

FINANCING AND SUSTAINING SUMMER YOUTH EMPLOYMENT PROGRAMS



Promising
Practice Profile

Summary

Through increases in Workforce Investment Act (WIA) Youth Services funding, the American Reinvestment and Recovery Act (ARRA) brought significant federal support for summer youth employment programs across the nation in 2009. As a result many states and localities successfully expanded summer employment opportunities for youth. However, dedicated federal funding seems unlikely as state and local leaders seek to sustain summer youth employment efforts in 2010. Leaders can consider several creative financing strategies to maintain employment opportunities for youth this summer and in the years to come.

This promising practice profile highlights effective strategies that three localities have used to finance and sustain summer youth employment efforts. Youth program leaders in New York City, Seattle-King County, and Hartford, Connecticut successfully engaged partners, utilized technology, and blended an array of funding sources to expand their summer youth employment programs in 2009. These efforts will help to maintain summer youth employment opportunities despite the possibility of diminished federal support in 2010.

Background

Many states and localities administer employment programs for youth by subsidizing wages for youth who work at select employers during the summer. These programs traditionally enroll youth who are considered “at-risk” or face specific barriers to employment in order to provide participants with an employment history, practical work experience, job skills, and knowledge of workplace norms.

There has been a serious decline in youth employment throughout the last decade, dropping from 45 percent of teens employed on average throughout the year in 2000 to only 29 percent in 2009.¹ Additionally, teenagers experienced the steepest decline in employment for any age group during the current recession. Youth unemployment has many negative effects on the economy and communities as teens often lack constructive,

¹ Sum, Andrew, Ishwar Khatiwada, Joseph McLaughlin. *The Lost Decade For Teen and Young Adult Employment in Illinois: The Current Depression in the Labor Market For 16-24 Year Olds in the Nation and State*. Boston, MA: Center for Labor Market Studies, Northeastern University, January 2010.

safe ways to spend their time, and future workers do not receive the training and experiences they need to develop into a productive workforce.

What Leaders Can Do This Summer

This profile presents a mix of long-term and short-term strategies. While strategies that require substantial planning and investment could be implemented in years to come, leaders could implement the following strategies relatively quickly to strengthen their summer youth employment programs in 2010.

- *Hold a launch/kick-off event* at the beginning of the summer to provide publicity for the program.
- *Partner with schools and local social service organizations* to help verify the eligibility of program applicants.
- *Partner with businesses*, especially those that operate multiple sites, to increase placement options for youth.
- *Mayors, private sector leaders, and workforce leaders can advocate for the program* through speeches, press releases, or visits to youth employment worksites.
- *Document the experiences of youth as they participate in the program.* Personal testimonials from youth and employers who benefited from the program can provide powerful advocacy material for the future.
- *Utilize the TANF Emergency Fund to support subsidized wages for youth.* For states that increase certain TANF-related expenditures during 2009 or 2010, including subsidized summer employment for low-income youth, the federal government provides 80 percent of that increase with states paying only the remaining 20 percent. This option may be particularly attractive to states which have not yet drawn down their full allotment of TANF Emergency Funds, since the funds currently expire on September 30, 2010.¹

To help meet this challenge ARRA provided a \$1.2 billion increase in WIA Youth Services funds in 2009. While there has not been a federal funding stream dedicated to summer youth employment for more than a decade, states and localities often allocate some of their WIA Youth Services funding for this purpose. The U.S. Department of Labor distributed these funds by formula to state agencies in March 2009, and state agencies passed much of the funding on to local Workforce Investment Boards (WIBs) to support summer or year round youth employment programs. Federal regulations required that these funds be spent by June 30, 2010. With this influx of funding, many WIBs chose to dramatically scale up their summer youth employment programs.

As the summer of 2010 approaches, states and localities have spent most of their ARRA funding for WIA Youth Services. While in March of 2010 the U.S. House of Representatives passed legislation approving \$600 million for states and localities to support summer youth employment, this legislation has not yet been approved by the Senate.

Recognizing the need to support summer youth employment, many states and localities are planning to maintain their programs despite decreased federal funding. Local leaders seeking to support summer youth employment can draw on successful financing

strategies being used across the nation. This promising practice highlights the successes of program leaders in three localities, New York City, Seattle-King County, and Hartford, Connecticut, in implementing and financing their 2009 summer youth employment programs.

Implementation

New York, Seattle-King County, and Hartford all implemented creative financing and financial management strategies to maximize their summer youth employment participation in 2009. While these cities may not be able to sustain the same participation rates in 2010 without dedicated federal funding, these strategies can help ensure that their programs serve as many youth as possible.

New York City

New York City's (NYC) summer youth employment program, operated by the NYC Department of Youth and Community Development (DYCD), enrolled over 43,000 youth and operated on a budget of \$67.5 million in 2009.² It was estimated to be the largest summer youth employment program in the nation.

Leaders at the DYCD utilized technology to reduce administrative costs and maximize enrollment in the program. The DYCD pioneered a debit card wage payment system where youth participants were paid directly on debit cards, which they used to withdraw cash at several area banks free of charge. Beyond reducing the program's administrative costs, the system also helped teach youth financial literacy skills and encouraged them to open bank accounts. Other cities, such as Memphis, TN and Washington, DC, have implemented similar debit card wage payments systems to reduce administrative costs.³

The DYCD's program further reduced administrative costs by moving to a web-based job application system. While most youth submit their applications electronically, paper applications are still made available at schools, libraries, and other sites. While building a web-based application system entails an initial financial investment, it often generates considerable administrative savings over time. For example, the DYCD was able to reduce the number of temporary workers needed to process applications from 212 to 53.

Partnerships with businesses also helped the DYCD scale up its program in 2009. For example, CVS pharmacies agreed to hire program participants at almost all of their NYC locations. High profile city officials, including Mayor Michael Bloomberg, announced the expansion of the summer youth employment program at CVS's flagship store in Manhattan, providing the organization with valuable publicity.

Seattle-King County

In Seattle-King County, the local Workforce Development Council (WDC) manages the summer youth employment program. The WDC, which was established in 2000 by the King County Executive and the Mayor of Seattle, is a non-profit intermediary and grant-making organization for the region that oversees a wide range of employment-related programs and initiatives.

² *Summer Youth Employment Program 2009 Annual Summary*. New York City Department of Youth and Community Development. 2009.

³ Fitzpatrick, Erika. "Summer Jobs: Ditch the Paychecks and Paper." *Youth Today*, July/August 2008.

In 2009, the WDC used WIA Youth Service funds through ARRA to leverage diverse public and private resources to quickly expand their summer youth employment program. Recognizing the importance of preventing youth violence by connecting youth with positive and productive activities, the WDC helped form a partnership with Seattle's Youth Violence Prevention Initiative, a community-based, multi-agency strategy that provides intensive services to youth who are at the highest risk of perpetuating or being victimized by violence. This partnership provided \$400,000 to support summer employment for youth involved in the initiative. Violence prevention programs such as these may be natural partners for summer youth employment programs in other cities.

The WDC also helped Seattle-King County capitalize on state matching funds. Through December 2009, Seattle-King County had been able to draw down \$1 million dollars in state matching funds by investing their ARRA money in workforce training, a portion of which supported summer youth employment. Additionally, a partnership with King County Superior Court's juvenile division that leveraged about \$30,000 in state funds to pay summer wages for court involved youth.

Facing decreased federal funding, the WDC is leading advocacy efforts to generate support for the 2010 summer youth employment program. The WDC is engaging the local government, the state legislature, philanthropy leaders, businesses, unions, community groups and individual donors to continue to support summer jobs for youth in 2010 and beyond.

The WDC is also thinking creatively about how to engage business partners if less federal money is available to support subsidized youth employment. For example, the WDC engages businesses and community partners to provide mentoring, job shadowing opportunities, and career presentations, which are less costly than subsidized summer jobs.

Hartford Connecticut

The local Workforce Investment Board in Hartford, Connecticut, Capital Workforce Partners, leveraged substantial local resources to supplement federal youth employment funding in 2009 and expand their summer program. In total the program supported summer jobs for 2,005 youth participants. While 1,103 of the jobs were funded with ARRA money, an additional 902 jobs were funded with leveraged funds from the City of Hartford, the Hartford Foundation for Public Giving, and other small corporate foundations.⁴ Diversifying the base of support for summer youth employment will help ensure that the program sustains essential services for youth even if additional federal funding is no longer available.

Capitol Workforce Partners developed advocacy materials and resources for prospective employers. For example, they published newsletters, with summer youth employment participants often serving as authors, to highlight the success of the summer youth employment program and to build community support. Capitol Workforce Partners also developed an employer participation guide to help employers navigate the opportunities to engage talented youth interns. The guide helps employers think about how to structure

⁴ "ARRA Youth Employment and Advancements for Youths 14-24." Hartford, CT: Capital Workforce Partners, 2009.

summer internships, and stresses the importance of the summer employment program as a driver for regional economic development.

Additionally, Hartford benefited from peer learning opportunities through participation in a learning community orchestrated by the National League of Cities (NLC) that focused on using ARRA funds to strengthen local youth employment efforts. Twelve cities participated in this learning community, and through a series of webinars shared promising practices for reengaging disconnected youth through employment.

Evaluation

In 2009, summer youth employment programs nation-wide demonstrated a considerable amount of success. A comprehensive national evaluation of the program found that 355,000 youth received summer jobs, and 75 percent of participants achieved a measurable increase in their work readiness skills.⁵ Despite this success, the evaluation noted some intractable challenges faced by summer youth employment programs throughout the nation such as difficulties in recruiting veterans and older youth, limited success in placing youth in green industries, and challenges around verifying eligibility of applicants.

Many local agencies also collected evaluation data on their summer youth employment programs. In Hartford, a survey of program participants revealed high satisfaction rates; respondents ranked their overall experience a 3.41 on a scale of 1 - 4.⁶ Additionally, the survey found that for 39 percent of program participants, the summer youth employment program had provided them with their first work experience. In New York City, 97 percent of surveyed youth participants rated their experience as “Excellent” or “Good” and indicated that they benefited from the program. 70 percent of participants stated that they would not have found summer employment without the program.⁷

Key to Success

Lessons learned from recent summer youth employment programs suggest the following keys to success for communities attempting to sustain their initiatives in 2010 and beyond.

- ✓ Utilize technology, such as on-line applications and debit card pay systems, to reduce administrative costs and maximize program enrollment.
- ✓ Develop a wide range of partnerships with local businesses, schools, social service organizations, and other community-based initiatives
- ✓ Create participation guides for local businesses that highlight multiple ways in which they can participate in summer youth employment.
- ✓ Develop advocacy materials to highlight the success of local employment programs.
- ✓ Diversify funding by seeking federal, state, local and private support.

⁵ Bellotti, J.; Rosenberg, L.; Sattar, S.; Esposito, A.M.; Ziegler, J. *Reinvesting in American's Youth: Lessons from the 2009 Recovery Act Summer Youth Employment Initiative*. Mathematica Policy Research, Inc, 2010.

⁶ Capital Workforce Partners, 2009.

⁷ New York City Department of Youth and Community Development. 2009.

Resources

Seattle-King County Workforce Development Council, Summer Youth Employment Site
<http://www.youthatwork.info/>

Capital Workforce Partners, Employer Participation Guide
<http://www.capitalworkforce.org/documents/cwp-engagement-041410-3.pdf>

New York City's Summer Youth Employment Program
http://www.nyc.gov/test/dycd/html/jobs/summer_youth_employment.shtml

Bellotti, J.; Rosenberg, L.; Sattar, S.; Esposito, A.M.; Ziegler, J. Reinvesting in American's Youth: Lessons from the 2009 Recovery Act Summer Youth Employment Initiative. Mathematica Policy Research, Inc, 2010.
http://www.mathematica-mpr.com/publications/PDFs/labor/youth_employment_program.pdf

“Providing Summer and Year-Round Employment for Disconnected Youth.” National League of Cities, 2009.
http://www.nlc.org/ASSETS/0F84EC3AE25549A6B29D9CE4D6AF7C13/IYEF_Stimulus_Brief_Youth_Employment_041709.pdf

“As Stimulus Funding Fades, Obama Administration Seeks Sustained Investment in Youth Employment.” National Center for Children in Poverty, Mailman School of Public Health, Columbia University, 2010.
www.nccp.org/publications/pub_927.html

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