000 and 2010, the percentage of youth aged 16-19 employed in the workforce fell by more than half from 45.2 to 28.6 percent.

Second, this situation will be exacerbated as the current population grows into adults. According to a Harvard Graduate School of Education study, in the 10-year period from 2008 to 2018 the U.S. economy will create 47 million jobs. However, only 36 percent of these jobs will be available to individuals with a high-school diploma or less compared to 72 percent in 1973.

Third, failure to complete high school and transition successfully to adulthood has direct costs to government and society. A single disengaged youth places an estimated burden of $704,020 on society over his or her entire lifetime (definition in Figure 1).

Youth can become disengaged for a variety of reasons. One example may be school itself, where a lack of interest in classes, continued under-performance, too many missed days to catch up, and a lack of discipline can steer youth toward disengaging. A second source is personal and family life where youth disengage because they need to get a job and make money, become a parent, or have to care for a family member.

Certain groups of at-risk youth are more vulnerable than others due to challenges such as chronic homelessness, criminal involvement, and substance abuse. Youth from low-income families are also less likely to remain engaged in school than those from middle-income and high-income families.

The following section provides details on how programs in the field of youth career development can help re-engage youth in education and in the workforce to enable them to stay on a path toward productive adulthood.

### FIGURE 1: DEFINITIONS
- **Lifetime cost to government**: lifetime mean taxes paid minus transfers received plus institutionalization costs.
- **Total taxpayer burden**: sum of lost taxes, additional healthcare paid for by the taxpayer, expenditures for the criminal justice system and corrections, all welfare and social service payments regardless of whether they are transfers, and any savings in lower education spending.
- **Total social burden**: sum of lost gross earnings, additional health expenditures, crime costs, welfare and social services, which are not direct transfers from government to individuals, and public and private cost of education.

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Disengaged youth are also more likely to be living in poverty, receiving public assistance, in prison, on death row, unhealthy, divorced, single parents, and, ultimately, high school drop outs.
The field of youth career development works with youth aged 14-24 who are disengaged or at-risk of disengaging from school and employment. It is found that they are not ready to enter full-time employment for a number of reasons. Some are unsure of which career path suits them; others are enrolled in school full-time, or have disengaged from school but do not have the skills required to begin a career. As a first step, these programs seek to re-engage these youth in education because earning a high school diploma or its equivalent is a necessary requirement for future credentials that will lead to family-sustaining employment and productive adulthood. Furthermore, keeping youth engaged in education is a way of instilling career aspirations that can then motivate them to take the next steps toward post-secondary education or training.

There is no single approach that works for all individuals in need. Interventions must be customized to each individual’s age, level of education, and economic, employment, and personal situations. Some common models for re-engaging youth include summer jobs programs, after-school programs, service-learning programs, internship programs, and after-school jobs programs. Despite the differences in models, effective programs in this field provide youth with the support needed to explore a variety of careers. The youth must gain valuable job experience and 21st century skills (critical thinking, problem solving, creativity and communication) that will help them transition into being a productive adult.

Since multiple actors such as schools, employers, social workers, and nonprofits provide different services to youth, these services need to be seamlessly integrated to ensure that youth are able to progress consistently along the path to productive adulthood, adding skills along the way. The following section presents methods of intervention that experts agree are necessary for disengaged youth at this point along the school-to-career trajectory.

PROVIDING MEANINGFUL WORK EXPERIENCE

Experts suggest that providing meaningful work experience is the best approach to reduce the number of disengaged youth. This includes hands-on work experience with quality supervision, a well-designed learning plan to improve academic, 21st century, and job skills, and connections to comprehensive youth development services.

This approach benefits youth who are not ready to enter the workforce. It provides a chance to explore a variety of careers and learn transferable skills that will equip them for future careers. More importantly, by understanding what skills and academic qualifications are needed to enter their career of choice, youth learn to connect academic success to future career prosperity. Therefore, youth career development programs are ideally followed by the attainment of a high school diploma or GED. Alternatively, for students who have completed high school, post-secondary workforce training, college, or full-time employment would most likely follow these programs.

Providing meaningful work experience is designed to:

- Encourage youth to re-engage with school
- Develop academic persistence, workplace skills, and career aspiration
- Enable youth to gain valuable transferable job skills through hands-on training, while connecting academic skills and career skills
- Reduce risky and deviant behaviors such as criminal activity, drug use, teenage pregnancy, disconnecting from school, and youth violence
- Reduce isolation for youth and increase their self-awareness, resilience, hopefulness, and ability to cope with traumatic experiences

Finally, keeping students engaged in school is related to relevance of classroom learning, parental or adult involvement, and attendance. The figure below shows actions, based on a survey of dropouts, that disengaged youth believe would improve students’ chances for remaining engaged in school.

Programs that adopt the recommended approach vary in length, location, commitment required (full-time or part-time), and target population of youth they serve. It is important for programs to take into account the target population that they are seeking to serve as they design their interventions. Services should be delivered in a way that is appropriate for the target population, as different populations may require additional services at varying levels of intensity. For example, proven risk populations, including those who have been in jail or have a criminal record, may require additional case management services that are different than those required by high-risk individuals such as single mothers.

**FIGURE 4: WHAT DROPOUTS BELIEVE WOULD KEEP STUDENTS ENGAGED IN SCHOOL**

<table>
<thead>
<tr>
<th>Action</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Opportunities for real-world learning to make classroom more relevant</td>
<td>81%</td>
</tr>
<tr>
<td>Better teachers who keep classes interesting</td>
<td>81%</td>
</tr>
<tr>
<td>Smaller classrooms with more individual instruction</td>
<td>75%</td>
</tr>
<tr>
<td>Get parents more involved</td>
<td>71%</td>
</tr>
<tr>
<td>Parents make sure kids go to school everyday</td>
<td>71%</td>
</tr>
<tr>
<td>Increase supervision at school: ensure students attend classes</td>
<td>70%</td>
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COMPONENTS OF THE RECOMMENDED APPROACH

Based on research and input from experts in the field, high-performing programs in youth career development demonstrate these three essential components: applied skills development, career exposure, and youth development services.

- **Applied Skills Development**: Teaches participants relevant skills that will improve their eligibility for employment or post-secondary education. Effective programs combine basic academic skills, 21st century skills, and transferable job skills to prepare participants for work experience and future careers. Many at-risk youth lack basic academic skills to achieve a high school diploma or GED. Therefore, programs may need to provide tutoring or classes that assist participants to measurably improve their literacy and numeracy skills. For success, youth must attain 21st century skills such as time management, professionalism, conflict resolution, decision-making, problem solving, and goal setting. Finally, effective programs also teach job skills, including job search skills and office skills that youth will need to attain and retain employment. Effective programs also help youth understand the connection between the three types of skills (academic, 21st century, and job skills) that are necessary for them to succeed in a career.

- **Career Exposure**: Improves a youth’s awareness of the career opportunities that lead to a family-sustaining living wage. Effective programs enable youth to learn about several careers and provide them with information about the skills and credentials required to enter and advance into the field of their choice. One key way programs expose youth to career options is through work-based experiences, such as internships, service learning, or summer jobs. When designing the work-based experiences, programs should understand industry needs so that the youth gain skills and experiences desired in the labor market.

- **Youth Development Services**: Provides services such as healthcare, counseling, crisis response, mentoring, and housing that help at-risk youth overcome their individual challenges to success and set goals for their futures. Effective programs assess each youth’s individual barriers to success and address them by connecting them to the necessary services. Simultaneously, the programs work with the youth to design individualized learning plans (ILPs) that outline the youth’s goals for the duration of the program. Finally, toward the end, the programs help each youth develop an exit plan for how to achieve their next level of credential (high school, post-secondary, or even professional) to transition toward productive adulthood.
The return on investment of youth career development programs is difficult to measure because the field lacks a standard desired outcome for program participants. The ultimate goal is for a young individual to transition successfully into adulthood with a family-sustaining income. Yet, the way in which this happens differs for each youth. Adding to this variability is the length of time between a youth’s completion of a career development program and the time they enter a career. Therefore, outcomes and measures of success will vary for each type of program.

Despite the challenges, the return on investment from youth career development programs can be calculated in terms of the reduction in negative impact of disengaged youth on society and government. Thus, reduction in individual, governmental, and societal costs associated with high school dropouts, and increased financial contributions to society from these youth can be proxies for return on investment.

**INDIVIDUAL**

On an individual level, youth who fail to complete high school suffer the cost of a lifetime of lower wages. Figure 5 indicates that in 2006-2007, an individual with a high school diploma had an average earning 109 percent higher than that of an individual without a high school diploma. This translates to $400,000 in lost earnings over a lifetime. The gap further widens with education as an individual with a bachelor’s degree earns 120 percent more than a high school graduate. Over the individual’s lifetime, the gap results in $1 million in lost earnings.

**FIGURE 5: AVERAGE EARNINGS OF ALL ADULTS FROM 2006-2007 BY LEVEL OF EDUCATION**

- Advanced Degree
- Bachelor’s Degree
- High School, No College
- No High School

The individual cost of disengagement extends beyond a current earnings gap. Even with postsecondary success, disengaged youth face future employment pitfalls. A report for the Corporation for National and Community Service and the White House Council for Community Solutions shows that employers look for a smooth trajectory of education and employment activities. Thus, young people with significant gaps in their education-work sequence of activity clearly experience a pay and employment handicap even when they later seek employment.

**GOVERNMENT**

The lower individual earnings translate to lower taxes paid to the government, higher propensity to live in poverty, and increased dependence on public assistance.

- Each disengaged youth pays $1,680 less in taxes to the government, which translates to a loss $11.3 billion in taxes every year.
- A report by the Center for Labor Market Studies at Northeastern University showed that in 2010, 27.9 percent of Americans aged 18-64 who used food stamps had no high school diploma while only 12.6 percent were individuals with a high school credential.
- The same report notes that of Americans aged 18-64 receiving housing subsidies, individuals with a bachelor’s degree comprised only one percent of this population. Those with no high school credentials made up 11 percent of that group.

**SOCIETY**

Disengaged youth also increase negative costs to society such as additional health expenditures and increased crime rates.

- The estimated total social burden of a disengaged youth over their lifetime is $704,020. This includes lost earnings, additional health expenditures, and crime costs. Considered over the full lifetime of the estimated 6.7 million disengaged youth, the aggregate social burden amounts to $4.745 trillion.
- Disengaged youth are more likely to be involved in crime. Federal, state, and local governments spend $75 billion each year on crime-related costs across all youth aged 16-24. The cost of victims to youth crime is $118.4 billion annually.

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INVESTMENT RECOMMENDATION

Investment in programs that provide meaningful work experience for youth yields significant benefits by minimizing the negative costs of disengaged youth to government and society. SIR recommends investing in programs that are using all three components of the recommended approach. These programs offer a holistic method of keeping students engaged in school, while also motivating them to fulfill eligibility requirements for a career of their choosing. However, not all individuals follow the same path from high school to a productive adulthood; nor do they all take the same amount of time to do so. There are often breaks due to issues such as substance abuse, homelessness, and criminal activities.

Consequently, in addition to using the recommended approach, programs need to collaborate with other youth-serving programs to maintain an uninterrupted path of engagement. For instance, it is not enough for a career development program to simply provide a participant with transferable skills through an internship. The program needs to connect the participant to complementary organizations with services (such as vocational training) that will provide a next step toward pursuing his or her desired career. This smooth transition requires both organizations to have built prior relationships in a way that the latter’s services builds on the work of the former’s.

Therefore, SIR recommends providing unrestricted or flexible funding to programs implementing the recommended approach. Funding can enable these organizations to expand their existing range of services, build infrastructure, implement more precise data tracking mechanisms, research, publish, convene, and disseminate information about successful programs or best practices to others in their field. Furthermore, funding can support these programs in establishing relationships with complementary service providers in the field, and also follow up with program participants to ensure long-term success post completion.

FIGURE 4: COMPONENTS OF THE RECOMMENDED APPROACH

- **Applied Skills Development** that provides youth with relevant hard and soft skills to improve their eligibility for employment or postsecondary education
- **Career Exposure** that improves youth’s understanding of career opportunities, which can lead to a family-sustaining living wage
- **Youth Development Services** to help at-risk youth address and overcome their individual barriers to success

TAKE ACTION

In addition to offering financial resources to support programs providing youth career development opportunities as part of a direct service portfolio, donors and funders may provide support through other channels.

**Support Organizations that Provide Meaningful Work Experience**

- **Sponsor** internships or summer jobs at your company by partnering with a youth career development organization.
- **Fund** programs focused on increasing follow-up with participants after program completion. A frequently under-funded activity, this continuation is critical to ensuring that youth remain engaged and that programs are capable of measuring outcomes.
- **Sponsor** industry and labor market research to inform the development of youth career programs that provide relevant job skills and prepare for available careers based on industry trends.
- **Mentor** a participant personally or support mentoring (financially or non-financially) in youth career development programs in your community.
- **Help** connect an organization to other types of industry stakeholders (e.g. workforce investment boards, employers, secondary schools, postsecondary schools, community colleges) so that youth can move seamlessly through workforce development pathways to successful adulthood.

**Support Knowledge Sharing**

- **Help** connect an organization to other youth career development providers to encourage partnerships to align efforts, spread best practices, and complement one another’s work.
- **Support** the sharing of best practices through the aggregation and organization of tools related to best practices, labor market data, and employer needs.

**Raise Awareness**

- **Advocate** for additional government funding to subsidize program costs and/or provide incentives (e.g. stipends, transportation, childcare, other supportive services, etc.) for program participants. This will increase access of youth career development programs to at-risk youth.
REFERENCES FOR FURTHER RESEARCH

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<thead>
<tr>
<th>ORGANIZATION</th>
<th>WEBSITE</th>
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<td>American Youth Policy Forum</td>
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ENDNOTES


Social Impact Research (SIR) is the independent research department of Root Cause, a research and consulting firm dedicated to mobilizing the nonprofit, public and business sectors to work collaboratively in a new social impact market. Modeled after private sector equity research firms, SIR conducts research on social issues and independent analysis of program performance to provide leaders and funders with the rigorous, actionable information they need to make strategic decisions about creating and investing in social impact.

This report was authored by:
Kate Hanley, Research Fellow
Prathama Nabi, Research Associate
Kaitlyn Bean, Research Assistant
Anne Radday, Senior Manager of Research
Colette Stanzler, Director

Social Issue Expert Interviewees:
Julian L. Alssid, Workforce Strategy Center
Scott Emerick, YouthBuild USA
Susan Lange, Commonwealth Corporation
Monique Miles, National Youth Employment Coalition
Mamadou Ndiaye, Jobs for the Future
John Niles, Commonwealth Corporation
Sally Prouty, The Corps Network
Casey Recupero, Year Up Boston
Laurie Ross, Clark University
Nicole Yohalem, The Forum for Youth Investment

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