

# ENSURING ECONOMIC OPPORTUNITIES FOR YOUNG AMERICANS

---

---

## HEARING

BEFORE THE

COMMITTEE ON

EDUCATION AND LABOR

U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

---

HEARING HELD IN WASHINGTON, DC, OCTOBER 1, 2009

---

**Serial No. 111-34**

---

Printed for the use of the Committee on Education and Labor



Available on the Internet:

*<http://www.gpoaccess.gov/congress/house/education/index.html>*

---

U.S. GOVERNMENT PRINTING OFFICE

52-413 PDF

WASHINGTON : 2010

---

For sale by the Superintendent of Documents, U.S. Government Printing Office  
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800  
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

COMMITTEE ON EDUCATION AND LABOR

GEORGE MILLER, California, *Chairman*

Dale E. Kildee, Michigan, <i>Vice Chairman</i>	John Kline, Minnesota, <i>Senior Republican Member</i>
Donald M. Payne, New Jersey	Thomas E. Petri, Wisconsin
Robert E. Andrews, New Jersey	Howard P. "Buck" McKeon, California
Robert C. "Bobby" Scott, Virginia	Peter Hoekstra, Michigan
Lynn C. Woolsey, California	Michael N. Castle, Delaware
Rubén Hinojosa, Texas	Mark E. Souder, Indiana
Carolyn McCarthy, New York	Vernon J. Ehlers, Michigan
John F. Tierney, Massachusetts	Judy Biggert, Illinois
Dennis J. Kucinich, Ohio	Todd Russell Platts, Pennsylvania
David Wu, Oregon	Joe Wilson, South Carolina
Rush D. Holt, New Jersey	Cathy McMorris Rodgers, Washington
Susan A. Davis, California	Tom Price, Georgia
Raúl M. Grijalva, Arizona	Rob Bishop, Utah
Timothy H. Bishop, New York	Brett Guthrie, Kentucky
Joe Sestak, Pennsylvania	Bill Cassidy, Louisiana
David Loebsack, Iowa	Tom McClintock, California
Mazie Hirono, Hawaii	Duncan Hunter, California
Jason Altmire, Pennsylvania	David P. Roe, Tennessee
Phil Hare, Illinois	Glenn Thompson, Pennsylvania
Yvette D. Clarke, New York	
Joe Courtney, Connecticut	
Carol Shea-Porter, New Hampshire	
Marcia L. Fudge, Ohio	
Jared Polis, Colorado	
Paul Tonko, New York	
Pedro R. Pierluisi, Puerto Rico	
Gregorio Kilili Camacho Sablan, Northern Mariana Islands	
Dina Titus, Nevada	
Judy Chu, California	

Mark Zuckerman, *Staff Director*  
Sally Stroup, *Republican Staff Director*

## C O N T E N T S

---

	Page
Hearing held on October 1, 2009 .....	1
Statement of Members:	
Kline, Hon. John, Senior Republican Member, Committee on Education and Labor .....	5
Prepared statement of .....	5
Miller, Hon. George, Chairman, Committee on Education and Labor .....	1
Prepared statement of .....	3
Questions for the record .....	48
Statement of Witnesses:	
Austin, Algernon, director, Program on Race, Ethnicity and the Economy, Economic Policy Institute .....	29
Prepared statement of .....	31
Oates, Hon. Jane, Assistant Secretary for the Employment and Training Administration, U.S. Department of Labor .....	7
Prepared statement of .....	10
Responses to questions submitted .....	48
Segal, Matthew, executive director, Student Association for Voter Em- powerment (SAVE) .....	12
Prepared statement of .....	14
Stoneman, Dorothy, President and Founder, YouthBuild USA .....	18
Prepared statement of .....	20
Additional submissions:	
Ely Flores, "From Violent to Activist" .....	22
Alischa Ann Singleton, Hope Center, Inc., Gretna, LA .....	24
Wayne Whack, YouthBuild Philadelphia Charter School, Phila- delphia, PA, Class of 2006 .....	24
Wilfried Plalum, Youthbuilding Alternatives, Portland, ME, Class of 1995 .....	25
Wilson, D. Mark, principal of Applied Economic Strategies, LLC .....	26
Prepared statement of .....	28



## **ENSURING ECONOMIC OPPORTUNITIES FOR YOUNG AMERICANS**

---

**Thursday, October 1, 2009  
U.S. House of Representatives  
Committee on Education and Labor  
Washington, DC**

---

The committee met, pursuant to call, at 9:58 a.m., in room 2175, Rayburn House Office Building, Hon. George Miller [chairman of the committee] presiding.

Present: Representatives Miller, Kildee, Scott, McCarthy, Kucinich, Holt, Sestak, Loeb sack, Altmire, Shea-Porter, Fudge, Chu, Kline, Petri, Ehlers, Platts, Guthrie, Roe, and Thompson.

Staff present: Aaron Albright, Press Secretary; Tylease Alli, Hearing Clerk; Tico Almeida, Labor Counsel (Immigration and International Trade); Jody Calemine, General Counsel; Lynn Dondis, Labor Counsel, Subcommittee on Workforce Protections; Adrienne Dunbar, Education Policy Advisor; David Hartzler, Systems Administrator; Ryan Holden, Senior Investigator, Oversight; Jessica Kahanek, Press Assistant; Celine McNicholas, Labor Policy Advisor; Alex Nock, Deputy Staff Director; Joe Novotny, Chief Clerk; Rachel Racusen, Communications Director; Meredith Regine, Junior Legislative Associate, Labor; James Schroll, Junior Legislative Associate, Labor; Ajita Talwalker, Education Policy Advisor; Michele Varnhagen, Labor Policy Director; Daniel Weiss, Special Assistant to the Chairman; Mark Zuckerman, Staff Director; James Bergeron, Minority Deputy Director of Education and Human Services Policy; Andrew Blasko, Minority Speech Writer and Communications Advisor; Casey Buboltz, Minority Coalitions and Member Services Coordinator; Cameron Coursen, Minority Assistant Communications Director; Kirsten Duncan, Minority Professional Staff Member; Ed Gilroy, Minority Director of Workforce Policy; Rob Gregg, Minority Senior Legislative Assistant; Richard Hoar, Minority Professional Staff Member; Alexa Marrero, Minority Communications Director; Jim Paretto, Minority Workforce Policy Counsel; Susan Ross, Minority Director of Education and Human Services Policy; and Linda Stevens, Minority Chief Clerk/Assistant to the General Counsel.

Chairman MILLER [presiding]. A quorum being present, the committee will come to order. We are kind of caught between two situations. Both parties, I think, are in caucuses, and we also anticipate relatively early votes, so I would like to go ahead and members will be showing up.

But I would like to go ahead and begin this morning's hearing, the topic of which is ensuring economic opportunities for young Americans. And I want to thank our witnesses for being here and I will introduce you all in a moment.

The Education and Labor Committee meets this morning to examine strategies for ensuring better economic opportunities for young Americans. The summer or part-time job has traditionally been a gateway to future success for generations of Americans.

In fact, every member of the committee can probably look back fondly on the first job at the corner grocery during high school or some other job to put gas money in your pocket every week. In my case, working back-breaking summer jobs at the local refinery helped me pay for college and escape that experience debt free. These job opportunities not only provided me the cash to help pay for school and to save for the first car, but they also give young workers an introduction to what it means to work with others, for others, on a shift and try to make a living.

Unfortunately, these opportunities are scarcer for today's young workers than ever before. One reason may be that workers are retiring later because of the shrinking pension benefits and 401(k) accounts. This means fewer newer opportunities for younger workers because older workers may stay on longer in order to rebuild their retirement security.

The dramatic fall in youth unemployment over the last decade is startling. Sixty percent of 16-to 24-year-olds were employed in 1999; today, fewer than 48 percent have a job—the lowest level since World War II.

This situation is grim, especially when you take into account underemployment. During the first quarter of 2009, workers younger than 25 had an underemployment rate of 32 percent. That is nearly 20 percent higher than workers aged 35 to 54.

The financial crisis has had a severe impact on employment prospects for millions of Americans, not just the young. Indeed, because of the horrible economy, younger workers are now competing with more experienced workers for positions traditionally the domain of the young and less experienced. Until the economy as a whole turns around, younger workers will continue to be hit the hardest.

But the recession has only made a bad situation worse for young workers. The falling overall unemployment rate among younger workers 16 to 24 began more than a decade ago and has declined nearly every year. Even in periods of economic stability, fewer young people do not make the transition to the workforce; they face challenges of completing high school and obtaining skills that they need to succeed.

For these young people, alternative education and job training models provide a critical link to the workplace. Today we will hear about some of these programs and how they are trying to meet the needs of our nation's most vulnerable youth.

Teens looking for summer jobs have been especially hard-hit. The unemployment rate among 16-to 19-year-olds during the summer has increased by 113 percent compared to 10 years ago.

By looking at this data, it is clear that the drop in employment is not just the result of a sudden shock to the system, but part of a larger trend. You cannot ignore the fact that 20 percent fewer

younger workers are participating in the labor market today than in 1999. This tells me that more needs to be done; perhaps we need to rethink strategies to help younger workers find meaningful employment in any economy.

The consequence of reduced work opportunities among young Americans means fewer long-term employment prospects, less earnings, and decreased productivity. Fewer work opportunities also result in higher debt—more student loans, credit card debts, and so on.

If these dramatic trends are not reversed, our nation faces a potential generation of youth disconnected from the employment market. That is why as part of the American Recovery and Reinvestment Act we invested an additional \$1.2 billion to beef up youth job programs, including summer employment opportunities, under the Workforce Incentive Act.

The additional funding of summer jobs has proved successful. In fact, the Government Accountability Office found that most states they reviewed either met or exceeded the state's goals by nearly a quarter of a million summer jobs created.

The House also has approved legislation to make an unprecedented \$10 billion investment to help make community colleges part of our economic recovery. The Student Aid and Fiscal Responsibility Act will help prepare young workers for jobs in the future and build 21st century workforces by strengthening the partnerships among community colleges, businesses, and job training programs that will align community college curricula with the needs of high-wage, high-demand industries.

Today's hearing will also give us an opportunity to look at other programs that serve young workers and look at ways we can expand the program that are making real differences. We will also explore new strategies, some developed by young people themselves, to ensure that younger workers can compete in the job market.

I thank the witnesses for joining us, and at this point I would like to recognize Congressman Kline, the senior Republican on the Education Committee.

[The statement of Mr. Miller follows:]

**Prepared Statement of Hon. George Miller, Chairman, Committee on  
Education and Labor**

The Education and Labor Committee meets this morning to examine strategies for ensuring better economic opportunities for young Americans.

A summer or part-time job has traditionally been the gateway to future success for generations of Americans.

In fact, every member on this committee can probably look back fondly on that first job at the corner grocery during high school that may have put a little gas money in your pocket every week.

In my case, working a back-breaking summer job at the local refinery helped me pay for college and escape debt free.

These job opportunities not only provide needed cash to help pay for school or save for a first car; but, they also give young workers an introduction to what it means work with others on a shift and try to make a living.

Unfortunately, these opportunities are scarcer for today's young workers than ever before.

One reason may be that workers are retiring later because of shrinking pension benefits and 410(k) accounts. This means fewer new opportunities for younger workers because older workers may stay on longer in order to rebuild their retirement security.

The dramatic fall in youth employment over the last decade is startling. Sixty percent of 16 to 24 year-olds were employed in 1999.

Today, fewer than 48 percent have a job; the lowest level since World War II.

This situation is grim, especially when you take into account under-employment.

During the first quarter of 2009, workers younger than 25 had an under-employment rate of 32 percent. That is nearly 20 points higher than workers ages 35 to 54.

The financial crisis has had a severe impact on the employment prospects of millions of Americans, not just the young.

Indeed, because of the horrible economy, younger workers are now competing with more experienced workers for positions traditionally the domain of the young and less experienced.

Until the economy as a whole turns around, younger workers will continue to be hit the hardest.

But the recession has only made a bad situation worse for younger workers.

The falling overall employment rate among young workers 16 to 24 began more than a decade ago and has declined nearly every year.

Even in periods of economic stability, fewer young people do not make the transition to the workforce. They face challenges completing high school and obtaining the skills they need to succeed.

For these young people, alternative education and job training models provide a critical link to the workplace. Today, we will hear about some of these programs and how they are trying to meet the needs of our nation's most vulnerable youth.

Teens looking for a summer job have been especially hard-hit. The unemployment rate among 16 to 19 year-olds during the summer has increased by 113 percent compared to ten years ago.

By looking at this data, it is clear that the drop in employment is not just the result of a sudden shock to the system, but a part of a larger trend.

You cannot ignore the fact that 20 percent fewer younger workers are participating in the labor market today than in 1999.

This tells me that more needs to be done or perhaps we need to rethink strategies to help young workers find meaningful employment, in any economy.

The consequences of reduced work opportunities among young Americans mean fewer long-term employment prospects, less earnings, and decreased productivity.

Fewer work opportunities also result in higher debts—more student loans, credit card debts, and so on.

If these dramatic trends are not reversed, our nation faces the potential of a generation of youth disconnected from the employment market.

That's why as a part of the American Recovery and Reinvestment Act, we invested an additional \$1.2 billion to beef up youth jobs programs, including summer employment opportunities, under the Workforce Investment Act.

The additional funding for summer jobs have proved successful.

In fact, the Government Accountability Office found that most states they reviewed either met or exceeded the state's goals with nearly a quarter million summer jobs created.

The House also just approved legislation to make an unprecedented \$10 billion investment to make community colleges part of our economy's recovery.

The Student Aid and Fiscal Responsibility Act will help prepare young workers for the jobs of the future and build a 21st century workforce by strengthening partnerships among community colleges, businesses and job training programs that will align community college curricula with the needs of high-wage, high-demand industries.

Today's hearing will also give us an opportunity to look at other programs that serve young workers and look at ways we can expand programs that are making a real difference.

We will also explore new strategies, some developed by young people themselves, to ensure that younger workers can compete in this job market.

---

Mr. KLINE. Thank you, Mr. Chairman. Thank you for holding this hearing. I would ask unanimous consent that my entire opening statement be entered into the record—

Chairman MILLER. Without objection.

[The statement of Mr. Kline follows:]



**Prepared Statement of Hon. John Kline, Senior Republican Member,  
Committee on Education and Labor**

Thank you Chairman Miller, and good morning. We're here today to examine economic opportunities for young Americans. Unfortunately, those opportunities seem to be few and far between these days.

The Bureau of Labor Statistics reports that youth unemployment has reached a staggering 25.5 percent. That's the highest level since we began tracking youth unemployment back in 1948.

These figures are daunting. Although not all young people wish to pursue employment, we know that a first job can instill critical values. Jobs breed responsibility and independence. Employment helps young people understand the value of a dollar, and what it means to work and save to pursue their goals.

The economic downturn has hit Americans of all ages and socioeconomic backgrounds. However, young people have been hit particularly hard.

With more than a quarter of young Americans unable to find a job, I expect we'll hear proposals this morning to spend more and do more at the federal level. You see, there's a tendency in Washington to want to throw money at our problems. I understand that reaction, but I don't agree with it.

History has shown that federal spending—and the red tape and regulations that come with it—does not create jobs. More than \$1.2 billion in federal stimulus funding has been spent to help teenagers find employment, yet the youth unemployment rate continues to soar.

Recently, the Government Accountability Office has given us clues as to why that may be the case. For instance, GAO reports significant bureaucratic problems in states' implementation of the stimulus plan. Simply put, bureaucracy is getting in the way of jobs.

The answer is not to throw more taxpayer dollars into the bureaucratic black hole.

Nor does the answer lie in additional federal mandates. Two years ago, the majority increased the national minimum wage. They did it without providing the type of small business relief—health care assistance, for example—that Republicans advocated at the time.

We warned back then that federal mandates on employers often have unintended consequences for workers. Unfortunately, our warnings seem to have come true, as employers find it increasingly difficult to hire young people without work experience at these higher wages.

Certainly, there is an appropriate federal role to promote economic opportunity for all Americans, including youth. For instance, the Workforce Investment Act includes programs that prepare young people for employment and help them secure jobs.

One of the great strengths of the WIA framework is that it is rooted in state and local workforce investment boards—a governance structure that allows states and local communities to nimbly respond to changing labor market conditions and individual job seekers' needs, including the needs of young people.

If we want to expand economic opportunities for young Americans, perhaps we could start by reauthorizing WIA. We have not updated that law in more than a decade—a glaring omission, particularly given our current economic challenges.

We should also focus on educational attainment, helping young people succeed in high school and beyond. An emphasis on youth employment must not overshadow the importance of education in ensuring long-term economic opportunity for the next generation.

Finally, we should foster broader policies that will spur job creation and overall economic growth—proven strategies like tax relief for small businesses, incentives for job creation, and health care reform that will reduce costs for businesses working to create and preserve jobs.

Ensuring economic opportunity is a worthwhile goal, and certainly those opportunities should include young people. I, for one, believe the best place to start is with a positive, pro-growth agenda that recognizes it is American ingenuity and enterprise—and not the federal government—that creates economic opportunity for all.

Thank you, and I yield back.

---

Mr. KLINE [continuing]. And I would like to just briefly summarize a couple of points.

The chairman underscored the problem that we are facing now: We have got over 25 percent unemployment amongst our young people. It is the highest level since 1948. It is an untenable position.

We know that the economy is struggling. It is down in areas we haven't seen for decades. The chairman mentioned that the GAO reported that the stimulus money—the \$1.2 billion—was working.

There is a flip side in that report: It is not working as it should be, and in some places not working at all. In fact, sort of paraphrasing or summarizing, the GAO indicated that in many cases red tape and the bureaucracy is, in fact, getting in the way.

We know that we increased the minimum wage, and there was a great deal of fanfare associated with that but many of us predicted that raising that minimum wage would have an unusually adverse impact on the young people—people teenagers, people trying to get their first jobs. And it is difficult to make such a correlation because of the collapse of the economy, but it seems clear to me that raising that minimum wage did exacerbate the problem for young folks.

There are programs in place—federal programs—which I think we ought to be looking at. The Workforce Investment Act is long overdue to be reauthorized. We ought to look at that. It includes programs that prepare young people for employment and help them find jobs. We ought to be looking at ways of making that more efficient.

I am looking forward to your testimony today. It is a problem that we need to explore. And thank you for attending.

I yield back.

Chairman MILLER. I thank the gentleman. Pursuant to committee rule 7(c) all members may submit an opening statement in writing which will be made part of the permanent record.

I want to welcome our witnesses, and our first witness will be Ms. Jane Oates, who is the assistant secretary of the Employment and Training Administration at the U.S. Department of Labor. Prior to her appointment, Assistant Secretary Oates served as executive director of the New Jersey Commission on Higher Education and senior advisor to Governor Corzine. She also served for nearly a decade as senior policy advisor on workforce development to the late Senator Kennedy.

Assistant Secretary Oates received her B.A. from Boston College and a Master's in education in reading from Arcadia University.

And at this point I think Mr. Holt has something he wants to amend my statement with.

Mr. HOLT. I would only second your statement, Chairman Miller, thank you. And I, too, am pleased to recognize and welcome Jane Oates, a resident of Lambertville, New Jersey, and current assistant secretary for employment and training.

Many on this committee have known of Jane Oates' skills and abilities as we watched her put her skills on display with Senator Kennedy's committee. I have seen her skills and abilities on display firsthand during her tenure as executive director of the New Jersey Commission on Higher Education and as a senior policy advisor to Governor Corzine. She, along with Lisa Jackson and others, have exemplified the very high level of quality of the governor's cabinet in New Jersey.

Jane Oates was a strong proponent of New Jersey's excellent system of higher education and worked with Governor Corzine to make colleges more affordable. She should be proud of her many

accomplishments, including helping shepherd the credit transfer legislation that lets community college students transfer to 4-year universities without paying for duplicate courses, something that veers our committee's work here on the Student Aid and Fiscal Responsibility Act.

And I was particularly pleased with her efforts to reform our state's high school curriculum, sharpening its emphasis on math and science. I think the committee and the whole country are lucky to have her, in her words, as she says, as part of a team that helps America get back to work.

Thank you, Mr. Chairman.

Chairman MILLER. Now I really feel bad, Ms. Oates, because I worked for years to try to get the California state college system to do that, and it has been years, and you just went over there and did it in New Jersey.

Ms. OATES. [Off mike.]

Chairman MILLER. Oh, I feel better then. I don't think the students feel any better, but I—

Mr. HOLT. Mr. Chairman, she is effective.

Chairman MILLER. As opposed to? [Laughter.]

Thank you. Thank you, Mr. Holt. I appreciate that. That is why we have the ability to revise and extend.

I want to reintroduce the rest of the panel. Matthew Segal was the founder and national co-chair of the 80 Million Strong, a coalition of youth organizations committed to addressing the current youth unemployment crisis. Mr. Segal also serves as executive director of the Student Association for Voter Empowerment. Mr. Segal holds a B.A. from Kenyon College.

Dorothy Stoneman is president and founder of YouthBuild USA, a youth community development program. Prior to finding YouthBuild USA in 1990, Dr. Stoneman lived and worked for 24 years in New York City, first as a teacher and later as a—for several community organizations. Dr. Stoneman received a B.A. from Harvard University, and M.A. and Ph.D. from Bank Street College of Education.

D. Mark Wilson is a principal at Applied Economic Strategies. He has served 7 years as deputy assistant secretary for Employment Standards Administration at the U.S. Department of Labor under President Bush. Mr. Wilson received his B.A. from Kent State University and an M.A. from George Washington University.

Algernon Austin directs the Economic Policy Institute's program on Race, Ethnicity, and the Economy. Prior to joining the Economic Policy Institute, Dr. Austin was a senior fellow at Demos, a think-tank, and assistant director of research at Foundation Center. He received his B.A. from Wesleyan University and M.A. and Ph.D. from Northwestern University.

Welcome to all of you. Thank you for taking your time to share your expertise and your thoughts with us.

And Secretary Oates, we will begin with you.

**STATEMENT OF JANE OATES, ASSISTANT SECRETARY, EMPLOYMENT AND TRAINING ADMINISTRATION, U.S. DEPARTMENT OF LABOR**

Ms. OATES. Thank you, Mr. Chairman.

And special thanks to my congressman, Mr. Holt, who I am very proud of. And he made all my work worthwhile while I was there, as did Governor Corzine. Thank you very much.

I want to thank all the members of the committee for holding this hearing. As the ranking member said, this is an important topic and I so appreciate, Mr. Kline, your mention of the Workforce Investment Act reauthorization. We are behind you and we are open to working with this committee to get that done as soon as possible.

Giving young people—in respect for your time I will not read my testimony; I will summarize—but giving young people the opportunity to gain the skills that they need to enter and be successful in the workplace is critical for their future and the future of our nation. The harsh situation for young job-seekers is most felt by low-income youth, and in particular low-income youth of color.

I know that the members of this committee understand the hurdles that these young people face. Every piece of legislation, every speech you give clearly tells the American public that you get it.

Nearly 3 million young people from 16 to 24 are not in school and do not have a high school diploma. At least 1.7 million out-of-work youth are unemployed today and actively looking for work.

They are looking for work without the adequate academic or occupational skills. They are looking for work without a work history and without a support system to help them gain the industry-recognized skills or the degrees that will help them compete.

According to a 2009 study by the Center for Labor Market Studies at Northeastern, the nation's teen labor market has been continuously declining over the last 9 years, establishing, as Congressman Kline said, a new historical post-World War II low level of employment for this age group. And in 2009 we add to their hurdles. Many of their parents and guardians, their grandparents, their aunts and uncles are unemployed, underemployed, or living in fear of losing their jobs.

Through the Recovery Act funds, President Obama and this Congress resurrected a standalone summer employment program this summer. The recovery dollars provided subsidized work opportunities to over 280,000 young people.

Governors, mayors, and workforce staff worked on a very short timeline to organize a program that had not been funded by the federal government in over 10 years, and in my opinion they did a remarkable job. At a time when private sector employers were dealing with downsizing and struggling to stay in business, they opened their doors to young people to show them the value and dignity of work, to give them a boost or sometimes a start to a resume that will be the foundation of their future.

The impact of this experience is difficult to fully capture. While we can tell you the numbers, only the young people can tell you how this one job this summer opening their eyes and their minds.

I got the chance to meet with some of them, and for those young men and women with whom I met—and I am sure you had the same experience—it was a profound experience. Economists argue, and I am not going to get into that argument, that for every dollar—I am sure my colleagues on the panel will—for every dollar a

teen earns it has an accelerator of \$3 in the local economy. I will leave that to them to refute or prove.

But what I can tell you is, I brought three binders with me. I have 30 binders of letters that were sent to the President this summer by young people without any push from any adult to thank him and thank you for this experience.

When I met with them and I read these letters, I can tell you that they are all kinds of kids. They were 14 to 24, they were white, they were African American, they were Latino, they were Asian. I met with them and they told me some of them had stayed in school and some of them had dropped out; some of them had been incarcerated and some of them were just without a clear path.

They had no direction for how to get from where they were that day to where they aspired to be. But in their words, what did they learn this summer?

They learned that work was hard, but once you learned how to do it your job got easier. They learned that people are nice to you on the job. They learned that the more you know the more you get paid, and that the skills on the job are related to the stuff they learned in school.

People at the workplace measured and did math. People at the workplace wrote and edited each other's writing. And when you forgot to put something on a list or in a memo then somebody else on the job couldn't do their job.

And everyone told them to take the hard courses. Everyone told them to take math and science. Everyone told them that staying in school was easier than going back and getting your GED and that going to college quite simply meant you got paid more.

They learned how to dress; they learned how to act; they learned how to get to work on time; and they learned that if you miss work your job doesn't get done and you let your team down.

Some loved their jobs. They wanted to go there and work there as an adult. And some of them learned they never wanted to do that job again and it was the only reason they would stay in school.

And what did they do with their money? Some of them gave it to their parents to help pay bills. Some of them told me—many of them, in fact—told me that their parents are afraid of losing their houses or losing their apartment.

Many of them bought clothes for themselves, and some told me they bought those clothes for younger siblings. Some of them told me that they spent the money on movies and McDonald's. And many of them told me they were using the money to buy gas for their car or to buy a used car so that they could go to the community college that fall.

The summer employment program was not perfect. I admit that. But it was an amazing effort that yielded important results. It put money into local economies and it taught these young people, at least the ones that I met with and the ones that I got the copies of the letters from, it gave them a huge life lesson.

We are taking a serious look at the lessons we learned with this summer program. If given the gift of a program in 2010, I am here to tell you we will present wider opportunities. We will help local areas more efficiently recruit, screen, and manage their program.

And we will give them a better chance to customize the jobs they offer young people with their aspirational levels.

When I meet with them, it is important for me to tell you that the first thing they do is thank you. They ask me to thank the Congress and thank the President because they tell me that I am the closest they are going to get. And I turn back and tell them, “Not if you keep going to school. You will be in my job and in better jobs.”

Thank you so much for this opportunity, and I look forward to your questions.

[The statement of Ms. Oates follows:]

**Prepared Statement of Hon. Jane Oates, Assistant Secretary for the Employment and Training Administration, U.S. Department of Labor**

Good morning, Chairman Miller and Members of the Committee. Thank you for extending the invitation to appear before the Committee to discuss youth employment—an issue with critical implications today, as well as for our nation’s economic future.

America’s youth often face significant barriers to education and employment. Our schools struggle to keep young people engaged; and we applaud the efforts of Secretary Duncan to focus on high school reform and on ensuring that all students are prepared for education beyond high school and careers. However, the Department of Labor shares a responsibility to increase the number of youth attaining degree and certificates, to re-engage out of school youth and to connect the learning in school with opportunities in the job market. According to Northeastern University’s Center for Labor Market Studies published in August 2009, “The nation’s teen labor markets have been in a steep, nearly continuous decline over the past nine years, establishing new historical, post-World War II lows during the past three summers” and teens will continue to face declining employment rates through 2010. It is important that we focus on our economic future by ensuring that young people are prepared for, and have opportunities to experience, the world of work.

Secretary of Labor Hilda L. Solis has articulated a clear vision to guide our work—“good jobs for everyone.” To achieve this goal, young people need to acquire the work-readiness skills and knowledge to prepare them to succeed in a knowledge-based economy. Ensuring that all young people are well-prepared for postsecondary education and the workforce is a critical factor for their future. It is not always easy for youth to find good jobs on their own. Young workers historically have the poorest employment prospects, and those prospects are worse during difficult economic times. Current data indicate that there are a number of challenges facing America’s youth.

According to the U.S. Census Bureau, Current Population Survey, 2009 Annual Social and Economic Supplement data, approximately 5.3 million 18- to 24-year olds are living in poverty. In addition, according to Bureau of Labor Statistics Employment and Earnings April 2009 data:

3 million youth ages 16 to 24 years are not in school and do not have a high school diploma;

4.3 million out-of-school youth ages 16 to 24 who have not gone on to college are not working; and

1.7 million out-of-school youth ages 16 to 24 who have not gone on to college are unemployed and looking for work.

President Obama is committed to addressing the challenges facing youth, both in school and out of school. To reach his goal of being first in the world in college completion by 2020, we must keep students on track to graduation, raise graduation rates, and ensure students who have disengaged have opportunities to re-connect to education and jobs. Blending work and learning makes education relevant and helps to prepare youth for successful careers. In addition, the President supported providing additional funds to provide work experience opportunities and other employment services to our country’s youth through the American Recovery and Reinvestment Act of 2009 (Recovery Act).

The Workforce Investment Act (WIA) Title I youth formula program allocates funds to state and local areas to deliver employment and training services to low-income youth ages 14 to 21 years who face barriers to employment. Through the Recovery Act, the Department of Labor invested an additional \$1.2 billion in WIA youth formula funds to provide subsidized work opportunities to over 280,000 low-

income youth as of the end of August 2009. The Recovery Act also allowed ETA to increase the age of eligibility for youth services to 24 years of age and support other services to this population.

By the end of August 2009, approximately \$400 million of Recovery Act youth funds had been spent, a majority of which supported summer youth work experiences. In line with President Obama and Secretary Solis' belief that green jobs will be a key driver of America's economic revitalization and sustained economic stability, ETA encouraged summer youth programs to develop work experiences that would expose young people to jobs in the emerging "green" economy. For example, in Philadelphia, Pennsylvania, many youth received a combination of postsecondary training with worksite experiences in green jobs. Some of these youth participated in a partnership with Temple University, which provided them with Environmental Research Internships and experience working with researchers in the field. In another project run by Congreso de Latino Unidos and Harcum College, 40 youth were exposed to training and work experiences that promoted energy efficiency.

Local workforce areas across the country met the challenge to implement summer youth employment programs in an extremely limited timeframe. By the end of August, over 280,000 youth had participated in summer employment funded by the Recovery Act. The Government Accountability Office (GAO) recently completed a review of the implementation of the WIA summer youth program funded under the Recovery Act. GAO found that states were generally successful in serving increased numbers of youth despite having only four months to get the program running. Most states met or exceeded their target numbers for youth to be served by mid-August. However, GAO also found limited instances where local areas faced challenges in implementing summer programs, including determining and documenting youth eligibility and failing to pay youth on time. The Department is working to address these issues. GAO had two recommendations for the Department. First, they suggested that we provide further guidance on what constitutes a green job and, second, that we provide more clarity on work-readiness outcomes. We always appreciate GAO's work and continue to use their suggestions for improvement.

The Department is encouraging exposure to green industries, including green construction, through all DOL youth programs—YouthBuild, Job Corps, and the WIA formula program—as well as Registered Apprenticeships, which can provide a pathway for youth into good jobs. While the Job Corps program is not currently administered by ETA, it provides an important strategy for serving youth, and the Department has proposed to move the administration of the Job Corps program into ETA prior to the start of Program Year 2010 to foster a comprehensive approach to youth programs. The Recovery Act funding has enhanced our efforts in these areas with youth programs and will continue to impact our curriculum.

For example, the Recovery Act provided \$50 million for YouthBuild in the current and upcoming program years. YouthBuild provides job training and educational opportunities for low-income or at-risk out-of-school youth ages 16 to 24. They acquire academic and work-related credentials while constructing or rehabilitating affordable housing for low-income or homeless families in poor communities. The YouthBuild program creates opportunities to re-engage out-of-school youth in education, skills training, and leadership development while serving their community.

About 20 YouthBuild programs are far ahead of the curve in providing training in green construction techniques, and knowledge and use of sustainable building materials. We believe that these experiences will help young participants compete for jobs in a changing construction sector.

In addition, the Department has introduced a new Apprenticeship Training Program, designed specifically for YouthBuild to support the transition of our young people into apprenticeship opportunities. In Portland, Oregon, the YouthBuild program created a registered apprenticeship with the Laborers Union to train its students in weatherization skills, and created green career tracks in several fields for its YouthBuild graduates in partnership with Portland Community College.

In order to maximize the effect of services to young adults, it is critical that we work with the Department of Education to build a solid foundation to support career pathways for all youth. The reauthorization of WIA presents an opportunity to build programs across funding streams to accelerate our progress. The Departments of Labor and Education have already been working to articulate a framework for discussion on WIA reform. While the Administration has not yet put forth formal reauthorization principles, the Department has held many listening sessions with stakeholders concerning WIA reauthorization. Here are some of the ideas we the agencies have about how best to serve at-risk youth:

Exploring strategies that integrate compensated work activities and education.

Emphasizing programs that are "proven" (through rigorous evaluation) or "promising" (based on a record with positive outcomes and operation to scale).

Partnerships among the workforce system partners and secondary and postsecondary school systems. For example, State and locally-based employers, criminal justice systems, various social service providers, and others should be engaged to provide services to meet the wide variety of needs of at-risk youth.

The collection of accountability performance measures that recognizes gains over time, avoids the selection of participants based on anticipated performance success, while serving those with employment needs.

Serving in-school and out-of-school at-risk youth, aged 16-24, including: 1) young people in high school who are off track and at high risk of dropping out—especially those with poor reading or math skills; 2) youth who have already dropped out; and 3) high school graduates with poor skills who have failed to obtain jobs, noting these categories are fluid as individuals move in and out of school.

Simplifying program eligibility and creating a convenient and easy ways to access programs.

Sharing data related to State certification tests and other performance measures across Federal departments and programs; and supporting States in improving interoperable data systems that help identify strategies to increase student persistence and completion and better meet the needs of the labor market.

We are actively encouraging WIA youth program investments that address the needs of the hardest-to-serve youth, including a specific focus on high school dropouts and out-of-school youth disconnected from education and work. We need to develop strategies for serving these youth that include a strong academic focus with an opportunity to obtain a high school diploma or its equivalent and transition into alternative education and career pathways.

Finally, we need to direct resources to high-quality research and evaluations of youth programs. The Department is committed to rigorous evaluations and it is important that we use findings from research and evaluations to identify and disseminate successful strategies and promising practices, be brave enough to discontinue programs and approaches that are not working, find ways to improve existing programs, and create successful models or blueprints for replication. The Department is currently investing in a rigorous evaluation of the YouthBuild program as well as an implementation evaluation of the youth programs funded through the Recovery Act to better understand how these programs work and inform policy making. In addition, the Department is interested in data that will help us understand the long-term effects of youth training programs. In the FY 2010 budget request, the Department requested \$15 million for the new Workforce Data Quality Initiative which will leverage Department of Education investments to support the development of longitudinal data systems that track individuals' progress through the education system and into the workforce; a significant increase for ETA's research and evaluation, and a \$5 million Department-wide evaluation initiative.

Research is quite clear that this recession has had a huge impact on young people seeking employment. It was critical that we intervened in summer 2009 by providing summer employment experiences and other services for youth. The lessons we all learned in our first jobs made lasting impressions on our decisions about work over the course of our lifetime. For this generation of young people, the education and skills that they need to fully engage in meaningful work is fundamental to their success and the future of our country.

This concludes my prepared remarks, and I would be pleased to answer any questions you may have.

Chairman MILLER. Thank you.

Mr. Segal, welcome.

**STATEMENT OF MATTHEW SEGAL, FOUNDER AND NATIONAL  
CO-CHAIR, 80 MILLION STRONG**

Mr. SEGAL. Thank you. Thank you, Mr. Chairman—

Chairman MILLER. You know, I didn't explain—I am sorry I didn't explain the light system for people who haven't testified before, but almost everybody has. It is green, orange with a minute to go, and red when you should wrap up. Thank you.

Mr. SEGAL. Thank you, Chairman Miller, Ranking Member Kline. My name is Matthew Segal and I am the executive director of the Student Association for Voter Empowerment, otherwise known as SAVE. I am also a founder and national co-chair of the



80 Million Strong for Young American Jobs Coalition, which has organized nearly 30 nationally leading youth organizations to tackle the staggering rate of unemployment, increasing cost of a college education, and growing debt our generation faces.

Co-chaired by SAVE, the Roosevelt Institute Campus Network, and Mobilize.org, our aim is to engage and direct our economic future by discussing the financial challenges of today's workers, proposing solutions to these challenges, and packaging these recommendations into legislative proposals at the federal, state, and municipal level. Born after 1980, the millennial generation is 80 million strong, as a demographic, and more than 23 million of us voted in the 2008 election.

As my fellow panelists have exhibited and will exhibit, the statistics are dire. Youth unemployment is over 18 percent, income averages are shrinking, especially for young minorities, and the prospect of affording a higher education is becoming more of a dream and less of a reality.

As some economists have put it, we 20-somethings are the first generation likely to be less better off than our parents. So on July 14th and 15th in the U.S. Capitol Visitors Center, our coalition assembled over 100 diverse young people from more than 30 states around the country for a 2-day summit focused on addressing many of these stark statistics. Numerous members of Congress spoke with our coalition and we worked collaboratively to endorse various policy platforms that will create jobs and economic opportunities for the 80 million members of the millennial generation.

As one of our summit participants who recently received a dual after having been on the dean's list throughout college stated, "Our first instinct is not to complain. We went to college to get a job and not to add to the nation's unemployment statistics."

And like our summit participant, our coalition is not here today to complain. We came together because we want to contribute to the next stage of America's prosperity and we have ideas on how to do so.

Our proposals center on four areas: increasing entrepreneurship resources, student debt reform, access to public service careers, and the creation of mission-critical jobs that tap young talent. Study after study shows that young people are more inclined to engage in public service than ever before.

For instance, 441,000 more young adults volunteered in 2008 than in 2007, but as internships become more of a prerequisite and less of a distinction with over three-quarters of employers saying that they are more likely to hire graduates with prior internship experience, millions of Americans are forced to forego public service every year because of the low or nonexistent wages associated with it. This economic divide is exemplified by students whose parents can afford to subsidize an internship versus those who cannot.

Mr. Chairman, representative democracy depends on the participation of all of its citizens, and disallowing the majority of young people to serve their government because of financial hardship means condoning a discriminatory system. One way Congress could exhibit its commitment to socioeconomic diversity among interns is through the creation of a fellowship program that would place at

least one paid intern in every congressional office to increase access for qualified, need-based young people.

Using the D.C. minimum wage standard of \$7.25 an hour combined with a 40-hour work week, a government intern would get \$2,900 in stipends for a 10-week long internship. This can be implemented in all 435 congressional offices for 52 weeks a year for approximately \$6.5 million, giving over 2,250 young Americans the unprecedented active citizenship opportunity to work in their government.

We also support increased scholarships funding and training programs for critical sectors of the economy, such as the health care industry. Every 8 seconds one of 78 million baby boomers will turn 60 years old, and young people want to take—we young people want to take responsibility for our parents' and grandparents' health by providing them with the quality and professional care that they deserve.

An estimated 200,000 nursing positions unfilled at U.S. hospitals and nursing homes, and we are ready to fill this shortage, but investment in training programs is necessary so that those without 4-year college degrees can also enter the nursing and physician assistance field.

Finally, green jobs are not only a must in terms of protecting our environment, but they can also reinvigorate the middle class by providing thousands of new career opportunities to workers who are traditionally left behind. We applaud many of the workforce revisions in the American Clean Energy and Security Act and encourage the House to introduce a version of the Green Collar Youth Jobs, Education, and Training Stimulus Act, Senate bill sponsored by Senators Murray and Stabenow, which gives appropriations to DOL to provide youth with education, paid jobs, and training in vocations such as the weatherization and energy retrofitting of low-income homes and buildings.

In closing, we are confident that many of these proposed programs will help pay for themselves many times over again in the strong middle class they build, unemployment gap they fill, and market value they create. We look forward to working with the members of this committee to achieve nothing less. Our futures depend on it.

I thank you for the opportunity to testify and look forward to your questions.

[The statement of Mr. Segal follows:]

**Prepared Statement of Matthew Segal, Executive Director, Student Association for Voter Empowerment (SAVE)**

Chairman Miller, Ranking Member Kline, I thank you for the opportunity to present testimony today.

My name is Matthew Segal and I am the executive director of the Student Association for Voter Empowerment, otherwise known as SAVE. A national non-profit organization founded and run by young people, our mission is to bring young Americans into the political process by eliminating barriers to electoral participation and encouraging youth-led policy solutions that address significant national challenges. Currently, SAVE represents a constituency of over 10,000 students with chapters on more than 35 college campuses across the country.

I am also a founder and national co-chair of the 80 Million Strong for Young American Jobs coalition, which has organized nearly 30 nationally leading youth organizations to tackle the staggering rate of unemployment, increasing cost of a college education, and growing debt our generation faces. Co-chaired by SAVE, the

Roosevelt Institute Campus Network, and Mobilize.org, our aim is to engage and direct our economic future by discussing the economic challenges of today's young workers, proposing solutions to these challenges, and packaging these recommendations into legislative proposals at the federal, state, and municipal level. Born after 1980, the millennial generation is 80 million strong as a demographic, and more than 23 million voted in the 2008 election.<sup>1</sup>

Mr. Chairman, the current economic crisis is disproportionately affecting young Americans, digging a hole that will place a long-term burden on our generation as we attempt to build a stronger future workforce. Among the many national and global challenges today's 20-somethings face, we are the first generation likely to be less better off than our parents. In order to reinvigorate our economy, we must overview the scope of the problem while identifying new fields, industries, or career pathways that shape a robust 21st century labor force.

According to the July 2009 Bureau of Labor Statistics, 4.4 million youth (ages 16-24) were unemployed, up nearly 1 million from the previous year. The youth unemployment rate stood at 18.5 percent, the highest July rate on record since 1948, and roughly double the national average. Among African American youth, unemployment was 31.2 percent, while for Latinos it stood at 21.7 percent. In terms of summer jobs, the national employment population for teenagers (ages 16-19) was a record low 28.9 percent.<sup>2</sup>

Income is also shrinking. According to Demos, the average earnings of full time workers ages 25 to 34 are lower today than they were a generation ago, except among women with college degrees. And young men without a college education are earning 29 percent less than they did in 1975. Income disparities in recent years are also acute—as typical incomes for White young adults are 25 percent higher than African Americans and 30 percent higher than Latinos. Nearly 18 percent of 18-24 year olds are living below the official poverty line.<sup>3</sup>

The cost of an education is also contributing heavily to our generation's economic hardship. Two thirds of students holding a bachelor's degree graduate with more than \$20,000 in debt, twice as much as a decade ago. Law and medical school graduates have it even worse, with roughly \$76,000 and \$155,000 dollars of debt respectively. Approximately 23 percent of freshman borrowers drop out of school because of debt; and the college enrollment gap between Whites and African American students is 10 percentage points, while the gap between Whites and Latino students is 17 percentage points.<sup>4</sup> Employers expected to hire 22 percent fewer new grads from the college Class of 2009 than they actually hired from the Class of 2008, and an additional 7 percent fewer graduates are expected to be hired from the Class of 2010 according to the National Association of Colleges and Employers (NACE).<sup>5</sup>

Mr. Chairman, on July 14th and 15th in the Capitol Visitors Center in Washington, DC, we assembled over 100 diverse young people from more than 30 states around the country for a two day summit focused on addressing many of these stark statistics. Numerous members of Congress, including some members of this committee, such as Mr. Hinojosa, spoke with our coalition, and we worked collaboratively to endorse various policy platforms that will create jobs and economic opportunity for the 80 million members of the millennial generation.

Our proposals center on four areas: increasing entrepreneurship resources, student debt reform, access to public service careers, and the creation of "mission critical" jobs that tap young talents. Because several of our entrepreneurship ideas are more salient to the House Committee on Small Business and because we are thrilled that the House of Representatives recently passed the Student Aid and Fiscal Responsibility Act, our recommendations today will mainly focus on increasing public and civil service opportunities in mission critical industries.

Recent data shows that young workers and students are highly compelled to engage in public service more than ever before. As President Obama reinvigorated the Kennedy call to service throughout his campaign, over 441,000 more young adults (ages 16-24) volunteered in 2008 than in 2007, representing an increase from about 7.8 million to more than 8.2 million. And since Congress passed the Serve America Act several months ago, there has also been a 217 percent increase in applications to AmeriCorps programs.<sup>6</sup>

While this data is quite encouraging, there is more that can be done to establish volunteer to career pathways. Millions of Americans forego public service every year because of low or non-existent wages associated with it, and a mounting issue of social stratification is propagating with regards to civil service and internships. For instance, the salary for AmeriCorps varies between \$7,640 and \$15,280 per year, placing participants well below the poverty line.<sup>7</sup>

A recent New York Times article from August 8, 2009 also discussed the growing number of college graduates whose parents are paying thousands of dollars to services that will help them accrue a summer internship. One of the featured internship

providers, University of Dreams, charges \$8000 per person, guaranteeing an 8 week internship placement with dorm housing in New York City. The Washington Center, here in our nation's Capitol, charges participants a \$5,195 program fee in addition to a \$60 application fee. If students choose to pay \$3,395 for 10 weeks of pre-arranged housing, which more than 90 percent do, the final cost amounts to \$8,650. These figures also do not include weekend meal costs or any entertainment expenses, both of which add hundreds of dollars to the price of an internship.<sup>8</sup>

An economic divide is exacerbating between students whose parents can afford to subsidize an internship vs. those whose cannot. Yet internships are becoming more of a prerequisite and less of a distinction by the day. This is because students with internship experiences have a clear leg up in getting hired upon graduating. According to the National Association of Colleges and Employers, more than three-quarters of employers say they would prefer to hire new college graduates who have relevant work experience such as an internship.<sup>9</sup> Additionally, according to the career website Vault, roughly 90 percent of college students plan to complete an internship before graduating, even though about half of all internships are unpaid.

As Anya Kamenetz from the New York Times notes, "Lost wages and living expenses are significant considerations for the two-thirds of students who need loans to get through college. Since many internships are done for credit and some even cost money for the privilege of placement overseas or on Capitol Hill, those students who must borrow to pay tuition are going further into debt for internships."<sup>10</sup> And in a difficult economy, internships without pay are becoming the norm for the 80.3 percent of young adults who graduate college without a job.<sup>11</sup>

Above all, and at its core, this is also an issue of representation. Representative democracy depends on the input, perspective, and experience of all of its citizens, not just the privileged few. If the majority of young America is saddled with debt in order to work pro-bono, or prevented from the active citizenship experience of serving their government because of financial hardship, then we are condoning a discriminatory system. This is not to mention the homogeneity we are institutionalizing or the diversity, qualifications, or incredible talent we are not tapping. Ironically, it is the citizens who need representation the most who currently are the least likely to access these civil service or internship opportunities.

Although there have been some significant reforms in the right direction such as the \$1.2 billion in the economic recovery package to help find jobs or part time work for those aged 14-24, our coalition also proposes the following:

1. One way the Congress could exhibit its commitment to socio-economic diversity among interns is through the creation of a fellowship program that would place at least one paid intern in each congressional office to increase access for qualified, need-based young people. Using the District of Columbia's minimum wage standard of \$7.25 an hour and a 40-hour workweek, a government intern could get \$2,900 for a ten-week long internship. For less than 1.3 million dollars, this can be implemented in every congressional office. If this program was continued for all 52 weeks a year in every congressional office, it would cost approximately 6.5 million dollars, while giving over 2,250 young Americans the unprecedented active citizenship opportunity to work in their government.

2. Another way to ensure economic opportunity for low income Americans who wish to seek advanced degrees is by creating incentives for them to help pay for school in return for service. Fortunately, there is an existing amendment that has passed in conjunction with the Higher Education Opportunity Act that seeks to do this. The John R. Justice Prosecutors and Defenders Incentive Act of 2008 directs the Attorney General to repay student loans for borrowers who agree to remain employed, for at least three years, as federal, state or local criminal prosecutors or public defenders. It also allows a borrower and the Attorney General to enter into an additional loan repayment agreement, after the required three-year period, for a successive period of service paying back a borrower up to \$10,000 per calendar year and \$60,000 total. Unfortunately however, we have not seen any appropriation towards this platform. We are pleased to see that this committee backed significant workforce investments in HR 3200 for aspiring medical students as well, such as increased funding for the National Health Service Corps, which is similar to the John R. Justice provision, only applied to medical students.

3. We support increased scholarships, funding, and training programs for new mission critical health care industry jobs. Since every 8 seconds, one of 78 million Baby Boomers will turn 60 years old, geriatric care will create a wealth of jobs to those with proper training. This area is an excellent way to show that the Millennial Generation is ready to accept responsibility from the Baby Boomers and provide them with the quality and professional geriatric care that they deserve. Electronic medical records, which will increase efficiency in the medical community, can also provide young American jobs both in the IT sector and for medical professionals.

Creating jobs in preventative medicine, which will lead to better healthcare and decreased cost, is another way to adapt to a changing healthcare climate in a manner that will increase opportunities for Millennials. While we need to create jobs, we also need to ensure that the job shortages that exist are filled. Currently, there is a shortage of nursing jobs. An estimated 116,000 registered nurse positions are unfilled at U.S. hospitals and nearly 100,000 jobs go vacant in nursing homes.<sup>12</sup> The average age of a nurse is 47 years old.<sup>13</sup> Young Americans are ready to fill this shortage, but we need more investment in training programs so that those without 4 year college degrees can also enter the nursing and physician assistance industries. Increasing the payment of nursing faculty is an imperative step in achieving this. According to a 2006 survey by The Nurse Practitioner, the average salary of a master's prepared nurse practitioner is \$72,480. By contrast, the American Association of Colleges and Nursing (AACN) says master's prepared nursing faculty earn an annual average salary of \$55,71. AACN also reports that U.S. nursing schools in 2005 turned away 41,683 qualified applicants to baccalaureate and graduate nursing programs and nearly three-quarters—73.5 percent—of these nursing schools blamed faculty shortages for such rejections.<sup>14</sup>

4. We support creating new mission critical jobs in cyber security fields. A recent study by the Partnership for Public Service found broad agreement among federal officials and outside experts that the government has a cyber security workforce problem—a serious shortage of technically sophisticated professionals capable of combating the growing cyber threat from hackers, criminals, foreign governments and terrorist organizations. Congress should lead a campaign to encourage universities to offer, and students to pursue, cyber security educational programs. Congressional funding should also be increased to expand scholarships in computer science and cyber security in return for a commitment to government service.

5. Green jobs are not only mission critical in terms of protecting our environment, curbing pollution and making our infrastructure more sustainable and energy efficient, but they can also reinvigorate the middle class by providing thousands of new career opportunities to workers who are traditionally left behind. We applaud many of the workforce provisions in the American Clean Energy and Security Act, such as the Green Construction Careers Demonstration Project, which will provide grants to low income communities that train workers in clean energy, including wind, solar and geothermal fields. It will also provide training in recycling and waste reduction, water and energy conservation, and sustainable agriculture and farming. We additionally encourage the House to introduce a version of the Green Collar Youth Jobs, Education, and Training Stimulus Act, a senate bill sponsored by Patty Murray and Debbie Stabenow. This legislation gives appropriations to the Secretary of Labor to provide youth with education, paid jobs, and training in green-collar industries, including the weatherization and energy retrofitting of low-income homes and buildings.

6. We propose establishing a youth innovation fund. The Serve America Act allocated \$50 million dollars for FY2010 for the creation of a social innovation fund. The fund makes grants to existing grant making institutions which must be matched by the institution. The groups then make subgrants to different non-profit organizations to support proven initiatives or promising innovations in low-income communities. We propose a youth innovation fund that would provide grants specifically to young entrepreneurs who launch socially conscious or community development ventures.

We are confident that many of these proposed programs will pay for themselves many times over again in the strong middle class they build, unemployment gap they fill, and market value they create by spurring healthier, safer, and better educated career pathways. We also know that there are many other fields or industries to grow career opportunities, but what I have stated today reflects the specific ideas of our young membership. Working with the non-profit sector to match government funds is always an effective means of partnership—and we similarly encourage many philanthropists and corporations to direct their gifts towards programs that encourage workforce investment in order to build a more vibrant, 21st century economy.

Mr. Chairman, Mr. Ranking Member: I thank you again for the opportunity to testify here today and welcome any questions.

#### ENDNOTES

<sup>1</sup> <http://www.civicyouth.org/?p=323>

<sup>2</sup> <http://www.bls.gov/news.release/youth.nr0.htm>

<sup>3</sup> <http://www.demos.org/publication.cfm?currentpublicationID=2C71F2BC-3FF4-6C82-5C6F2D4C190AA787>

<sup>4</sup><http://www.demos.org/publication.cfm?currentpublicationID=2C71F2BC-3FF4-6C82-5C6F2D4C190AA787>

<sup>5</sup><http://www.naceweb.org/press/display.asp?year=&prid=297>

<sup>6</sup><http://www.volunteeringinamerica.gov/assets/resources/VolunteeringInAmericaResearchHighlights.pdf>

<sup>7</sup><http://www.indeed.com/salary/Americorps-Member.html>

<sup>8</sup><http://www.nytimes.com/2009/08/09/business/09intern.html>

<sup>9</sup><http://www.naceweb.org/press/display.asp?year=&prid=294>

<sup>10</sup><http://www.nytimes.com/2006/05/30/opinion/30kamenetz.html>

<sup>11</sup><http://www.naceweb.org/press/display.asp?year=&prid=306>

<sup>12</sup><http://www.reuters.com/article/domesticNews/idUSTRE5270VC20090308>

<sup>13</sup><http://findarticles.com/p/articles/mi-m0FSL/is-4-78/ai-108967612/>

<sup>14</sup><http://www.physorg.com/news79205125.html>

Chairman MILLER. Thank you.  
Dr. Stoneman?

**STATEMENT OF DOROTHY STONEMAN, PRESIDENT AND  
FOUNDER, YOUTHBUILD USA**

Ms. STONEMAN. Chairman Miller, Ranking Member Kline, I am honored to testify and I am also delighted to be in the company of Assistant Secretary Jane Oates, because we work very closely. I am the founder and president of YouthBuild USA, which is a national nonprofit organization which has supported the development of the 226 local YouthBuild programs in the United States and has worked toward the evolution of its becoming a federal DOL program.

Since its first authorization in 1992, 84,000 low-income young adults have produced 18,000 units of affordable housing in America's poorest urban and rural communities. DOL's YouthBuild program is the only federal program that offers disconnected young adults an immediately productive full-time role in the community while also providing equal measures of basic academic education toward a diploma or a GED, skills training toward a decent-paying job, leadership development toward civic engagement, adult mentorship and counseling toward overcoming personal problems, and participation in a supportive mini-community with a positive set of values.

It attracts the most disadvantaged youth and produces a reliable shift in their values, attitudes, skills, and personal identity. The YouthBuild network is also adapting rapidly to meet the needs of the changing labor market and economy, teaching green construction skills while building energy-efficient homes and positioning its graduates as a workforce prepared to weatherize and retrofit public and private housing. Some YouthBuild programs are also innovating by multiplying career paths to include health care and technology.

YouthBuild programs welcome the most disadvantaged youth. Ninety-three percent enter without a diploma; 73 percent are young men; 78 percent young people of color; 100 percent poor; 40 percent have been court-involved. Many are gang affiliated; most have virtually no family support.

Yet just about half of them radically changed their lives. A Brandeis University study of 800 YouthBuild graduates up to 7 years after graduation found that 75 percent of them were either in college, which none of them expected to be when they joined YouthBuild, or in jobs averaging \$10 an hour.

Sixty-five percent said they expected to live longer—an average of 32 years longer. Graduates often say, “Without YouthBuild I would probably be dead or in jail. Instead I am in college, I have a job, I am taking care of my children, I aim to own my own home. I love YouthBuild. It changed my life.” I have been hearing this for 30 years.

In YouthBuild programs, how does it actually work? The young people split their time evenly. They alternate weeks: a week in the construction site, a week in the YouthBuild alternative school. The alternative school has small classrooms, individualized attention—nothing like what they experienced prior to that. They alternate a week in the classroom and a week in the school, they are paid minimum wage for their time building homes, and increasingly these are built green.

YouthBuild creates a small, manageable, community-based community of 30 to 200 students with a high staff-to-student ratio. And if you ask the students why does it work, they all say reliably, “It is the staff. They care about me. The teachers, they care that I learn. Nobody ever cared about me like this before. I came here looking for a job or a GED, and instead I found a family and a future.”

As a result, they develop a deep desire to give back and they become a positive force. As YouthBuild graduate Antoine Bennett once said, “I used to be a menace to my community, and now I am a minister to it.” And 10 years ago he was—or 15 years ago he was in prison; now he is the executive director of a job training program in Sandtown, Baltimore.

The act of building homes for people who need them, being seen as a hero instead of a hoodlum, changes their identity. They love being the ones who are doing something good instead of something bad. They are on the streets with tool belts instead of drugs. For the first time their grandparents are proud of them.

Other young people ask, “How can I do what you are doing? How do I get into YouthBuild?” And as a result, in every community two to 10 times as many young people are lining up at the door as there is funds to let them in.

Now, there is a formula for success, which I don’t have time to outline, that has 12 components of this program that have to be in place for it to work. Every YouthBuild program is run by a non-profit, community-based organization or local public agency with deeply rooted leadership.

Some of them are autonomous agencies, like a community development corporation; some of them are local affiliates of Urban League, YMCA, the CORE Network. The entire system operates as a dynamic public-private partnership with national direction from DOL and YouthBuild USA and local roots, linking the power of government with the creativity of social entrepreneurs.

Our goal is to open the doors of YouthBuild to every young person knocking. The Obama administration and our champions in Congress have pointed the way to expand from 10,000 young people a year to 50,000. That would be a great thing.

A recent study showed every dollar spent on a court-involved youth in YouthBuild provided a return on investment of a minimum of \$10.80, and up to \$43, and that the return on investment

for getting a high school dropout back on track to a high school diploma is at least \$300,000. It is an investment worth making.

My written testimony has four testimonies from young people. That is really what you should read to get the deeper spirit of YouthBuild. One of those testimonies is written by Wayne Whack, from YouthBuild Philadelphia, and I am happy to have some YouthBuild students here with me.

Thank you very, very much.

[The statement of Ms. Stoneman follows:]

**Prepared Statement of Dorothy Stoneman, President and Founder,  
YouthBuild USA**

Chairman Miller, and Senior Republican Member Kline, thank you for inviting me to testify today. My name is Dorothy Stoneman. I am the president and founder of YouthBuild USA, a national non-profit organization which has guided the development of the YouthBuild network of more than 225 local programs that act in collaboration to improve their outcomes and impact. I started the first YouthBuild program in East Harlem 30 years ago, and have since participated in its evolution to a federal DOL program enabling tens of thousands of young people to rebuild their communities and their own lives.

Since 1992, when the first federal YouthBuild authorization was passed, 84,000 YouthBuild students have produced 18,000 units of affordable housing in over 225 of America's poorest urban and rural communities, while pursuing a high school diploma or GED, and preparing for college or for careers in construction, and internalizing the values and skills to serve as good citizens.

*A Unique Program*

DOL's YouthBuild program is the only federal program that provides disconnected young adults an immediately productive role in the community while also providing equal measures of basic education toward a diploma or GED, skills training toward a decent paying job, leadership development toward civic engagement, adult mentorship toward overcoming personal problems, and participation in a supportive mini-community with a positive set of values. It attracts the most disadvantaged youth, and produces a reliable shift in their values, attitudes, skills and personal identity.

The YouthBuild network is also adapting rapidly to meet the needs of the changing labor market and economy, teaching green construction skills while building energy-efficient homes and positioning its graduates as a workforce prepared to weatherize and retrofit public and private housing. We were very proud in March when First Lady Michelle Obama joined us on the Mall to celebrate YouthBuild's 30th Anniversary and witness our Green Training Academy.

Some YouthBuild programs are also innovating by multiplying career tracks beyond construction to add health care and technology, developing systems to support graduates through to the acquisition of post-secondary credentials, and under the guidance of the Department of Labor and the AFL-CIO developing a formal course that will enable graduates to step fully prepared into union apprenticeships.

*Background Data*

YouthBuild programs welcome the most disadvantaged youth: 93% without a diploma; 40% adjudicated; 73% young men; 78% Black, Latino, or Native American. All are poor; many have been gang affiliated; most have almost no healthy family support. Yet just about half of those who enroll in YouthBuild radically change their lives.

A Brandeis University study of 800 YouthBuild graduates up to seven years after graduation found that 75% were either in college or employed at jobs averaging \$10/hour. 65% said they expected to live longer as a result of YouthBuild—an average of 32 years longer. In fact, most disconnected young men do not expect to live beyond age 25. Graduates often say, "Without YouthBuild I would probably be dead or in jail. Instead I am working, going to college, taking care of my children, aiming to own my own home. I love YouthBuild. It changed my life."

*How and Why YouthBuild Works*

In YouthBuild programs low-income 16 to 24 year olds enroll full-time for about a year. They split their time evenly between the YouthBuild alternative school where they work toward their GED or diploma in a highly individualized and supportive classroom, and the construction site where they build affordable housing for



homeless and low-income people under skilled supervisors, often union journeymen, who teach them the skills they need to succeed at work. They generally alternate a week in the classroom with a week on the construction site. They are paid minimum wage for their work building homes. Increasingly these homes are built green and the students are obtaining industry-recognized certifications and learning the skills to be employed in the new green economy.

At the same time, students are offered personal counseling to help solve all manner of personal problems. They are members of a supportive community of peers and adults dedicated to each other's success. They internalize the ethic of service and are given leadership roles. They recite a daily pledge to become responsible caring leaders who respect others as they would like to be respected. For most, it is the first time they have experienced a safe, healthy, supportive, goal-oriented community that respects their inherent value and draws out their talents. There are many very talented young people who have lost their way, and who can become a real resource to their communities if offered the right opportunities to take charge of their lives.

YouthBuild creates small manageable communities of 30 to 200 students, with a high staff to student ratio. If you ask the students why YouthBuild worked for them, they always say, "It's the staff and the teachers. They care about us. They teach us how to act. They give us structure and help us set our own goals, and they show us that they really care that we succeed. Nobody ever cared about me like this before. I came to YouthBuild looking for a job and a GED, but I found a family and a future."

We encourage the staff to show they care by doing things that will surprise the students. For example, when a student doesn't show up, someone will call him, or go knock on his door. When a student is found through random drug testing to be using drugs he will be taken off the construction site and required to get counseling. When a student has to go to court for an offense committed prior to enrollment, a staff member will go with him, and maybe take a group of students dressed in suits to demonstrate social attachment to a respectable group. When he is applying for college, someone will drive him there and if necessary pay the application fee. When he is going for a job interview, someone will make sure he has the proper attire.

As a result, YouthBuild students develop a deep desire to give back. They want to help others as they have been helped. They become a positive force. As YouthBuild graduate Antoine Bennett once said, "I used to be a menace to my community; now I am a minister to it." Sure enough, Antoine is now the executive director of a local job training program in Sandtown, Baltimore; ten years ago he was in prison for a violent crime.

The act of building homes for people who need them, being seen in the community as a hero instead of a hoodlum, changes their identity and relationship to society. They love making a difference. They love being the ones who are doing something good instead of something bad. They are on the streets with tool belts instead of drugs. For the first time in their lives their grandparents are proud of them and their neighbors admire them. Other young people ask, "How can I do what you are doing? How can I get into YouthBuild?" It's contagious. The result is that in every community 2 to 10 times as many young people apply as can be accepted, purely through word of mouth. In North Philadelphia 1,000 young people apply annually for just 200 openings. Where will the other 800 go? There are precious few options. I have watched them leave the waiting room, crying.

#### *The Formula for Success*

What attracts disconnected young people to YouthBuild is the comprehensiveness of the program coupled with the philosophy of profound respect for their intelligence and inherent value. The necessary program components are as follows:

- 1) a way to resume their education toward a high school diploma and college;
- 2) skills training toward decent-paying, family supporting jobs;
- 3) an immediate, visible role contributing to the community that gains them respect from family, neighbors and adults generally;
- 4) stipends or wages to sustain themselves and their children;
- 5) personal counseling from admired and deeply caring adult role models, some of whom have the same background as the young people, who are committed to the young people's success, who also firmly challenge self-defeating behavior and attitudes;
- 6) positive peer support with an explicit value system strong enough to compete with the streets;
- 7) a mini-community to belong to that stands for something they can believe in and in which everyone is committed to everyone else's success;

8) a role in governance, participating in making important decisions regarding staff and policies in their own program;

9) leadership development and civic education that provide a vision of how they can play an important role in the neighborhood and society by changing the conditions that have harmed themselves and the people they love, and that gives them the skills to do so;

10) assistance in managing money and building assets, as in scholarships, and personal budgeting;

11) linkages and placements with colleges and employers; and

12) support after graduation that goes on, sometimes for years, as a member of a supportive community.

These program elements need to be implemented with profound respect for the intelligence and value of the young people, as well as for their culture. This comprehensive set could be adopted by many other programs for youth beyond YouthBuild.

YouthBuild as an Example of a Public-Private Partnership for Social Innovation

Each YouthBuild program is run by a non-profit community-based organization or local public agency with deeply rooted leadership and commitment to community development in America's poorest communities. Some of them are autonomous agencies and some are local affiliates of large national non-profits like Goodwill, YMCA, Urban League, or the United Way. The entire system operates as a dynamic public-private partnership, with national direction from DOL and YouthBuild USA and local roots, linking the power of government with the creativity of social entrepreneurs to create solutions to social problems. The non-profit entities bring private funds into the system to generate innovation and flexibility. Most of the major private foundations have supported innovation in the YouthBuild network. The YouthBuild network is a well developed model of what will be created by the Fund for Social Innovations authorized in the Edward M. Kennedy Serve America Act.

#### *Goals*

YouthBuild USA's goal is to open the doors of YouthBuild to every youth that is knocking and provide the resources to every community-based agency competent to sponsor a YouthBuild program. Over 1,800 communities have applied for YouthBuild funds and thousands of young people are turned away each year. The Obama Administration and our champions in Congress have proposed a steady expansion of YouthBuild to 50,000 young adults per year. I ask your help in making that possible through a steady increase in the YouthBuild appropriation. DOL's YouthBuild program received \$120M in FY'09; to reach 50,000 youth/year it will need \$1B. It does cost about \$20,000 per full year per student, but this includes wages for the housing they produce, and is still less than the other full-time options for out-of-school youth: less than the military, college, Job Corps, or prison. The return on investment is enormous. One recent study by Professor Mark Cohen documented that every dollar spent on a court-involved youth in YouthBuild provided a return on investment of at least \$10.90. This is an investment worth making.

Attached are testimonies from YouthBuild graduates that will give you the full picture.

Thank you very much for your support over the years.

---

#### *Youth Testimonies*

#### **From Violent to Activist**

By ELY FLORES

As a child, I was abandoned by my father and I grew up in both south Hollywood and South Central L.A.—in a under resourced, oppressed community where more youth are sent to prisons rather than rehabilitation programs. Our mothers were so overwhelmed they could do little to prevent us young men from searching for meaning on streets that led straight to prison or death. Violence was my learned resolution for all the challenges I faced. Like many young people who grow up in poor, disenfranchised communities with few opportunities, I lived by the law of “dog eat dog” and “survival of the fittest”.

I raised my fists in violence over nothing. Maybe someone made fun of my shoes or clothes. Perhaps someone talked negatively about my mother, brother, or sister. Perhaps someone challenged my so called “man hood.” A fight was always the conclusion. Where I'm from, being scarred and bruised was like wearing military stripes or medals won on a battlefield. Whenever the pain was too much to bear, a dose of Marijuana relieved me. The older gangsters found it fun to pit a kid

against another kid by instigating little disagreements that devolved into a fight. Violence was normal. It was entertainment and to us kids, it seemed normal.

Violence plus the lack of resources made it easy for me and other kids to pursue fantasy lives—to emulate gangster lifestyles and drug dealing. My brother and I slipped into that, too. I've been in situations where I was forced to fight individuals for "claiming" (stating) their membership to another gang that we did not get along with. My anger and violence led me to use weapons; to hurt people. I conditioned myself not to care whether or not my victim ended up in the hospital or dead. The same rules my homies and I lived by, also ruled the people I thought of as my enemy.

One of the experiences that changed my life was when one of my homies was shot dead at the age of 14. He used to be a skate boarder. He always promised that he'd never join a gang. But one day peer pressure—and a lack of other options—got the best of him. He joined the local gang. A month later he was shot and killed next to my Grandmother's house. The cycle continued with years of retaliation.

Life stories alike mine are common amongst poor and disenfranchised youth everywhere in the U.S. First we begin to hang out with gangs and eventually this road takes us to places like prison, drug addiction, and homelessness and for some death.

As I began developing my consciousness about social issues, I asked myself, "Why are there so many poor people in prisons and especially black and brown people? And why do they keep going back? Is it the people's fault, the community's fault, or the parents?" Then I realized that I was trying to come up with answers from an oppressed and deficit perspective. Of course there has to be some accountability for the people but accountability also must lie with institutions that contribute to the issue and don't help solve this issue.

South Central LA is already a poor community but continuously prisons and police continue the criminalization of many colored communities. I agree that there needs to be law enforcement and incarceration for the extreme but I also believe that there needs to be an equal amount of resources, programs, jobs and rehabilitation coming to the community as police, incarceration, and the building of more prisons.

As my life turned into a gang life style, incarceration followed. For four years I was going in and out of prison. Some people say I was just a knuckle head but I say that the mission statements of jails that claim to rehabilitate people skipped me. I was never given any resources to better my life or those of my community. I had to go hunt and find resources out of my community because there weren't any in mine. I was hungry for a change but jail and probation officers never believed me. I found organizations like the Youth Justice Coalition and LA CAUSA YouthBuild that believe in the empowerment of young people to better their lives and their communities.

LA CAUSA YouthBuild, an affiliate of YouthBuild USA, and a grantee of the US Department of Labor's YouthBuild program, introduced me to a life of positive transformation, self accountability, and leadership. They offered me resources with the only cost of bettering myself. I participated full-time and earned my GED, while I learned job skills by building affordable housing for homeless and low income people while they offered me personal counseling, positive role models, a safe environment, and leadership skills. I even earned an AmeriCorps education award. They offered me resources that jails and probation officers never did. They offered me a key to open a door to a new road. A road that would forever change my life.

Because of that key they offered me, I became an activist. Because of that key, I have developed a passion for community work and helped numerous people in diverse and challenging communities. That opportunity that is rarely given to people was given to me and has enabled me to become an expert in the field of Youth Development, Leadership development, and Community Organizing and has allowed me to train others across this nation. That opportunity and handing of resources has given me congressional recognition by Hilda Solis and recognition from the city of Los Angeles. That recognition has even given me the opportunity to fly to Israel and devote my time to try and build peace amongst Israeli and Palestinian Youth. Imagine that; an ex gang member, drug addict and ex criminal that now offers his life and time to serve for the cause of peace and the people.

I want you to imagine for a minute that me, Ely Flores of Los Angeles, CA, the person that stands in front of you today, was never given that key for transformation. What would have I become? A long term prisoner, a wanted felon or just another city and national statistic of incarcerated people of color. Your guess is as good as mine. But that key was given to me by a group of colored people that looked like me, that created an organization that offered me resources and empowerment in East Los Angeles and deterred my direction of destruction towards a direction of productivity. The resources to give me that key came from the federal govern-

ment, thanks to decisions of legislators like you, who decided to fund the federal YouthBuild program. The problem is, that the 226 YouthBuild programs that have been created with federal funds and serve just 8,000 youth a year are turning away many thousands of young people like me every year for lack of funds, and 1,000 organizations have applied to the federal government for YouthBuild funding and most have been turned away for lack of funds. This is a sin and a tragedy, as I think of the young people coming behind me who will not have the opportunity I have had.

I urge you all to offer keys of transformation to the thousands of youth and adults with a potential like mine. With the potential to become agents for change to their communities and the future of this nation. Think about my story and use it as proof that change is possible in communities dominated by the gang culture if you just provide and offer well-designed and well-managed resources and opportunities to communities in poverty. Equalize resources and opportunities to those of the rising prison systems. Be the producers of those keys that will open thousands of doors of hope, doors of transformation, and doors of change to people like me.

I thank you for your time and always keep in mind that it is possible for a gang member to become a productive member of society and it is possible for a gang member to become an agent for positive change. Thank you.

---

### **Alischa Ann Singleton**

Hope Center, Inc., Gretna, LA

Hi, my name is Alischa Ann Singleton and I'm a 20-year-old proud participant of the YouthBuild program of Hope Center, Inc.

My future was so promising. I was a senior in high school with some of the best opportunities awaiting me. Hurricane Katrina came and I lost sight of what was most important. Katrina totally destroyed my home and made me feel hopeless. After the storm things were really tough so I decided to take on a job to help out with my circumstances. The job I took on was during school hours and I really needed this job to help out with my siblings. So I decided to drop out of school. At that time I felt I was making the best choice for my family.

Before enrolling in the program at Hope Center, my life was headed for destruction. I was working a dead end job that was paying me minimum wage. I felt like I could work my way up to the position I wanted at work but my spirit would not let me settle for just a job. Something inside of me said that I needed to go back to school, so that I could fulfill my dreams. I did not want to be the person who could have made it, but didn't. So I made up my mind that no one was going to stop me from achieving my goal.

One day I was at home thinking about how I can make a change in my life and then I heard the Hope Center being broadcast on the radio. They were saying that they were giving young teens a second chance to finish their high school education. At that very moment something inside of me said that this was my second chance to make myself and my community proud.

So because of Hope Center's YouthBuild Program I have completed my high school education. I'm becoming a positive leader in my community, and I'm on my way to college. This program has given me so much. Hope Center's YouthBuild has helped me realize that no matter what you've done in your past, that there's always a chance to better your future. Hope Center has made me a better person. My perspective about my community and life has matured. Through this program I can honestly say that I'm proud that I'm a part of it.

Due to Hope Center's YouthBuild program I'm in a position where I've been offered a job upon graduation. I give thanks to everyone that's a part of the organization and for giving me the opportunity to give back to my community even though I'm not rich and famous.

---

### **Wayne Whack**

YouthBuild Philadelphia Charter School, Philadelphia, PA, Class of 2006

As I reflect back on my experience at YouthBuild Philadelphia Charter School, I am reminded of the process that I went through to become a student in the program. The high school I attended before gaining acceptance at YouthBuild was not meeting my needs. The support in the school was lacking, as was the sense that you were even cared about as a student. The caliber of the teachers was sub par; they would hand out crossword puzzles rather than give the students work to do during the period. To top it off, each class had about 38 to 40 students, which was very distracting. Most of the teachers approached the students as if the students

knew why they were there and were expected to teach themselves. There was also a lack of supplies for the students and this was a huge turn off. Due to these factors, I stopped attending class because I felt I needed more and deserved more.

I learned of YouthBuild Philadelphia and began to pursue the acceptance process. Being a student at YouthBuild allowed me to have the level of comfort to let my guard down. Initially, I entered the school under the pretense that the school “owed” me something and that I was entitled to whatever services that were offered. It was not until becoming further acquainted with the school and the staff that I realized that the program was all about uplifting me as a person. I discovered how to become a learner at YouthBuild. I discovered that there were talents that existed inside of me that were not able to be brought to the surface elsewhere. I wanted to become a part of Youth Congress, editor of the yearbook, etc., because other schools simply did not have the opportunities for me to grow and expand. The biggest thing about YouthBuild, however, is the genuine love and dedication that the staff exudes. As a student you feel cared for, nurtured, valued and are pushed to become the best you can possibly be. The support that I received from the staff members enabled me to become a strong, capable, and efficient student.

Since graduating in 2006, I have been able to give back to YouthBuild Philadelphia through an internship and by assisting various department programs within the school. This has allowed me to have a behind the scene glance as to how the school and personnel are solely dedicated to the mission at hand. Part of me wishes all of the students could have a behind-the-scene moment in order to witness all of the hard work and commitment that goes into each day to ensure that the students get the best education they can. I have witnessed that it is not just a “job” to the staff at YouthBuild, it is a calling. As a graduate, I made a promise to myself that I would keep in touch with the school. The school constantly speaks of YouthBuild as a family and it truly is. It is a very positive thing for me to stay in contact and I consider YouthBuild my family. I chose to participate in Youth Congress because I want to remain on the scene with the program. I talk with people on Facebook who are former students, and I am constantly looking to engage myself in YouthBuild activities. My sister and cousin are currently students here because I could not imagine not passing this experience on to others. I wanted to introduce my new family to my blood family so that their lives could forever be enriched and changed like mine.

In closing, the future of YouthBuild is not only bright because of the personnel and the way in which the staff are seemingly handpicked to guarantee the right people are teaching and working in the program. But it is also bright because of the vision of a new-found movement entitled A Thousand Leaders. This movement is in place to bring forth a thousand leaders of YouthBuild students from all over the country to help enhance the vision and the drive of the mission. It will be my honor and duty to be a voice within the National Alumni Council and bring to the forefront all of those students that will speak for the cause. There are leadership qualities and capabilities in everyone and nothing will please me more as a YouthBuild alum than to encourage and support those students that can stand with me and lead for a stronger and better YouthBuild.

---

### **Wilfried Plalum**

Youthbuilding Alternatives, Portland, ME, Class of 1995

YouthBuild has helped shape my life for the last thirteen years. The oldest of seven children, I came to the US not by choice but as part of the lost boys of Sudan. Both my parents were killed in the civil war in 1997. My parents were refugees when I was born, and when they were repatriated to Sudan, another war had begun. I was eleven. By the time I was seventeen years old I had lived in displacement camps inside Sudan, jailed by the government in Khartoum, escaped and lived in refugee camps in Uganda and Kenya, and after years in the camps I finally came to the US in 1994.

While playing soccer, I met one of the YouthBuild staff who introduced a group of us to the program where I immediately enrolled and got my GED and got a certificate in construction. In my country of origin I was unable to complete my education and in total, only ten years of school were completed. After program completion I was awarded an AmeriCorps scholarship which encouraged me to apply to college and in 1997 was enrolled at the University of Maine, where I graduated in 2002 with a BA in International Relations. Upon graduation, I returned to Portland, Maine, where I volunteered as a community leader in the Sudanese community and have been helping Sudanese file for green cards, teaching citizenship classes, being an adult education volunteer teacher, establishing youth soccer teams, helping write

resumes, helping Sudanese women get their drivers permits, and most importantly helping them file for financial aid and college applications and college tours. In 2004 I volunteered for the Kerry Campaign where I did a voter registration drive and most importantly, I voted for the first time in my life!!

After working as a Refugee and Immigrant Children's Case Manager for a year I decided to enroll in a Masters Intensive Program at Southern New Hampshire University School of Community Economic Development. Thanks to the Helene D. Stoneman scholarship and an IDA account, YouthBuild USA helped pay part of my first and second semesters at Southern New Hampshire University.

After eighteen years, I returned to south Sudan to start a youth development project modeled after YouthBuild. It engages war-affected youth ex-combatants in reconciliation, conflict resolution, and reconstruction of the country through building and construction while, at the same time, getting basic education, job training, and leadership practice and entrepreneurship. Initially, the pilot project was for fifteen students but it has since been overwhelmed with more than it can absorb.

While in south Sudan, I volunteered as a high school teacher teaching evening classes. As a research assistant I helped establish the office of South Sudan Human Rights Commission, and I helped prepare the budget and strategic plan for the Commission, among other things.

In this past election, I helped in registering new voters from my community who voted for the first time. Currently, I keep in touch with the local YouthBuild program where the staff act as mentors to me in my daily life. What is stated above would not have been possible without YouthBuild, to whom I offer all the credit of my success and of many other youth in the program that continues to touch many in different shapes and forms. It is also one that can give hope to youth in post-conflict Sudan and the world over that we can be productive and be part of "change we believe in."

---

Chairman MILLER. Would the YouthBuild students just stand up so the members of the committee might recognize you? Thank you for being with us today. Thank you. [Applause.]

Thank you.  
Mr. Wilson?

**STATEMENT OF D. MARK WILSON, PRINCIPAL, APPLIED  
ECONOMIC STRATEGIES, LLC**

Mr. WILSON. Chairman Miller, Ranking Member Kline, and distinguished members of the committee, the current state of the labor market for young Americans is not very good. Since August—well, I should say, over the past 4 months young Americans have lost an average of 165,000 jobs per month, compared to a loss of 94,000 jobs a month from January through April.

And the employment rate for young Americans is at an historical low level. About the only good thing you can say is that this group typically has a shorter duration of unemployment and that over time eventually things will get better.

Although I understand the desire to include funding for a summer jobs program in the stimulus package, the hasty passage of the bill and its implementation resulted in duplicative standalone programs in many areas that, according to a recent GAO report, resulted in a number of unnecessary startup problems, and we may never know if the program was effective or not.

For example, many states and local areas had difficulty determining and documenting the youth eligibility, particularly for older youth, and some local areas did not always verify participants' eligibility or collect the necessary documentation. In one state, GAO found that less than 42 percent of the participants were placed in summer employment activities, and in one city none of the youth received any academic training through the summer program.

Perhaps most troubling, the GAO also found that one city had significant internal control problems with paying youth and 20 percent of the participants were either owed a paycheck or were not paid on time. Further, the GAO found that the methodologies used to measure the effectiveness of the program varied widely, calling into question the comparability and usefulness of the performance measures. Although many program officials believe that the summer program was successful, measuring actual outcomes has proven challenging and may actually reveal very little about the effectiveness of the program.

Recent increases in the minimum wage have also reduced economic opportunities for young Americans. A decade after Card and Krueger's book, "Myth and Measurement," the preponderance of economic research on the minimum wage supports the consensus view held prior to 1995 that a 10 percent increase in the minimum wage reduces the employment opportunities for young Americans by 1 to 3 percent. This research suggests that the 40 percent increase in the minimum wage over the past 3 years has reduced the job opportunities for teenagers by 12 percent, or about 750,000 jobs.

Young minimum wage workers usually earn low wages because they lack skills and experience. When they become less employable because the minimum wage rises, their loss goes well beyond the wages that they are not earning; they also lose the opportunity to gain skills that would allow them to move up the career ladder without the need for a job training program.

The purpose of the Workforce Investment Act and the youth program is to provide low-income youth with the services that lead to successful employment and higher earnings. However, previous studies of job training programs raise serious questions about their effectiveness.

Moreover, an evaluation of this summer's job training program is not expected to be completed until 2011, and a rigorous evaluation of the WIA youth programs is not expected to be completed until 2015. Before Congress expands these programs with large funding increases or enacts new youth programs, it should reauthorize WIA and address the issues that have arisen in that program since its enactment. Without knowing how effective the current youth programs are, Congress should proceed very carefully.

Finally, in the long run the best way to ensure economic opportunities for young Americans is to improve the quality and rigor of K through 12 education. That will reduce the need for remedial education and job training programs in the future. Policymakers at all levels should be promoting the value, and dignity, and the importance of trade occupations.

And finally, community colleges should be working very closely with all of the employers in their area. Reducing marginal income taxes, payroll taxes, and keeping them as low as possible will increase the economic growth and job opportunities for all Americans, both young and old.

Thank you, and I will be happy to answer any questions you might have.

[The statement of Mr. Wilson follows:]

**Prepared Statement of D. Mark Wilson, Principal of Applied Economic Strategies, LLC**

Chairman Miller, Ranking Member Kline, and distinguished members of the Committee: The current state of the labor market for young Americans is dismal. The labor force participation rate for 16 to 24 year olds is at its lowest level since the Vietnam War and the employment rate is at an historic low of 47.2 percent. In August, the unemployment rate for this group stood at 18.2 percent, its highest level since 1983, and close to the record high of 19.0 percent set in 1982. Over the past four months (May to August), young Americans have lost an average of 165,000 jobs per month, compared to a loss of 94,000 jobs per month from January to April. About the only good thing you can say is that this group typically has a shorter duration of unemployment than older workers and over time these numbers will improve.

*Serious Problems with the Stimulus Package*

Although the Workforce Investment Act (WIA) Youth Program requires state and local workforce investment boards to include a summer employment component in their year-round programs, after the stimulus package was enacted the Department of Labor issued guidance indicating that local areas could implement stand-alone summer youth employment activities with the \$1.2 billion provided in the bill. According to a recent Government Accountability Office report this unnecessary and costly duplication led to a number of start-up problems. For example, many states and local areas that no longer offered a stand-alone summer program had difficulty determining and documenting youth eligibility, particularly for older youth, and some local areas did not always verify participants' eligibility or collect the necessary documentation. Moreover, in one state the GAO found that less than 42 percent of participants were placed in summer employment activities, and in one city none of the youth received academic training through the summer youth employment programs funded by the Recovery Act.

Perhaps most troubling, the GAO also found that one city had significant internal control problems with paying youth and 20 percent of the participants in its summer youth program were owed a paycheck or were not paid on time. The GAO also found problems with employers when participants reported to work for the first time. Some participants were left stranded because their prospective employers had pulled out of the program, others employers had asked for more workers than they needed and sent participants back to the workforce board.

Finally, the stimulus package only required that a work readiness measure be used to assess the effects of the summer-only youth employment activities, and under DOL's guidelines, states and local areas were permitted to determine their own methodology to make this assessment. The GAO found that the methodologies used to measure work readiness varied widely, calling into question the comparability and the usefulness of the performance measure when rolled up to the national level. While many program officials, employers, and participants GAO spoke with believe the summer youth activities were successful, measuring actual outcomes has proven challenging and may reveal little about what the summer activities actually achieved.

*Increasing The Minimum Wage Reduced Economic Opportunities for Young Americans*

A decade after Card and Krueger's book, *Myth and Measurement: The New Economics of the Minimum Wage*, the preponderance of economic research on the minimum wage supports the consensus view held prior to 1995 that a 10 percent minimum wage increase reduces the employment of teenagers and other low-skilled workers by 1 to 3 percent. This research suggests that the 40.8 percent increase in the minimum wage over the past three years, from \$5.15 to \$7.25 per hour, has reduced the job opportunities for teenagers by 12.2 percent, or 746,000 jobs; with the last increase in July 2009 leading to further reductions in the hiring rate for teenagers this past summer.

Young minimum wage workers usually earn low wages because they lack skills and experience. When the minimum wage forces employers to pay higher wages, they are more likely to substitute higher-skilled and productive workers for lower-skill workers, particularly when labor markets are very weak.

When young Americans become less employable because the minimum wage rises, their loss goes beyond the wages they are not earning. They also lose the opportunity to gain the skills that would allow them to move up the career ladder. Minimum-wage jobs are often entry-level positions that teach inexperienced workers the skills that make them more productive employees and enable them to earn more, without the need for job training programs. Skills like how to interact with cowork-



ers and customers have to be learned on the job, and minimum-wage jobs provide young workers the opportunity to learn these skills.

If Congress is really interested in ensuring economic opportunities for young Americans, it will refrain from raising the minimum wage for quite some time.

*Federally Funded Job Training Programs Are Expensive*

Increasing job training programs can be a costly way to train young adults. For example, this past summer's job training program cost an average of \$4,000 per participant compared to an average of \$2,400 for one year of community college classes. On average, the WIA youth programs cost an average of \$3,700 compared to an average of \$6,200 for one year at a public university. And the most intensive youth program, Job Corps, costs more than some four-year private schools.

*Reauthorize and Fix WIA Before Expanding Job Training Programs*

The purpose of the WIA youth program is to provide eligible low-income youth with services that lead to successful employment and higher earnings. However, previous studies of job training programs raise serious questions about their effectiveness. For example, a 2003 evaluation of the Quantum Opportunity Program found it did not increase the likelihood of graduating from high school, going on to college, entering an apprenticeship, or going into the military. Nor did the program increase employment and earnings outcomes. And the Summer Training and Education Program had no lasting effects on the educational attainment, employment, or welfare participation of participants 2 to 3 years after the program.

Moreover, an evaluation of this summer jobs program is not expected to be completed until 2011, and a rigorous evaluation of the WIA youth program is not expected to be completed until 2015. Before Congress further expands these programs with large funding increases or enacts new programs, it should reauthorize WIA and address the issues that have arisen since its enactment. Without knowing how effective the current WIA youth programs are Congress should proceed very cautiously.

*The Long-Term Solution*

In the long-run, the best way to ensure economic opportunities for young Americans is to improve the quality and rigor of K-12 education, which will reduce the need for remedial education and job training programs in the future and provide a better basic skill-set for the future workforce. Policymakers at all levels should be promoting the value, dignity, and importance of the trade occupations; and our current job training system should encourage community colleges to work very closely with all employers in their area. Finally, reducing marginal income tax rates and payroll tax rates and keeping them as low as possible at both the corporate and individual levels will increase economic growth and create more private sector jobs for all Americans both young and old.

Mister Chairman, this concludes my prepared remarks. I will be happy to answer any questions that you or the Members of the Committee may have.

Chairman MILLER. Thank you.  
Dr. Austin?

**STATEMENT OF ALGERNON AUSTIN, DIRECTOR OF THE RACE, ETHNICITY, AND ECONOMY PROGRAM, ECONOMIC POLICY INSTITUTE**

Mr. AUSTIN. Good morning Chairman Miller, Ranking Member Kline, and members of the committee. I am honored to speak with you today about ensuring economic opportunities for young Americans.

Today, young Americans face a particularly difficult labor market, but the difficulties are not simply due to this recession. Even during the low unemployment year of 2000 the job market for youth was significantly worse than for older workers. While the youth employment picture is bad generally, it must be noted that it is even worse for Hispanic American and African American youth.

High unemployment rates for young workers have both short-and long-term negative effects. Current research suggests that the labor

market consequences of graduating from college in a bad economy are large, negative, and persistent. Thus, when thinking about ensuring opportunities for young Americans, we need to think about what can be done to help them recover from the negative effects of this recession even a decade or 2 into the future.

What can be done to increase the economic success of America's youth? I have four fairly simple recommendations: number one, provide broad labor market education to high school students; number two, link job training to jobs; number three, increase the educational attainment of America's youth, particularly Hispanic and Black youth; number four, provide adequate financial aid for older college students.

Number one, provide broad labor market education to high school students: More than a decade ago Ray Marshall, the former secretary of labor in the Carter administration, stated that "we have no systematic processes to assist high school graduates to move smoothly from school into employment." Unfortunately, this statement is still largely true today.

About 60 percent of today's youth, the majority of young Americans, will not obtain a college degree. Who educates these youth about their job options and the world of work?

Students tend to learn about jobs from friends and family. This means there is tremendous variation in the quantity and quality of information that students receive. Typically, students from more advantaged backgrounds receive better information. In order to begin to level the playing field, education about the labor market should be part of the formal high school curriculum.

Number two, link job training to jobs: The common criticism of job training programs is that they often provide training for non-existent jobs. The Registered Apprenticeship program provides on-the-job training, and thus is the ideal jobs training program.

The Registered Apprenticeship program should be expanded into nontraditional areas outside of manufacturing and construction. Other jobs training programs should also be designed for jobs that actually exist.

Number three, increase the educational attainment of America's youth, particularly Hispanic and Black youth: Current research suggests that the choice of a college can decrease or increase the likelihood that a particular student obtains the college diploma. A study of Chicago public school graduates found that the average student's likelihood of graduating varied dramatically depending on the college attended.

The six most popular in-state colleges graduated Chicago public school students at a rate of 26 percent. Less popular in-state colleges, however, had a Chicago public school graduation rate of 46 percent—20 percentage points higher.

High school students should be educated about the importance of considering the college graduation rate in choosing a college. It is a small step that has the potential to have a big effect on college graduation rates.

Number four, provide adequate financial aid for older college students: The recession will have lasting negative economic effects on young workers. The economic success of young workers will be af-

affected by the amount of opportunities they have to acquire additional education and training over their lifetime.

In 2007, 20 percent of students pursuing and undergraduate degree were over 29 years old. Over time we are seeing fewer and fewer college students who fit the traditional stereotype. We have to adapt the financial aid resources that we provide for college students to match this increasingly age-diverse population.

Thank you. I am happy to answer any questions.  
[The statement of Mr. Austin follows:]

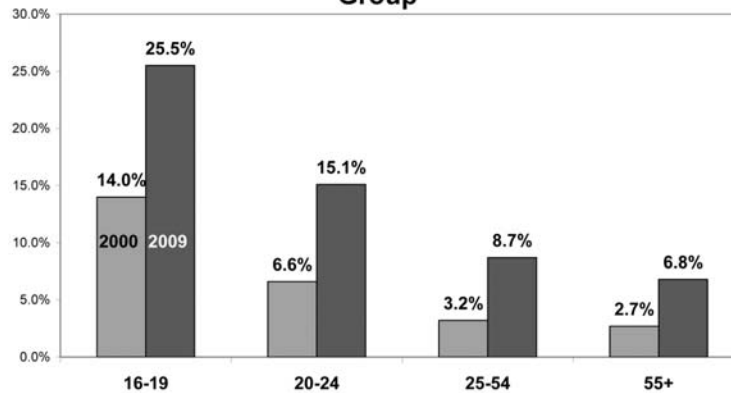
**Prepared Statement of Algernon Austin, Director, Program on Race, Ethnicity and the Economy, Economic Policy Institute**

Good morning, Chairman Miller, Ranking Member Kline, and members of the committee. I am honored to speak with you today about "Ensuring Economic Opportunities for Young Americans."

The current recession is taking a toll on all Americans, but young Americans face a particularly difficult labor market. In August of this year, the unemployment rate for young workers under 25 years old was significantly higher than for older workers. The unemployment rate for workers 25-to-54 years old was 8.7%. For 20-to-24 year olds, the August unemployment rate was 15.1%. For 16-to-19 year olds, it was 25.5%. (See Figure 1.) Even youth who have recently completed college are facing historically high unemployment rates.<sup>1</sup>

These greater difficulties for young workers are not simply due to this recession. Even during the low-unemployment year of 2000, the job market for youth was significantly worse than for older workers. In August of 2000, workers 20-to-24 years old were more than twice as likely to be unemployed as workers 25-to-54 years old. Workers in their teens were more than three times as likely as 25-to-54 year olds to be unemployed. (See Figure 1.)

**Figure 1. August Unemployment Rates by Age Group**



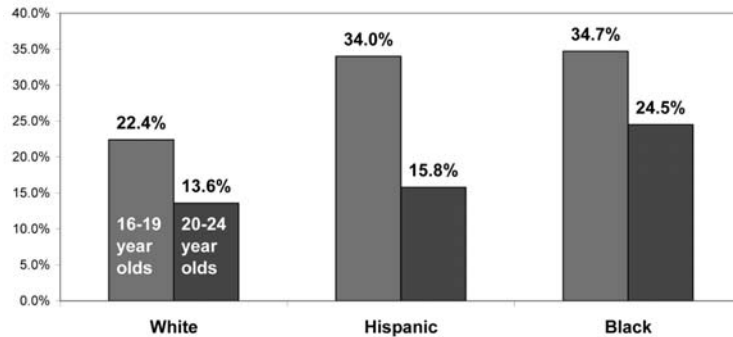
Source: Author's analysis of Bureau of Labor Statistics Data.

High unemployment rates for young workers have both short- and long-term negative consequences. When many young people who would like to work cannot find work for an extended period of time, there is the risk that some of them will give up on the formal labor market completely and become discouraged workers. For males, higher youth unemployment rates are strongly associated with higher crime rates.<sup>2</sup> In the long-term, work experience acquired as a youth is correlated with better social and economic outcomes in later years.<sup>3</sup>

Recessions bring specific harm to young workers. Current research suggests that "the labor market consequences of graduating from college in a bad economy are large, negative and persistent."<sup>4</sup> College graduates who enter the labor force in a bad economy see lower starting wages relative to wages in more fortunate times. Wages for these young workers in a recession are 6% to 8% lower for each additional percentage point increase in the national unemployment rate. This negative wage effect does decrease with each passing year, but even 15 years after college gradua-

tion, wages are lower for those who graduated during times of higher unemployment.<sup>5</sup> Thus, when thinking about “Ensuring Opportunities for Young Americans,” we need to think about what can be done to help them recover from the negative effects of this recession a decade or two into the future when they are middle-aged Americans.

**Figure 2. August 2009 Unemployment Rates  
by Race/Ethnicity  
(not seasonally adjusted)**



Source: Author's analysis of Bureau of Labor Statistics data.

While the youth employment picture is bad generally, it is even worse for Hispanic-American and African-American youth. For example, the black youth unemployment rate for 16-to-19 year olds and for 20-to-24 year olds are both more than ten percentage points higher than the comparable white rate. (See Figure 2.) All of the negative effects that accompany high youth unemployment can therefore be assumed to be more strongly felt among Hispanic and African-American youth.

*What Can be Done to Increase the Economic Success of America's Youth?*

Although the current recession has been a particularly deep and long one, eventually it will end. As mentioned previously, the problem of high youth unemployment is not specific to our current situation. In the area of education and job training, there are specific policies that will improve youth economic outcomes in non-recessionary labor market situations. Also, we should be thinking about what can be done to improve the economic circumstances of young workers who have been set back by this recession in the years to come.

*Provide Broad Labor Market Education to High School Students*

More than a decade ago, Ray Marshall, the former secretary of labor in the Carter administration, stated that “we have no systematic processes to assist high school graduates to move smoothly from school into employment.”<sup>6</sup> Unfortunately, this statement is still largely true today.

In fact, the situation may be worse today because of changes in the American labor market. As one analyst argues, “The need for career coaching and planning support \* \* \* is undeniable. Gone are the days when workers were hired by big, vertically integrated companies and then climbed identifiable company career ladders. Today's labor market is far more dynamic.”<sup>7</sup> This dynamism makes the labor market more difficult for all workers to understand and navigate. But one can imagine that making wise career decisions are especially difficult for students still in high school.

While we should work to increase the educational attainment of all Americans and particularly of Hispanic and black youth (more on this topic below), it is also important to realize that not every student obtains a college degree. Who educates these students about their job options?

Students tend to learn about jobs from friends and family. This means that there is tremendous variation in the quantity and quality of information that students receive. Typically, students from more advantaged backgrounds receive better information.<sup>8</sup> In order to begin to leveling the playing field, education about the labor market should be part of the formal high school curriculum.

We need to formalize the process by which high school students learn about things such as which high-paying jobs do not require a college degree, how to pre-

pare a resume or job application, job interviewing skills, as well as other information about the labor market.

Knowing how to acquire a job is important. Knowing how to keep one is also important. Employers are currently stressing “soft skills” as job requirements.<sup>9</sup> Do high school students know what “soft skills” are and how to demonstrate that they have them? This information should be part of every state’s high school curriculum.

Labor market education should begin with a broad overview of different types of jobs, their typical pay, and their typical requirements. This knowledge should help students select a career path rather than stumble upon one. Ideally, labor market education should open up students to consider jobs and career paths beyond those of their family and friends.

Given the dynamism of the labor market due to technological advances and global competition, it is important for students to integrate the idea of a dynamic labor market into their thinking. Students should be educated about which occupations are expected to experience strong job growth as well as their expected salaries, so that they are more equipped to set their sights on the economy of tomorrow and not the economy of yesterday.

Broad labor market education would help provide the many students who do not obtain a college degree with some guidance in starting and succeeding in their careers. It should also level the playing field a bit, by ensuring that the most advantaged students do not have exclusive access to the most desirable jobs.

#### *Link Job Training to Jobs*

A common criticism of job training programs is that they often provide training for non-existent jobs. The Registered Apprenticeship program provides on-the-job training and thus is the ideal jobs training program. The program has an impressive track record. As one assessment states:

Registered Apprenticeship trains more workers for high-skilled, high-wage careers than any other public workforce investment program in the nation, at a fraction of the cost. Sponsors express great satisfaction with their programs, with an employer satisfaction rate of 87 percent \* \* \* \* There is also high satisfaction among apprentices particularly with wages. The Upjohn Institute conducted a net impact and cost-benefit analysis of the Washington State workforce system in 2006 and found that earnings increases associated with apprenticeship training were substantially higher three to four years after leaving the program than other post-secondary educational programs (community colleges, private career schools and career and technical education).<sup>10</sup>

Registered Apprenticeships provide excellent training for real jobs in a cost-efficient manner.

The Registered Apprenticeship program should be expanded into non-traditional areas outside of manufacturing and construction. Currently, the majority of apprentices are working in traditionally male, blue-collar occupations.<sup>11</sup> More occupations in growing fields should be incorporated into the program.

Other jobs programs should also be designed for jobs that actually exist. Pre-apprenticeship programs are good when they can funnel students directly into Registered Apprenticeship programs. Green jobs training programs should also ideally be linked to actual green jobs. At the very least, job training programs should be designed with the current and future needs of the local labor market in mind.

#### *Increase the Educational Attainment of America’s Youth, Particularly Hispanic and Black Youth*

Higher educational attainment is associated with lower unemployment rates and higher income. The educational attainment of Hispanic-American and African-American youth, in particular, should be significantly higher than it is. In 2008, 37.1% of whites 25-to-29 years old had obtained a bachelor’s degree or higher. The corresponding rate for Hispanics was 12.4% and for blacks 20.4%.<sup>12</sup> We could improve the economic outcomes for Hispanic and black youth by improving their educational attainment.

Current research suggests that the choice of a college can decrease or increase the likelihood that a particular student completes college. A study of Chicago Public School graduates found that the average student’s likelihood of graduating varied dramatically depending on the college attended. Unfortunately, the six most popular in-state colleges graduated Chicago Public School students at a rate of 26%. This rate is adjusted for student socioeconomic status, demographic characteristics and academic achievement. Less popular in-state colleges, however, had a Chicago Public School graduation rate of 46%, 20 percentage points higher. An average student from a Chicago Public School could, therefore, significantly increase their likelihood of college completion by choosing one of the less popular schools.<sup>13</sup>

Too many students begin college but never obtain a college degree. This problem seems to be exacerbated among lower-income students who “even when they are better qualified—often go to colleges that excel in producing dropouts.”<sup>14</sup>

High school students should be educated about the importance of considering the college graduation rate in choosing a college. Detailed college graduation rate data by race and ethnicity is now widely accessible through the Education Trust’s College Results Online data tool.<sup>15</sup> This information needs to be incorporated into high school student college decision-making. It is a small step that has the potential to have a big effect on college graduation rates.

#### *Provide Adequate Financial Aid for Older College Students*

The recession will have lasting negative economic effects on young workers, and young workers today find themselves in a far more dynamic and globally competitive labor market than previous generations. The economic success of young workers will be affected by the amount of opportunities they have to acquire additional education and training over their lifespan.

Just because an individual did not obtain a college degree in his twenties doesn’t mean that he cannot obtain a college degree later in life. Many Americans are well aware of this fact. In 2007, 20% of students pursuing an undergraduate college degree were over 29 years old.<sup>16</sup> Over time we are seeing fewer and fewer college students who fit the traditional stereotype of a late-teens-to-early-twenties individual, attending a residential college full-time.

Because we want American workers to have the opportunity to change careers and increase their earnings over time, it is encouraging that individuals 30 years and older are pursuing undergraduate degrees. However, we have to adapt the resources that we provide for college students to match this increasingly age-diverse population.

The student financial aid system is still designed with the “traditional” college student in mind. We have to design financial aid packages for students who are not attending college full-time. These students are increasingly working full-time and supporting a family. We also have to consider “micro-lending” aid models for students who need a few technical courses but not a college degree.<sup>17</sup>

We will make higher education more accessible and increase the human capital of American workers to the extent that we acknowledge and support the increasingly common “non-traditional” college student.

#### *Conclusion*

The economic fates of young workers are ultimately tied to the strength of the American economy. Beyond overall economic conditions, much can be done to improve the educational and training outcomes of young workers and thereby improve their likelihood of economic success.

We have to begin with high school curricula. Students need better information and guidance about finding good jobs that do not require a college degree and they also need better advice concerning college selection. Our jobs training programs need to be connected to the current and future labor market and ideally connected to real jobs. If we can expand the Registered Apprenticeship program into new and growing fields we will provide an avenue for upward mobility for many young workers. Young workers will be set back by this recession. Many of them, in years to come, will return to school to acquire new skills and credentials. The financial aid system should be modernized to provide them with the assistance they need to advance their careers.

#### ENDNOTES

<sup>1</sup> Kathryn Edwards, “Commencing Unemployment,” Economic Snapshot, June 10, 2009. Washington D.C.: Economic Policy Institute.

<sup>2</sup> See for example, Ming-Jen Lin, “Does Unemployment Increase Crime? Evidence from U.S. Data 1974-2000,” *Journal of Human Resources* XLIII, no. 2, 2008: 413-436.

<sup>3</sup> Andrew Sum, Ishwar Khatiwada, Joseph McLaughlin, and Sheila Palma, “The Collapse of the National Teen Job Market and the Case for An Immediate Summer and Year Round Youth Jobs Creation Program,” (Prepared for the U.S. House of Representatives, Subcommittee on Labor, Health, Human Services and Education), Center for Labor Market Studies, Northeastern University, March 2008.

<sup>4</sup> Lisa Kahn, “The Long-Term Labor Market Consequences of Graduating from College in a Bad Economy,” Working Paper, electronic version, Yale School of Management, June 12, 2009. <<http://mba.yale.edu/faculty/pdf/kahn-longtermlabor.pdf>>.

<sup>5</sup> *Ibid.*

<sup>6</sup> Quoted in William Julius Wilson, *When Work Disappears: The World of the New Urban Poor* (New York: Alfred A. Knopf, 1996), 216.

<sup>7</sup> Louis Soares, *Working Learners: Educating Our Entire Workforce for Success in the 21st Century* (Washington D.C.: Center for American Progress, 2009), 17.

<sup>8</sup>James Rosenbaum, *Beyond College for All: Career Paths for the Forgotten Half* (New York: Russell Sage Foundation, 2001), 40.

<sup>9</sup>*Ibid.*

<sup>10</sup>Advisory Committee on Apprenticeship, *The Future of the National Registered Apprenticeship System: A Workforce Strategy for Main Street America* (Washington D.C.: U.S. Department of Labor, 2008), ii.

<sup>11</sup>*Ibid.*, iii.

<sup>12</sup>Digest of Education Statistics, "Table 8. Percentage of persons age 25 and over and 25 to 29, by race/ethnicity, years of school completed, and sex: Selected years, 1910 through 2008" (Washington D.C.: National Center for Education Statistics, 2008).

<sup>13</sup>Melissa Roderick, Jenny Nagaoka, and Elaine Allensworth, *From High School to the Future: A First look at Chicago Public School Graduates' College Enrollment, College Preparation, and Graduation from Four-Year Colleges* (Chicago, IL: Consortium on Chicago School Research, 2006), 72-82.

<sup>14</sup>David Leonhardt, "Colleges Are Failing in Graduation Rates," *New York Times*, September 9, 2009.

<sup>15</sup>The Education Trust, *College Results Online*, <http://www.collegeresults.org/>.

<sup>16</sup>Digest of Education Statistics, "Table 191. Total fall enrollment in degree-granting institutions, by level of enrollment, sex, age, and attendance status of student: 2007" (Washington D.C.: National Center for Education Statistics, 2008).

<sup>17</sup>For more on this issue, see Soares, *Working Learners*.

Chairman MILLER. Thank you very much.

And thank you to each of you.

Secretary Oates, you talked about doing an after-action review and looking—anticipating looking forward to the next tranche. Can you tell us what that is going to be, how you see that happening?

Ms. OATES. Certainly. You know, and Chairman Miller, one of the things I want to point out is that, you know, under Secretary Solis we always know we can do more and do better, so we are never going to be satisfied. But some of the things we are looking at are some of the things that some of the panel members brought up today.

You know, there were problems with eligibility verification. Some of the young people, particularly ARRA allowed us to extend the age to 24. Some of those people had disconnected with their parents, so to get tax verification that they were low-income became very difficult and often a hurdle that local areas couldn't surmount. So we would like to come to you and talk about other ways that we could verify that these young people were low-income without always tying it to their parents' previous year taxes.

On the other hand, you know, I think when—I think I would ask our critics to keep criticizing because that is how we learn, but at least to be fair about this. You know, if I employed a 16-year-old in the local area this year, it is going to take me at least 2 years to figure out whether that young person finished high school, and it is going to take me at least 4 years to see if that young person went directly on from high school to finish an Associate's Degree.

So some of the measures of the effects of these summer youth experiences are going to be current and real time, and some are going to be longer time. And while we could look at wage and hour data to see if these young people earned more in their part-time jobs, I think we want to be very careful about encouraging local areas to do that. I think for too long work has competed with academics and school, and we need to partner with our Department of Education friends to make sure that work and education aren't competing, that they are aligned.

So we will—we are talking with the mayors and the local participants right now about other things about the management of it. If given the other—if given an opportunity next year, we would also

work with employers. We would work with them on a national scale as well as on local scales to talk about how these summer experiences were key and how, in many instances, they did this summer anecdotally and they will in the future lead into full employment for those older youth.

Chairman MILLER. Thank you.

On another issue, as you point out in your testimony—I think it is Dr. Stoneman—Mr. Segal—you have a significant number of youth engaged in these programs that have not really thought about their going on to higher education, or maybe even getting their GED or returning to and getting their diploma. How do you interface that in this—you know, we have made some very substantial changes in the loan programs with respect to choices of careers and occupations, and loan forgiveness, and income determinant repayment programs, where all of a sudden people who would ask, “Why would I borrow to go into this profession because it has such a low starting point,” may be good over the long term of the career.

Now they can see their way clear that they are not going to have to pay more than 15 percent of their income in loan at any given time, and 25 years that loan goes away, if they are in public service it goes away, or nonprofit it goes away after 10 years.

You are talking about a universe of people that assume that their income status just ruled out their ability to go to school, or the long time since they have been in school. I just wondered, how do we successfully incorporate this information? And Mr. Segal, I want—you work with many of these people

Mr. SEGAL. Sure. Well, first off, we do support a lot of existing bills and legislation in Congress. For instance, there is a provision that passed under the Higher Education Opportunity Act called the John R. Justice proposal that would give loan reimbursement to law school graduates who, say from even greater amount of debt than undergraduates. I think two-thirds of undergraduates have over \$20,000 in debt. Well, the average law school debt exceeds \$70,000.

So a way to make that debt a little bit more manageable is to help incentivize public service, such as being a public prosecutor or a public defender, and then paying back the money. It also did that for the—I think you are trying to do that through H.R. 3200 with the Health Conservation Corps program in terms of paying for medical school as well. So service in order to pay for education is something that our coalition definitely backs.

Chairman MILLER. Ms. Stoneman—Dr. Stoneman?

Ms. STONEMAN. Thank you. We have made an effort in the YouthBuild network to link the YouthBuild experience building housing to the AmeriCorps system so that low-income young people leave with an education award. It makes a huge difference.

The loan system has been onerous, and if you are poor and you are burdened with these loans it has been very, very difficult. So the Pell Grant and what you have done to make it—

Chairman MILLER. So I think that you could argue—and I don’t want to pretend that this is simple—but in a state like California, depending on sort of year to year what they do with the Cal Grants program, a low-income individual can really see the way to cobble together between grants and some loans, not a lot of loans, to go



to a public—to the public system all the way through the University of California.

Ms. STONEMAN. And the community colleges also are—

Chairman MILLER. But the awareness of an individual that that is possible is a different issue—

Ms. STONEMAN. Right.

Chairman MILLER [continuing]. And, you know, I represent a community 20 minutes down the road from University of California Berkeley. I can go into the schools and many of those students have—don't know that Berkeley exists.

Ms. STONEMAN. Right.

Chairman MILLER. And they don't know that they have—that they can cobble together—I just think as we have their attention with the employment programs—you do, obviously, because you are taking them back and forth into the academic setting, but even in the summer programs, they ought to leave with a complete understanding of what their options might be, whether they want to go to Contra Costa Community College or do they want to go to San Jose State, if that is possible, to see that. I just think we have to weave that into the very fabric of this program.

We do it with a lot of year-round programs that we run and various nonprofits run, but our word on the episodic one that it is not part of that. But I made my point.

Ms. STONEMAN. You are absolutely right.

Chairman MILLER. Thank you.

Mr. Kline?

Mr. KLINE. Thank you, Mr. Chairman.

My thanks to the panel for being with us today, for your testimony, and now for discussing with us these issues. Let me start with Secretary Oates.

Mr. Wilson mentioned the Workforce Investment Act, I did, you did express the administration's support for it. Can you give us some idea what the administration's timeline is for this? Are you asking for reauthorization of this? Are you proposing language for it? How are you addressing the reauthorization of WIA?

Ms. OATES. Mr. Kline, we don't know each other yet, but you will know I have great respect for Congress, so I think that the United States Department of Labor stands ready when you tell us what the timeline is to give you whatever technical assistance you need. Having spent 10 years on the Senate side, I always hate it when somebody else told us when to do a bill.

So we are waiting for you to tell us, and ready and willing to give you technical assistance. We definitely have some ideas.

The administration has sent some clear ideas about simplifying eligibility, about making sure—mandating that I work much more closely with my colleagues at the Department of Education. So in broad strokes I think the administration has sent clear signals, but the clearest one I would like to give you today is, we are ready to work with you whenever you are ready.

Mr. KLINE. But you don't feel any sense of urgency? I mean, it is clear that the administration has not been afraid to express urgency for the Congress to do on a number of issues, some of which we are wrestling with right now. And I am just trying to get a

sense from you about the administration's sense of urgency on reauthorizing WIA, and you are saying you don't have any.

Ms. OATES. Well, I think the administration's first priority is health care, and we think that is directly related because for us a good job for anyone means getting health care, and I think as long as—the administration has been clear that it is able to multitask and you have been clear that you are able to multitask, so I can just repeat for you, we are ready whenever you need us to work as a full partner on the reauthorization of the Workforce Investment Act.

Mr. KLINE. Okay. Thank you.

Mr. Wilson, we have heard today and seen reports of the successes of the stimulus package through the summer program. We are trying to get the youth engaged in employment, and I will ask you and then maybe Secretary Oates has a comment as well about—these job savings, this job creation, how much of that—do you know or does the secretary know—how much of that went to public sector government jobs and how many of it went to the private sector?

Mr. WILSON. Secretary Oates may actually have some specific numbers on that, but the results that I have seen so far strongly suggest that the majority of the jobs that were saved and/or created—and I have some question about how saving jobs is measured—are primarily public sector positions—safety and health positions, education positions. Many of the summer job training program positions involve placing young adults in positions in the public sector or in public nonprofits.

So I would say that I don't think there is any actual—there may not be any actual specific data about this past summer's job training program, but typically in the past the majority of the positions has involved placing students, or placing young adults in public sector positions.

Mr. KLINE. Secretary Oates, do you know or do you have any sense yet?

Ms. OATES. We will be able to give you more information after the October 10th reporting deadline, but anecdotally I would tell you that I agree, that a lot of the jobs were in public sector. People worked in community colleges; people worked in municipal government and did internships.

But there were a significant number of interesting jobs that came up this summer in emerging industries. Lots of new career lines were built in terms of health care; lots of young kids got exposed to jobs in health care that they didn't know.

Some local areas did surveys, you know, "What are the jobs in health care?" and kids responded, "Nurses and doctors." But after their summer experience they were given access to knowledge about all the careers that are the tech jobs in hospitals as well as the back office jobs in hospitals in things like accounting and customer service that they had never, you know, aligned with working in a hospital.

But I will not be surprised, honestly, if we still see a lot of emphasis on just what Mr. Wilson said—lots of people going into nonprofits and going into local things, like I said, community colleges, only because I think there was not the time to build those relation-

ships in a better way with the private sector because of the timeline, as you brought up, and also because some of those jobs really were being downsized so much that opportunities for mentoring and oversight of young people in summer work experiences weren't available. Hopefully it will get better in the future.

Mr. KLINE. Okay.

Thank you, Mr. Chairman. I yield back.

Chairman MILLER. Thank you.

I would just take 1 minute—one of the reasons that the reauthorization of WIA has been held up is because of me, because I have not—and Mr. McKeon raised this numerous times when he was chair of the committee—I am not satisfied that we have a system that integrates all of the partners necessary in a community, you know, in terms of the business community and others. And I am encouraged by the passage of the community college money that directs that these partners be created. Many states have P-16 councils and the rest of that.

But in terms of trying to develop a relatively smooth and evolving system as the economy has changed the local communities, in many areas it sort of fits and starts, and in many areas it is just not as much outreach. And we have been working with members on both sides of the aisle to try to see how we can do this so we don't just reauthorize the past but we really think about what are the economic factors that come to bear in a local community when either an old industry leaves or shuts down or new opportunity presents itself?

I am kind of surprised from time to time when I go to these organizations and everybody says they all work really well together but they are all introducing themselves to one another. I think there is something wrong around this table.

Mr. KLINE. Would the gentleman yield for—I don't want this whole hearing to be you and me debating the Workforce Investment Act, but we would argue that this is a place where you have the best opportunity for integration—

Chairman MILLER. I agree.

Mr. KLINE [continuing]. Where you have relationships built, where community colleges are already engaged and career colleges can be engaged and should be engaged, and employers. And so we are looking forward to working with you, Mr. Chairman, and with the administration—

Chairman MILLER [continuing]. I am just a bit of a skeptic here, as I have traveled and visited in different localities—

Mr. KLINE. But we are starting new programs.

Chairman MILLER. I just—

Mr. KLINE. Okay. I won't debate this for the whole hearing. I yield back.

Ms. FUDGE. Thank you, Mr. Chairman.

And thank you to each of you on the panel. I have two questions, the first one being that—first, I am from Cuyahoga County, Ohio, which is the Cleveland area, and we received approximately \$14 million for workforce training from the Recovery Act.

Approximately \$6 million of that went to summer youth programs. We hired more than, or approximately, 5,000 young people. Would you not say that that was fairly successful?

Mr. Wilson, and then any other person on the panel.

Mr. WILSON. Well, it depends on the quality of the positions that they received and what—in terms of being successful, there is a number of different ways you can measure outcomes for—

Ms. FUDGE. But the goal was to get young people jobs.

Mr. WILSON. The goal is to get them jobs, but then how long does that effect last? Do they carry that effect forward? Does participating in that position improve their long-term education and earning potential—

Ms. FUDGE. Let me just say this to you—

Mr. WILSON [continuing]. Or is it just a very short-term 4-or 6-week summer job program that puts extra money in their pocket?

Ms. FUDGE. Let me say this: I had a summer job. Many of them. Each one was significant to me, whether it was for 1 week or 2 months, they were all significant to me as a young person growing up in a single-family home in a minority neighborhood.

My second question is, this fall I am going to be hosting a financial literacy and leadership program for high school seniors to teach them about money management, and I am just curious as to whether any of the programs that we have read about or were discussed today—Job Corps, YouthBuild, Reintegration of Ex-Offenders—have any of those components in those programs?

Ms. OATES. The WIA youth program encourages local areas to include financial literacy in terms of anything they do in the year-round programs, and to include in that cost-benefit analysis. We need to do more in terms of getting people to understand the cost benefit of going to school or going to a training program in terms of their lifelong earnings.

And Congresswoman, if I may, you know, I would just like to comment on the summer youth program. I believe that the Recovery Act was an economic stimulus program, and I don't think there is any doubt the 5,000 kids who were in your area contributed to your local economy.

So while I agree with Mr. Wilson that there—it is difficult to measure the long-term gains—and we will commit to doing that—but boy, a short-term gain was they spent their money and they were able to engage in things like buying books, like buying gas for their car to get to school, that they wouldn't have been able to do without that, and that is without even doing the nightmare of what would have happened if they had nothing to do all summer, and I say that not just for your district but for kids—for the 280,000 kids all over the country. What would they have done with all of that free time instead of 40 hours a week preparing and attending work opportunities?

Ms. FUDGE. Thank you.

Let me also say that it gives you a sense of pride to get up every day and know that you have somewhere to go that is productive, that you are accomplishing something, that you are putting money in your pocket. There is a sense of well-being about working no matter how much you make.

So I may be looking at this very differently. I know that there were issues with the program; I know that there are things we could have done better. But I think that it was a tremendous start to get these young people to understand how important it is to

work, to put yourself in a position to work, to discipline yourself to go to school every day, to get up and know how to dress and how to speak. It takes you throughout your life, it doesn't just take you through that job.

And the last question I have is, my colleague, Congressman Loeb sack, and I introduced an amendment to H.R. 3221, the Student Aid and Fiscal Responsibility Act of 2009, that would encourage colleges and businesses to work together to train students on the jobs available in a particular region. For example, Sherwin Williams is a major employer in our area, and we have worked with Tri-C, our community college, to make certain that their students are trained for the jobs that Sherwin Williams has available.

I would like to just have you just comment and let me know if these kind of fixed sector programs are helpful to our young people.

Ms. OATES. I think the sector programs are more than promising. You know, we use the term "promising practices" all the time and it gets to have no meaning any more, but these are incredibly important on several levels: one, they give kids training in jobs that we know exist; and two, it keeps well-educated, trained young people in our communities.

And I think the tertiary point would be that in communities of long-term poverty, long-term hopelessness, we need to make sure that we are beefing up not only the individuals but the businesses there. We need to make sure those businesses stay invested in our communities so those communities can become vibrant again.

Ms. FUDGE. Thank you.

Thank you, Mr. Chairman. I yield back.

Chairman MILLER. Thank you.

Mr. Thompson?

Mr. THOMPSON. Thank you, Mr. Chairman.

Thank the panel for bringing your expertise here today on this very important topic. You know, currently the job market is definitely challenging. We have seen continued unemployment, double-digits nationally, and unfortunately getting ready to pop over 20 percent in some of my counties in my district, and that is despite, you know, over a \$1 trillion stimulus plan that was put into place.

The future prospects, I will say, I see as promising, though, but it is not based on government. I actually see that it is based on the demographics of my generation, the baby boomers, which I am proud to be a part of that generation.

But as we are retiring and beginning to retire in mass, and the real solution I see is employment and opportunity. Opportunity for growth and employment is clearly by strengthening the private sector, where the significant needs for a qualified workforce will be critical, and is critical today in certain areas. So I stop by the businesses and industries—it is finding the qualified workforce.

And so with that, Secretary Oates, I wanted to see, has the department began to factor in the attrition of the baby boomer generation in strategic plans to address the, well, what we are talking about today, the economic opportunities for young Americans?

Ms. OATES. Congressman, we are trying to do several things at one time. I actually was with the AARP people yesterday and they are very concerned about four generations of people in the workforce because they think all their workers who are not forced to

leave because of illness or some other thing are—or some other issue—are staying in the workforce longer, and their concern is, are they still going to be welcome when they are 64? You know, I mean, is that still going to be something—so it is a balancing act looking at respecting all ages of workers.

But I can tell you specifically—and in your home state, I believe, Pennsylvania—it is very interesting to me how states have kind of evolved a sectoral strategy of their own. In central Pennsylvania they have become like the food packaging center of the world. You had a lot of snack food people there, but they have worked now with community colleges in that area to really get young people and older workers who need retraining into that food packaging industry and food safety industry.

Well, Pennsylvania was never a leader in that, so I think some states have become really innovative in not only working with a sector where they have some presence, but building the workforce there. And while it doesn't respond to your question exactly of what do we do when people retire and there are needs, Pennsylvania shows that they are retraining and training workers of all ages.

Now, I would agree with you that there are nationally some sectors who are graying very quickly, and I would point to the utilities sector, number one. I don't know how long people can stay at some of the utility jobs as they age, so the utility folks have been working with me since I was confirmed to really address this problem and to look at some possible solutions. For instance, you know, a national credential for certain pieces in the utility industry, for certain jobs in that industry, so that people had the mobility if they had to move to get a utility job in an area where they knew they had the credentials.

And the second thing that I want to applaud them for—you know, I had very little to do with this except now I am promoting it—they have aligned utility job codes in the civilian sector with military jobs, meaning that as our young people and not-so-young people come back from military service they can transition into those open utility jobs.

So I think that is a model that we could use in other growing sectors. You know, we haven't even tried to do that yet in health care, but obviously many people who are serving are doing things that are directly related to the health care field, so my hope is in the months to come we could work with that industry to do the same thing and steal the good ideas from the utility sector. I hope that answers your question.

Mr. THOMPSON. It helps. I think I certainly would encourage the department to look at that, because I think there is incredible opportunity there that is a matter of facilitating, not necessarily takes a lot of financial resources.

I want to tie just a question back into the summer youth program with the question, the summer youth program, are we systematically providing exposure to strategic workforce needs—and there is a lot of industries out there: health care, manufacturing, education, much of it tied back again to the baby boomer generation retirement—in terms of placement, or is the program by design have more generic goals?

Ms. OATES. The current program has been dormant for 10 years. We haven't had a standalone summer program since 1999. So the two sectors in which we tried to help local areas were the two sectors that are growing nationwide: education and health care. The rest of it was really built on local labor market information.

And I would tell you quite honestly, Congressman, I think the Department of Labor has work to do there. We need to improve our labor market information; we need to improve the ability of local areas to use that information; we need to work with states as they better define job codes. Sometimes, you know, the state job codes are so broad that a young person can't figure out what job they mean.

So we have work to do there. I hope in a year I can tell you that we have made significant progress there. But this is really about working in partnership at the national level with our friends and the Department of Education to send a clearer example of what jobs exist, give kids better career exploration using technology instead of using time, because time is so scarce in a young person when they are in high school or when they are doing a job search, and finally, making sure that there is a clearer pathway through—more clearly defining the credentials you need to qualify for those jobs and where you can get those credentials in your local area.

Mr. THOMPSON. Okay.

Thank you, Mr. Chairman.

Ms. CHU. Assistant Secretary Oates, my area of Los Angeles County received about \$9 million in stimulus funds for the summer youth employment program and about 5,500 youth participated. Nearly half were the most needy of youth, both that were on probation or in households that received food stamps or cash aid or were in foster care.

L.A. County believes the program was a great success. Certainly personal stories from these youth indicate that these were successes.

Yet, as you mentioned, summer youth programs haven't been offered by the Department of Labor for nearly a decade, since year 2000. Is the department considering—is it considering making a long-term commitment to summer employment programs and what criteria would you be using to consider this a success? I know that you are looking at the successes and failures of this past program, but it appears to me that summer youth programs are very important.

Ms. OATES. Well, we think they are very important. As you are aware, Congresswoman, the current legislation, the Workforce Investment Act, does not allow for a standalone summer youth program. It instead dictates year-round youth programs of which summer youth could be a part. But it has been a very small part since WIA was reauthorized—was authorized in 1998.

We would be more than willing to work with you about revitalizing a standalone summer youth program, and with the Appropriations Committee on that. We think that this summer, given a 3-month timeline to kind of get it up and running, we think it was incredibly successful.

We think it could be better if there were a long-term commitment to it and employers knew that this was not a one-shot deal

and that they had the opportunity not only to build their infrastructure at their business to support temporary summer employees, but also had the ability to move those older youth who were looking for full-time employment into that.

That does take a concentrated effort by employers. It was one that many were not ready for this year. But anecdotally, we know that a number of older youth did move into permanent employment this year and we will be looking at wage record data to verify that as we move on this fall.

So we really do look forward to it. And Los Angeles, by the way, did a wonderful job. We had lots of stories from there and the community college system there was a huge partner in making sure that those jobs were meaningful.

Ms. CHU. Thank you for that.

Another program that seems to be very successful is ConnectEd. It is a program that is in my local area in the Montebello and Pasadena school districts, and it prepares high school students for both college and career using multiple pathways to help students gain an advantage in high school, college, and career by connecting academics with real-world experience so that they can do internships in those areas and get exposed to it. And those that are able to link their student interests with job preparation can—well, actually they do have excellent results with higher graduation rates, increased college enrollments, and higher earning potential.

So it seems to be the kind of thing that we should be doing. I am wondering what the Department of Labor is doing to coordinate with the U.S. Department of Education on programs like this.

Ms. OATES. Congresswoman, programs like ConnectEd are clear examples of areas where we think Perkins Vocational Education, the high school dollars, and the WIA youth dollars should be working together. And while the assistant secretary for the Office of Vocational Adult Education has not yet been confirmed, we have been working already with Undersecretary Martha Cantor to discuss ways that we could better align.

We are making significant—for instance, we both have sectoral advisory groups, oftentimes in the same career clusters. We are under discussion right now about combining those so that employers who come in to offer advice to the Department of Education and the Department of Labor don't have to do it twice and don't have to say different things to different departments.

We think that since 1998, when the Workforce Investment Act was created, we kind of said to the local areas, "You have to work together," but at the federal level we never did. We think we have to work together on eligibility, we think we have to work together on better aligned program content, and we think we definitely have to work together on better aligned reporting. Local areas shouldn't be working double time to report one way for Perkins Secondary and another way for WIA youth, or Perkins Post-Secondary, or adult literacy.

So I think it is too early to be overly-optimistic, so let me say I am cautiously optimistic that our conversations will result in real working, and I hope this committee will push us to do that. Right now the personalities at the two departments don't need the push. We work together naturally under the direction of Secretary Solis



and Secretary Duncan; this has become standard operating procedure.

But I think this committee should—and the Senate committee should also—be watching very carefully. If we don't do something, if we don't have clear and marketable results, all these efforts meant nothing.

Ms. CHU. Thank you for that.

And finally, let me ask about this—

Chairman MILLER. [Off mike.]

Ms. CHU. Oh, thank you.

Mr. ROE. Very quickly—and thank you, Mr. Chairman—you know, there are obviously values in jobs, and I think the most valuable thing I learned in a job is what I didn't want to do. I didn't want to be a farmer or a dishwasher or a shoe salesman; I learned a lot of things in jobs, so they do have benefit.

But I think your point, Ms. Secretary, was the fact that if you could mentor someone or get in—where the businesses thought they would have a recurring workforce, that you could actually—that makes a lot more sense than just a make-work job in the summer. Any job has some value if you have a job. I totally agree with that.

What we did, and I just—a question I want to pose to the panel: Has the change in the minimum wage made any difference? And let me—as a mayor of the city, Johnson City, Tennessee, where was, we changed our minimum wage long before the federal government did.

What I did was, I went down to a local fast food chain and I figured during lunch hour you ought to be—if you worked an hour you ought to be able to buy lunch, so 5 years ago we changed it to \$7 an hour because that is what it costs to buy lunch. And it seemed fairly logical to me to do that.

And I just wonder, though, if in this tough economic time, if the minimum wage—has that hurt young people and teenagers getting jobs? And any of you can grab this.

Mr. AUSTIN. I can respond to that. I would say no. One thing that we have found that—at EPI, and this is based on some research with the Federal Reserve, is that raising the minimum wage has a stimulus effect. It reaches low-wage workers who, in turn, spend those monies. So it is good for the economy overall.

The other thing to keep in mind is that in 1968 the federal minimum wage in 2009 dollars was \$1.46 above what it is now. So we are, you know, historically we are still not at a high minimum wage, and in 1968 the unemployment rate was 3.4 percent, you know, so we basically had full employment, and the teen unemployment rate was also quite low.

Some other research done by the Fiscal Policy Institute found that states with minimum wages above the federal level had faster small business and retail job growth. So the research shows very positive effects from, you know, having the minimum wage maintain its relationship with the overall average wage.

Mr. ROE. Well, it didn't affect where we were. I mean, the \$7—I mean, we did that—this was at 5 years ago.

I guess the other question that I have—and certainly the jobs that are being created in—I am a physician, and the jobs have been

created in health care and education, as you pointed out. And certainly to direct these young people, because we have a huge opportunity and infrastructure in health care that we need right now. You have got half the nurses can retire in 10 years.

In the next 10 years we will have more doctors retiring and dying, and the point you made is is that that is only the tip of the iceberg with the jobs that are there. I mean, there are a tremendous number of other jobs—good jobs with health insurance, retirement, and on. So I think if we could hook these young people in and mentor them, that would be a—to me that is a very positive use of the money.

Ms. OATES. Thank you, Congressman, and I think it gives us another example of how we have to work with the Department of Education, because we can't even talk to young people about aspiring to any career in health care if they haven't had a strong laboratory science background in high school. You know, they can't take science out of a book; they have to be able to know how to use instrumentation and how to react with that.

So that is a clear example. We are happy to train them. We are happy to help, but we can't do it alone. So we are doing it in partnership with the Department of Education so not only the next generation will be ready, but also some of our folks can use some of those facilities to train, because as you know, the community colleges, even in your home state of Tennessee, are packed. And if we can get some of these training programs going on in the wonderful high school laboratories in the evenings and things like that, we are able to accelerate these programs to the degree we need the workers.

Mr. ROE. We keep making health care more complicated, we are going to need more coders, too. I can tell you that.

Ms. OATES. And the—I.T. workers.

Ms. STONEMAN. And sir, 15 local YouthBuild programs have actually expanded the career track from construction to health care just for the reasons that you say. They use private funds to innovate in that way. So as the YouthBuild funding expands, the field is ready to do a parallel track into health care and will thereby attract even more young women—focused on young men.

Mr. ROE. Thank you, Mr. Chairman.

Chairman MILLER. Thank you.

Mr. Scott is recognized for 3 minutes.

Mr. SCOTT. Ms. Oates, you indicated that there was—we talk about jobs and training. Is there a mismatch or a scarcity of jobs? I mean, are the jobs there that people aren't qualified for, or are there just few jobs and training may move you up the list a little bit? Are there not just too few jobs out there?

Ms. OATES. Congressman, I think there is both. I think that in any local area there are jobs available, so what you described as the mismatch exists almost everywhere. And the point of that is, we need to get better labor market information to young people so that they can qualify for those jobs.

But clearly in this recession there are too few jobs, and our training under our formula programs as well as our competitive programs have been urging people to go for longer-term training so that people get the qualification, the credential, the degree, so that

when this economy rebounds and instead of looking and tracking job losses every month we are back to tracing job gains, those people will be ready and able to take those jobs.

There is clearly a need to align the job training with the modeling that we are seeing about openings, whether in health care or education or the utility industry or other emerging green industries. So there is a little bit of a gamble there, but we are hoping that the training will be sufficient that people will be flexible enough to not just be qualified for a narrow job but for a sectoral job.

Mr. SCOTT. The Recovery Act, you said you were able to create 280,000 jobs. Did you spend all the money that was appropriated?

Ms. OATES. The money has been appropriated to local areas, and on October 10th I will know exactly how much they spent. But my guess would be that every local area spent about 70 percent, at least, of their 2-year money—

Mr. SCOTT. If you had more money could you have created more jobs?

Ms. OATES. Yes, sir.

Mr. SCOTT. Is there any barrier to—I mean, if we have got all these kids looking for jobs in recreation, education, winterization—if we had more money could we have created more jobs?

Ms. OATES. I believe we could have created more jobs, particularly, and more work experiences in the health care field and in the education field. I hear routinely from community colleges that they loved having the young summer employees there, they loved the fact that they were so willing to learn, they loved the fact that they were able to then recruit them into classes in the fall, and many of them said they could have handled more.

Mr. SCOTT. And I would just point out, in terms of the value of a job, there is a group in Los Angeles that has a slogan, a gang prevention slogan, that “nothing stops a bullet like a job,” so—

Ms. OATES. Let us get t-shirts on that one. That is—

Mr. SCOTT. They have t-shirts.

Chairman MILLER. Thank you.

And thank you very much. I was originally going to have us come back, but I think it is going to take too much of your time. I appreciate your testimony and your expertise here with us.

You heard me mention that we are still trying to make sure that we have WIA right for this reauthorization, because I think we have, you know, with the administration we have a lot of potential to do some things that we haven’t been doing, and I would just like to make sure that we have that—that the law allows for some of that opportunity, some of that flexibility, and some of that trying to do these longer-term connections, certainly with respect to the summer programs that you have discussed here today.

So thank you very much, and with that the members will have 14 days to submit additional material and questions to the hearing record. And if there is no objection we will adjourn, and I will see if I can beat 200 of my members to the floor.

Thank you.

[Questions for the record and their responses follow:]

### Questions Submitted to Assistant Secretary Oates

DEAR ASSISTANT SECRETARY OATES: Thank you for testifying at the Thursday, October 1, 2009, Committee on Education and Labor hearing on “Ensuring Economic Opportunities for Young Americans.”

One of the Republican Committee members had additional questions for which she would like written responses from you for the hearing record.

Congresswoman Cathy McMorris Rodgers (R-WA) asks the following questions:

(1) As you know, disabled workers have been particularly impacted by the downturn in the nation’s economy. In fact, the current unemployment rate among members of the disability community (ages 16 and up) reached 16.9 percent in August—most of whom are minimum wage workers. What actions has the Department taken to ensure that funds provided to State and local organizations under the American Recovery and Reinvestment Act (ARRA), including funding allocated to summer youth initiatives, are used to support employment opportunities for disabled youth and young adults?

(2) Next year, the Committee is expected to consider the reauthorization of the Workforce Investment Act of 1998, which authorizes the nation’s job training programs for unemployed and displaced adults and youth. Does the Department intend to send a legislative proposal to Congress on the reauthorization of WIA? What changes could be included in WIA that would assist disabled individuals better prepare for employment?

(3) I have been made aware that the Department, through the Employment and Training Administration (ETA) and the Office of Disability Employment Policy (ODEP), is currently in the process of conducting a listening session for the disability community to weigh in on their recommendations for the reauthorization of WIA. Can you provide my office with more information on the Department’s initiative (i.e. the meetings that have taken place to date, any upcoming meetings, a summary of the recommendations, etc)?

Please send your written response to the Committee on Education and Labor staff by COB on Thursday, October 22, 2009—the date on which the hearing record will close. If you have any questions, please contact the Committee. Once again, we greatly appreciated your testimony at this hearing.

Sincerely,

GEORGE MILLER, *Chairman.*

### Responses to Questions Submitted

*Representative Cathy McMorris Rodgers*

*1. As you know, disabled workers have been particularly impacted by the downturn in the nation’s economy. In fact, the current unemployment rate among members of the disability community (ages 16 and up) reached 16.9 percent in August—most of whom are minimum wage workers. What actions has the Department taken to ensure that funds provided to State and local organizations under the American Recovery and Reinvestment Act (Recovery Act) including funding allocated to summer youth initiatives, are used to support employment opportunities for disabled youth and young adults?*

The Department recognizes that the recession has increased challenges for individuals with barriers to employment, including youth with disabilities, and that part of the intent of the Recovery Act is to help address these challenges. The Department also acknowledges that much more still needs to be done to increase employment opportunities for youth with disabilities. To help ensure states and local organizations are using Recovery Act funds to support employment opportunities for youth with disabilities, the Employment and Training Administration (ETA) has utilized a combination of formal guidance, workforce system assessments, and technical assistance, which are discussed in further detail below.

On March 18, 2009, ETA issued Training and Employment Guidance Letter (TEGL) 14-08 to provide guidance to states and local areas on the implementation of the Recovery Act. The TEGL encourages state and local areas receiving Recovery Act funds to focus Workforce Investment Act (WIA) Youth resources on the neediest youth populations eligible for services, including youth with disabilities.

The TEGL also required states to modify their WIA/Wagner-Peyser Act State Plans to reflect new strategies and activities related to Recovery Act implementation and the downturn in the economy. As part of this modification, states were asked to describe how they will ensure that the full range of employment and training services delivered through the One-Stop system are accessible to and meet the needs of individuals with multiple barriers to employment, including individuals with dis-

abilities. States were further required to specifically indicate how they would use their Wagner-Peyser resources to support individuals with disabilities. The State Plans explain how states intend to use Recovery Act funds to improve services to individuals with disabilities through both preexisting programs and new projects that target training and supportive services to adults and youth with disabilities. ETA uses the State Plans to monitor progress and offer technical assistance in specific initiatives, such as efforts to improve services to individuals with disabilities.

In addition to TEGL 14-08, ETA engaged in a nationwide assessment and technical assistance consultation process to identify technical assistance needs related to the implementation of Recovery Act funds. The assessment tool included questions regarding accessibility and availability of assistive technology for people with disabilities to help ensure states and local areas were ready to serve individuals with disabilities. ETA's Regional Offices have been actively engaged in this initiative and provide technical assistance to states and locals where needs are identified.

As of August 31, 2009, over 43,000, or 13.4%, of participants served with Recovery Act funds through the WIA Youth program were youth with disabilities. These youth participated in summer work experiences and received supportive, follow up, and leadership development services. For example:

- In Bismarck, North Dakota, the Job Service North Dakota program targeted youth with disabilities and provided employment opportunities for over 70 youth. Participants were placed in a variety of work experiences, participated in a career exploration workshop, and received individualized assistance in transitioning to career and education pathways at the end of the summer. Youth with severe disabilities received help in developing stable support systems.
- In Southwestern Connecticut, The WorkPlace, Inc., (Southwestern Connecticut's Regional Workforce Board) matched 170 youth with disabilities with summer employment experiences. At the beginning of the program, participants completed a full week of "work readiness" workshops to learn what is expected in professional work environments. For some youth, this program was their first meaningful and paid work experience.
- In Greenwood, Colorado, as part of the Arapahoe/Douglas Works Program, 11 youth with disabilities worked in a variety of jobs, including assisting with event set-up and break-down, gardening, working on grounds and general maintenance, where they received on-the-job training and developed skills that will be transferable to other employment opportunities in the future.

*2. Next year, the Committee is expected to consider the reauthorization of the Workforce Investment Act of 1998, which authorizes the nation's job training programs for unemployed and displaced adults and youth. Does the Department intend to send a legislative proposal to Congress on the reauthorization of WIA? What changes could be included in WIA that would assist disabled individuals better prepare for employment?*

ETA believes that the reauthorization of WIA provides an important opportunity to introduce innovative initiatives that build on the current strengths of the public workforce system, and address areas of the system that should be bolstered. ETA has worked to articulate ideas to help frame WIA reauthorization discussions, in partnership with the Department of Education, and reauthorization should consider strategies to support a workforce system that is fully inclusive, accessible and available to all workers, including persons with disabilities. ETA has also consulted with a broad array of stakeholders through a series of WIA reauthorization listening sessions that will help to further inform reauthorization discussions. In particular, ETA and the Office of Disability Employment Policy (ODEP) co-hosted a national listening session via webinar with the disability community. ETA will work closely with ODEP in preparing for and supporting WIA reauthorization, and is looking forward to working with the Congress on the reauthorization of WIA.

*3. I have been made aware that the Department, through the Employment and Training Administration (ETA) and the Office of Disability Employment Policy (ODEP) is currently in the process of conducting a listening session for the disability community to weigh in on their recommendations of WIA. Can you provide my office with more information on the Department's initiative (i.e., the meetings that have taken place to date, any upcoming meetings, a summary of the recommendations etc.)?*

As part of a series of listening sessions being held by ETA on WIA reauthorization, a listening session for disability stakeholders was held on October 1, 2009. The event was hosted jointly by Assistant Secretary for Employment and Training Jane Oates and Assistant Secretary for Disability Employment Kathy Martinez. Over 400 participants attended the listening session in person or virtually via webinar. Participants included representatives from the workforce system, regional councils of

government, economic development agencies, national disability organizations, disability advocates and users of various disability services, foundations, local education agencies, universities, vocational rehabilitation agencies, employers, veterans agencies and organizations, criminal justice organizations, and disability and business technical assistance centers.

During the listening session, participants were asked to address what is working well in WIA and should be continued; what is not working well and should be discontinued or altered; and what opportunities reauthorization presents for innovation and change. The recorded webinar and a written transcript of the session are currently available on ETA's online portal, Workforce3One. To access this website, users must have an account on Workforce3One, which is free and open to the public. New users can create an account online by visiting: <http://www.workforce3one.org/register.aspx>. The transcript is also available in hard copy, and the Department would be pleased to transmit a copy to Representative Rodgers upon request. ETA is also reviewing comments received after the session and will use them to help guide and inform future WIA reauthorization discussions. ETA is working with ODEP in this process.

---

[Whereupon, at 11:20 a.m., the committee was adjourned.]

