

A Promising Start: Initial Impacts of Year Up on Low-Income Young Adults' Careers

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Foreword

Few areas of rigorously evaluated social policy have yielded results as disappointing as those for youth employment. Over the last four decades, a multitude of interventions, including short-term and long-term training programs, subsidized work experience programs, and in-school and out-of-school strategies, have not demonstrated benefits to program participants. The few programs that did show a positive impact on employment and earnings generally saw those gains disappear over time.

Consequently, funding and program innovations for out-of-school youth declined precipitously in recent decades. Federal investments in youth employment dropped from \$1.5 billion in 1984 to \$924 million in 2010 (unadjusted for inflation). Attention has shifted to improving the quality of early childhood and high school education and upgrading worker (including young adult) skills through community college offerings.

While these efforts toward educational improvements are important, a nagging policy question remains—what to do about the young people who are unlikely to obtain a two- or four-year postsecondary degree? Despite the focus on postsecondary credentials, one out of six young adults lack strong connections to school or work. Poor education and work experiences early in one's career have been shown to have lasting consequences for employment and earnings trajectories.

This gloomy context makes the Year Up program findings reported here particularly noteworthy. Year Up, a non-profit organization headquartered in Boston, was founded by a former software entrepreneur in 2000 to provide a year of training and work experience to urban young adults ages 18 to 24. It has been able to develop a network of program sites across the country without the constraints imposed by public funding. Initial results from a small-scale impact study conducted by Mobility demonstrate that Year Up students experience remarkable earnings gains after a year in the labor market, compared to a control group. These gains were achieved during one of the worst economic recessions in recent memory, a recession that hit young people particularly hard. Also, the Year Up experience does not deter young people from pursuing further education—program participants are just as likely to enroll in postsecondary education as control group members.

While these results are exciting, some degree of caution is warranted. Long-time observers of the field have seen promising early results diminish over time. In addition, it is important to note that the Year Up model entails a substantial investment in young people, combining an intensive training curriculum with a range of social, emotional, and financial supports for students, staff who are committed to the program's philosophy and goals, and strong relationships with the employer community. Many questions remain, including whether the gains will be sustained over time, if the program can be replicated more widely, and whether Year Up can maintain program quality as it increases the share of its revenue from public sources.

Introduction

Youth from low-income families face significant barriers to making a successful transition to adulthood. Starting at kindergarten, these youth already score lower on achievement tests and face the further disadvantage of entering lower-quality schools compared to youth from moderate- to high-income families. Socioeconomic status explains a large portion of the achievement gap between white and non-Asian minority youth (Lee and Burkam 2002). Young people from low-income communities also face challenges to obtaining a college degree. They confront low teacher expectations and continue to attend low-quality schools that often do not prepare them for college-level work. This results in many needing to complete remedial classes that increase both the cost and time required to obtain a degree. Many students drop out due to a lack of support and funds (Matus-Grossman et al. 2002; Deil-Amen and Rosenbaum 2002). Only ten percent of youth from low-income families graduate from a four-year college (Kent 2009).

Low-income, minority youth also face significant barriers to employment. The residential locations of non-white families effectively limit the jobs to which they have access, due to a lack of information about job openings, inadequate transportation options, and discriminatory employer hiring practices (Ihlanfeldt and Sjoquist 1998). High-poverty neighborhoods offer few employment opportunities and inadequate job information networks (Wilson 1996). Research has found that employers discriminate against minority applicants, particularly young black men, based on perceptions about their work ethic and criminal involvement (Pager et al 2009; Wilson 1996). Racial disparities in wealth also contribute to labor market inequalities. Black families' significantly lower net worth, compared to white families, makes it more difficult to relocate for work or invest in postsecondary education (Oliver and Shapiro 2006).

Consequently, young people of color and those from low-income families are significantly more likely than others to be disconnected; that is, to be neither in school nor employed. Only 44 percent of youth from low-income families remain consistently connected to either school or the labor market between the ages of 18 and 24, compared to 67 and 75 percent of youth from middle- and high-income families, respectively (Kent 2009; Kuehn and McDaniel 2009). The plight of young black men is particularly daunting. Only half of black men ages 16 to 24 who are not in school are employed, and about one-third are involved with the criminal justice system at any given time (Edelman, Holzer, and Offner 2006).

The ramifications of these numbers on the development and earnings potential of these young people are significant. The period between the ages of 18 and 24 is a critical time for developing career expectations and preparing for work (Arnett 2002). Young adults who are not connected to work or school do not build the knowledge, skills, and experience needed to succeed in the labor market. Limited employment opportunities and low teacher expectations impede development of a vocational identity and expectations for the future (Diemer and Blustein 2007). In terms of earnings, adults who are disconnected from work and school for long spells during their youth are more likely to face long periods of unemployment in adulthood and earn lower wages (Levitan 2005). In contrast, workers with a college degree are employed and earn significantly more than workers who dropped out of high school or those who only completed

high school. Since the 1970s the real wages of workers with only a high school diploma have fallen (Economic Policy Institute 2011).

Young people who are not in school often lack the support of adults or institutions that can help them succeed in the labor market. In the youth development field, older youth have been overlooked as programming has become largely focused on school-age youth in school-based or after-school settings. Most studies of employment and training programs targeting out-of-school youth have demonstrated the programs have little or no lasting impact on young people.¹ These results have led many observers to conclude that job training does not work, a sentiment that has contributed to a decline in public funding for youth employment programs over the past three decades.

The research on youth employment and training programs suggests that the lack of positive impacts is related to issues of program design and implementation. Programs have provided too narrow a range of services, failing to meet young peoples' needs or engage them at high enough levels of participation to reap program benefits. Observers of the field suggest that a combination of education and training, paid work experience, the development of resiliency and leadership skills to build youth self-esteem, and supportive services are needed to engage youth and help them succeed (Ivry and Doolittle 2003). The relationships built between youth and staff or other adults associated with a program are also critical to youth staying engaged. The few programs that have had a positive impact on young people's earnings had close ties to the employer community, made strong efforts to place people in jobs or in job shadowing or work-based learning activities, and provided career-related guidance (Cave et al. 1993; Kemple 2004).

The research suggests that significant investments are needed to help urban youth overcome the barriers they face to accessing employment and educational opportunities so that they can make a successful transition to the labor market and become self-sufficient adults. This brief presents the findings from a study of Year Up, an intensive program serving young people ages 18 to 24 from low-income urban communities that provides a combination of training, work experience, college credit and support services. The program seeks to help young people succeed in their careers by enhancing their personal and professional development and helping them access employment and educational opportunities. Below is a description of the Year Up program and the young people it serves, followed by findings from a study of the program's impacts and the implications for policy and programming in the youth employment and training field.

¹ The Job Corps, a residential program that provides education and occupational training as well as substantial supports and nonacademic activities, initially produced positive impacts. These impacts diminished and became insignificant five years after program application (Schochet et al. 2003). The JOBSTART initiative, which sought to provide the intensive services of the Job Corps in non-residential settings, did not have significant impacts on the employment and earnings of youth initiative-wide, although one site, the Center for Employment and Training, did produce significant gains in earnings from work (Cave et al. 1993). An evaluation of the Youth Corps found positive impacts on employment and earnings while youth were in the program but did not track impacts on employment in the years after participation (Jastrzab et al. 1997). A quasi-experimental evaluation of the Youth Opportunity Grants Initiative suggests the program increased employment rates among out-of-school youth but did not have a significant impact on wages (Jackson et al. 2007).

The Year Up Model

Year Up provides a year of training to prepare low-income young adults, ages 18 to 24, for positions with good wages and career advancement opportunities in the information technology and investment operations fields. Key features of the model include:

- Six months of technical skills training that is regularly updated to meet the needs of the program’s corporate partners. All students receive basic training on operating systems and word processing, spreadsheet, and presentation software. Students in the information technology track learn about computer installation, repair and networking, while those in the investment operations track learn about investing and managing a portfolio.
- Classes in business writing and communications that focus on verbal communication, grammar, and composing and proofreading e-mails, memos and reports.
- Instruction in professional skills, both through classroom training and the enforcement of a performance contract on the rules of professional behavior. Students must maintain high attendance rates, be on time, and complete assignments. Students who repeatedly fail to meet these expectations end up “firing themselves” from the program. Additional skills taught include how to present oneself in terms of dress and body language, interact with co-workers, make small talk, engage in social networking, and manage conflict.
- The opportunity to earn college credits. Classes are structured to meet the requirements of the program’s college partners so that students can earn college credit for the satisfactory completion of classes.
- A six-month internship with some of the top companies in each region to help young people build their skills, professional experience, and networks.
- A weekly stipend during both the classroom and internship phases of the program that is tied to the performance contract.
- Support and guidance from staff and other professionals. All students have staff advisors with whom they may discuss personal or programmatic issues. Social workers provide counseling and help students access services and supports outside of the program. During weekly group meetings, students receive feedback and have the opportunity to give feedback to staff. Student supervisors at the internship sites are expected to provide support and guidance. Students are also paired with a mentor—a professional from outside of the program—to guide their professional development.
- Assistance with the job search process and/or college enrollment upon program completion.

Year Up has a diverse revenue base that includes support from private foundations and corporations, individual contributions, public funds, and contributions from internship partners. The program’s corporate employer partners make a contribution to Year Up in order to

participate in the internship program—a source of revenue that covers a significant share of program costs. In sum, Year Up makes a significant investment in young people to help them build both the technical and behavioral skills needed to succeed in the professional jobs and workplaces that the program targets.

The Study

In 2007, Year Up engaged the Economic Mobility Corporation (“Mobility”) to conduct a study of program performance and outcomes. The purpose of the study was: 1) to assess how student characteristics and participation levels related to outcomes in order to make programmatic adjustments to improve performance; and 2) to assess whether participation levels and outcomes appeared strong enough to suggest that Year Up could be successful in demonstrating positive impacts on young people in a large-scale, rigorous evaluation. Year Up enrolls youth who are motivated to improve their economic situation and seeks to engage them in an intensive, full-time, year-long intervention. Given the results of past evaluations in which programs have failed to engage youth at sufficient levels to produce positive impacts, Year Up wanted to ensure that the program sites were performing up to expectations before embarking upon a large-scale evaluation. Also, the control group members in a random assignment study would be equally motivated to succeed as the program participants; therefore, Year Up wanted to learn what opportunities the young people who were eligible for the program could access on their own.

Prior to the study, the Year Up programs had experienced more demand than there were available slots in their classes. Year Up agreed to take advantage of this excess demand to conduct a study comparing the outcomes of young people invited to take part in the program to those placed on a waiting list. Programs in three cities—Boston, New York City, and Providence, Rhode Island—took part in the impact study. Year Up staff members recruited candidates, identified a pool of eligible young people, and submitted lists of eligible candidates to the Mobility researchers, who randomly assigned the young people to a treatment or control group. Of the 195 young people enrolled in the impact study, 135 were randomly selected to be in the treatment group and invited to take part in the program, and 60 were randomly selected to be in the control group. Those assigned to the control group were told that they were being placed on a waiting list and could re-apply to the program after ten months. Otherwise, they could pursue employment or postsecondary education or training elsewhere. Because young people were randomly assigned, members of the treatment and control groups were equally qualified for the program and equally motivated to take part in the program at the time of enrollment. Therefore, any differences in their employment or educational outcomes can be attributed to the treatment group’s participation in Year Up.

To assess the program’s impact on young people’s employment and educational outcomes, Mobility analyzed data about study participants collected by Year Up staff members and by a survey firm. Year Up collected information about the demographic characteristics and pre-program employment and educational experiences of all of the young people who applied to the program in summer 2007. Year Up staff also collected data on the one-year post-program employment and educational outcomes of the students who graduated from the program. Mobility subcontracted with a survey firm to conduct follow-up interviews with members of the control group and with the young people who were accepted to Year Up but dropped out of the

program without completing it. The young people were last surveyed between 24 and 30 months after random assignment. The response rates on the follow-up survey were 89 percent among the treatment group and 73 percent among the control group, resulting in a final sample of 120 treatment group members and 44 control group members. Mobility found very few significant differences in attrition rates between the treatment and control group members across many demographic and economic characteristics and little evidence that such differences led to bias in the estimated program impacts.²

With such small sample sizes, Mobility cautioned program staff that only very large differences in the outcomes between the treatment and control groups would qualify to be statistically significant. However, the data would give them a sense of how program participants perform compared to control group members. As described below, despite the small sample size and the fact that the study took place during one of the worst recessions in decades, the results were very positive and, consequently, have important implications for policy and programming. We first describe the study participants and then turn to the key findings regarding their employment and educational outcomes in the second year after study enrollment.

Characteristics of Study Participants

Year Up targets young adults, ages 18 to 24, from low-income urban communities. Most Year Up participants are members of racial or ethnic groups that face discrimination in the labor market. Of the 164 young people in the study sample, 50 percent are African American and 34 percent are Latino. More than half (57 percent) of the study participants are male. When they applied to Year Up, 81 percent of study participants lived with a parent or guardian, a higher percentage than for the young adult population overall, where more typically young people leave home for college or to live on their own. Eighteen percent of all participants live in public housing. Some of the young people face significant barriers to success in their pursuit of training and employment because they have criminal convictions or children of their own to care for, or English is not their primary language (Figure 1).

² We found no statistically significant differences in the attrition rates between the treatment and control group members by looking at whether they were female, Latino, an “other” race, ages 22 to 25, had a GED, had ever attended college or job training prior to applying to Year Up, lived in public housing, had a criminal record, had children, lived on their own, earned more than the median of \$8.25/hr. in their longest job prior to program application, or had worked in their longest job more than the median of nine months.

There were significant differences at the .05 level on three factors. Attrition was higher among control group members aged 18 to 19 (36 percent) than among treatment group members aged 18-19 (15 percent). Attrition was higher among African American control group members (32 percent) than among African American treatment group members (10 percent). Attrition was higher among control group members whose primary language was English (26 percent) than among treatment group members whose primary language was English (11 percent). One employment factor was significant at the .10 level. Attrition was higher among control group members who had worked in the 12 months prior to program application (22 percent) than among treatment group members who had worked in the prior 12 months (11 percent).

In regression analyses of how these significant factors are associated with earnings in the second year after random assignment, we found that being ages 18 to 19, African American, and primarily-English-speaking are negatively associated with earnings, while having worked in the year prior to program application is positively associated with earnings. However, only the relationship between being primarily-English-speaking and earnings is statistically significant.

Fourteen percent of study participants dropped out of high school and attained a GED. Just over one-third (35 percent) attended college at some point. However, only one individual had obtained an associate’s degree, and only six percent had attended college classes during the semester prior to applying to Year Up. In focus groups, participants who had attended college reported dropping out of college for financial reasons or because required non-credit remedial courses prevented them from progressing toward a degree.

Most study participants (88 percent) had some work experience, but only 43 percent were employed at the time they applied to Year Up. For the most part, the participants who had worked held low-wage jobs for only short periods of time. Fifty-eight percent of students who had work experience held their longest jobs for less than a year. The median wage for the jobs participants had held for the longest period of time prior to applying to Year Up was \$8.25 an hour. The most common jobs were in food service and retail trade.

Figure 1. Characteristics of Study Participants

Gender	
Male	57%
Female	43%
Age	
18 to 21	72%
22 to 24	28%
Race	
African American or Black	50%
Latino	34%
White	5%
Asian	3%
Other	7%
Highest Degree	
GED	14%
High School Diploma	85%
Associate’s Degree	1%
Work Experience	
Ever Worked for Pay	88%
Working at Time of Application to Year Up	43%
Held Longest Job for Less Than One Year	58%
Median Hourly Wage in Longest Job	\$8.25
Other Characteristics	
English is Not Primary Language	15%
Not a U.S. Citizen	8%
Have Children	9%
Convicted of a Crime	8%
Live in Public Housing	18%

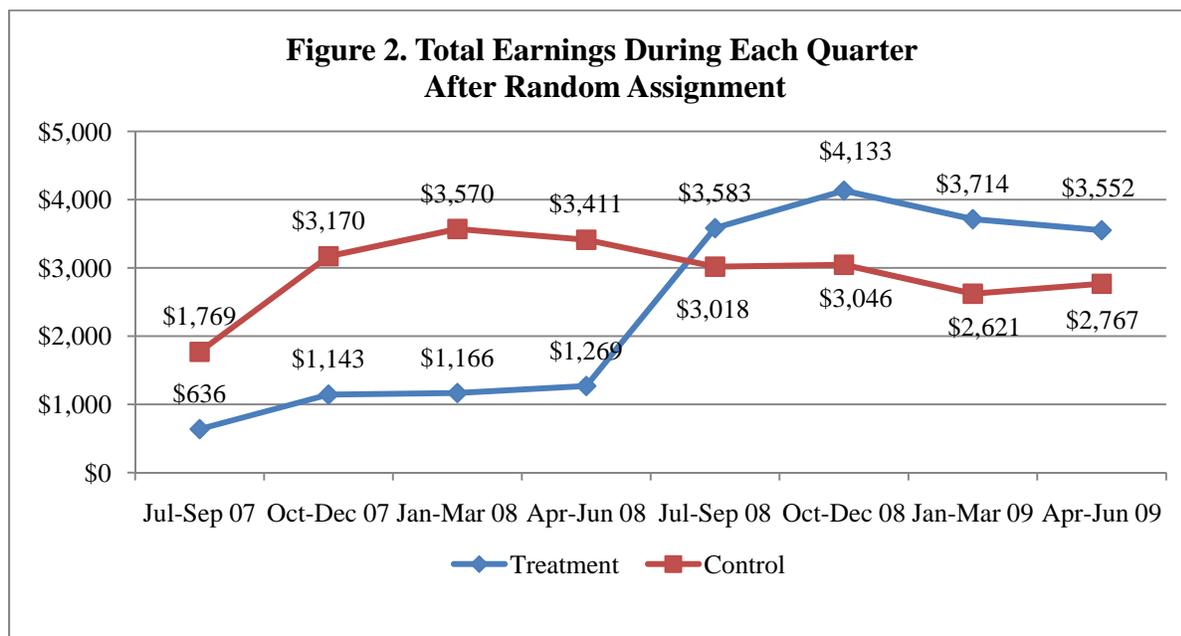
Note: Table includes both treatment and control group members. [N=164]

Key Findings

We compared the employment and educational outcomes of the treatment group members to those of control group members during the two years after random assignment took place. Of the 120 treatment group members in the final study sample, 90 percent ultimately attended part of the program and 64 percent graduated on time in July 2008. The impacts presented in this report represent the average effect of the intent to treat. That is, the analysis includes all members of the treatment group, regardless of whether or not they ever attended or graduated from the program. In this report, we refer to the treatment group as "the Year Up participants."

Year Up Participants Had Greater Earnings In the Second Year After Random Assignment

During the first year after random assignment to the treatment or control group, during which time the Year Up participants attended the program full-time, control group members achieved higher average earnings than the Year Up participants. However, during the second year after random assignment—the year after the program took place—the annual earnings of the Year Up participants were \$3,461, or 30 percent greater, on average, than those of control group members (\$15,082 versus \$11,621, respectively).³ As shown in Figure 2, the Year Up participants began to earn significantly more than did the control group members in the sixth quarter after random assignment, and the earnings differences continued to be significant through the eighth quarter.

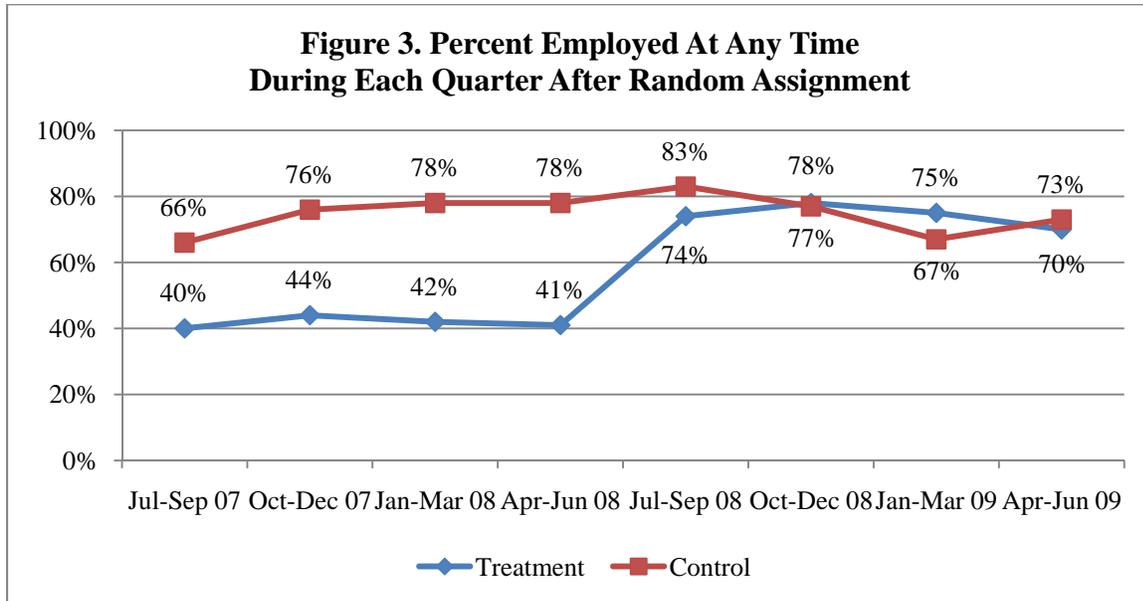


Note: Differences are statistically significant at the $p < .05$ level of significance in Oct-Dec 08 and Jan-Mar 08 and at the $p < .10$ level of significance in Apr-Jun 09.

³ This difference is statistically significant at the $p < .10$ level of significance. The annual earnings figures include all study participants, including those who did not work, whose earnings were zero, and those who worked during only part of the year.

Higher Hourly Wages Among Year Up Participants Drove the Earnings Differences

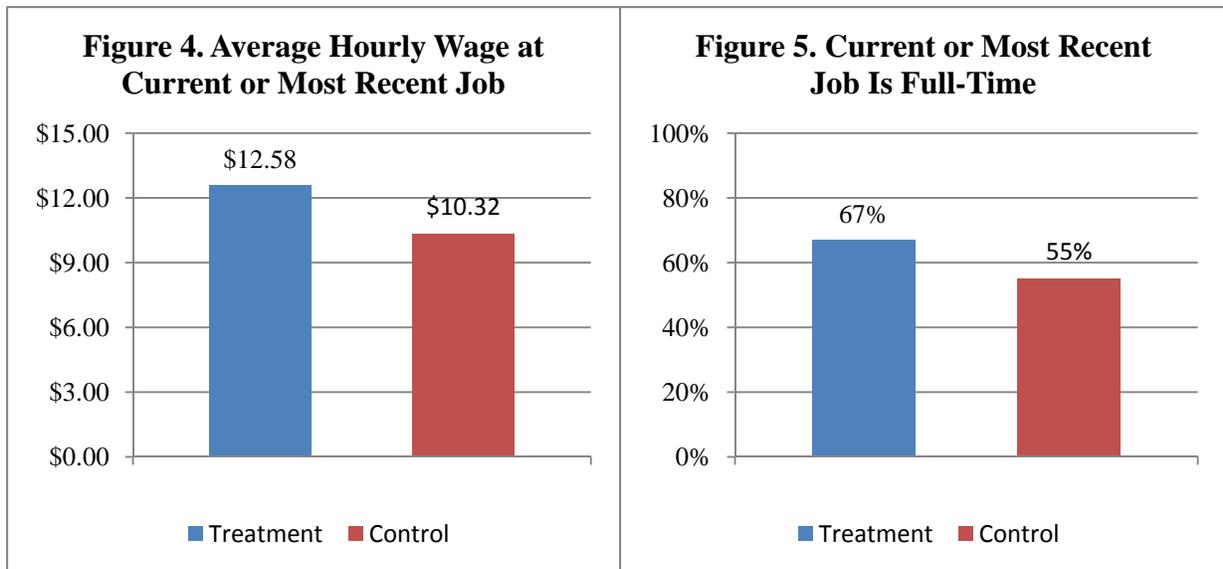
The differences in earnings during the second year were not due to the Year Up participants working more, but rather the fact that they obtained higher-paying jobs. The Year Up participants and control group members were equally likely to be employed during the second year (86 percent versus 83 percent, respectively). As shown in Figure 3, employment rates among the Year Up participants were similar to those of control group members starting in the sixth quarter after random assignment, after time had passed for program graduates to find jobs.



Both groups worked an average of eight months and about 1,200 hours during the year. However, at their current or most recent job, Year Up participants earned an average of \$2.26 more per hour than did control group members (Figure 4).⁴ Year Up participants' current or most recent jobs were also more likely to be full-time (35 hours or more per week) than control group members' jobs (Figure 5).⁵ There were no statistically significant differences between the groups in the availability of employer-provided medical benefits (57 percent for Year Up participants versus 52 percent for control group members) or tuition assistance (29 percent for Year Up participants versus 21 percent for control group members).

⁴ This difference is statistically significant at the $p < .01$ level of significance. Median hourly earnings were \$12.00/hr. among the Year Up participants and \$10.00/hr. among control group members.

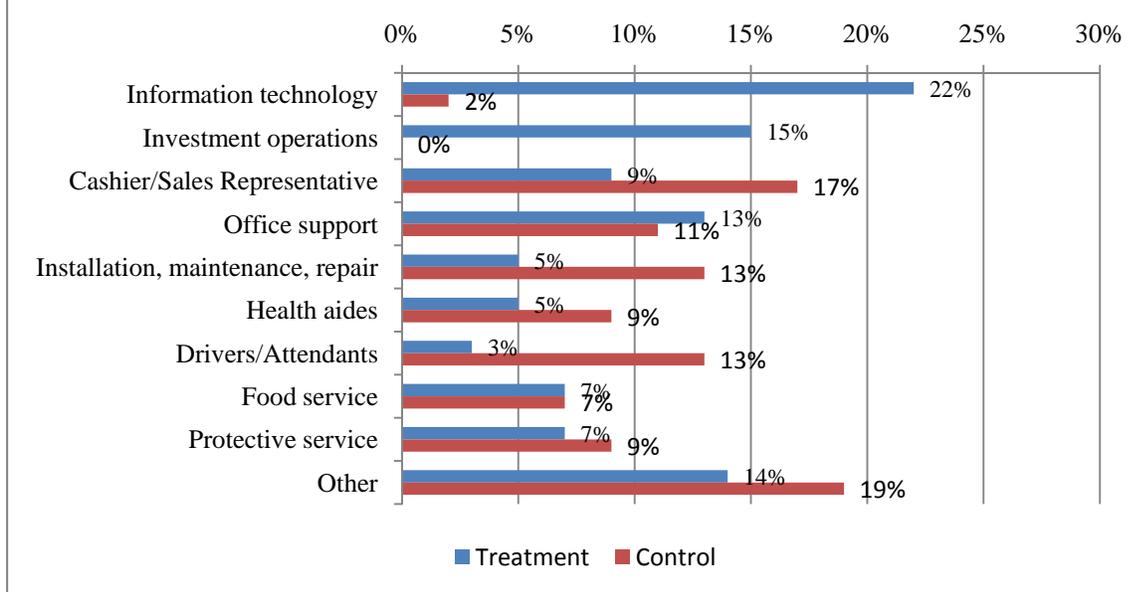
⁵ This difference is statistically significant at the $p < .10$ level of significance. While the percent of Year Up participants who worked full-time (35 or more hours per week) was greater than the percent of control group members who did so, the average number of hours worked was not statistically or substantively different.



Data about the types of jobs held by study participants reveal that the Year Up participants were significantly more likely than control group members to obtain jobs in the targeted fields (Figure 6). Nearly a quarter (22 percent) of the Year Up participants obtained information technology jobs—primarily as computer support specialists—compared to only two percent of control group members. Fifteen percent of Year Up participants obtained jobs in the investment operations field—primarily as portfolio administrators and fund accountants—while no control group members obtained these types of jobs. The two groups were equally likely to obtain jobs as office or administrative support staff. The other most common occupations of control group members were cashiers or sales representatives, installation, maintenance, or repair service providers, health aides, and drivers or attendants.

Average wages among the Year Up participants were \$14.79 an hour in information technology jobs and \$15.72 an hour in jobs in the investment operations field, compared to \$10.68 an hour in all other occupations. The hourly wages of Year Up participants who worked in occupations other than information technology and investment operations did not differ significantly from the wages of control group members. Therefore, the overall differences in wages resulted from Year Up participants’ ability to access jobs in the targeted sectors.

Figure 6. Type of Job Held: Current or Most Recent Job

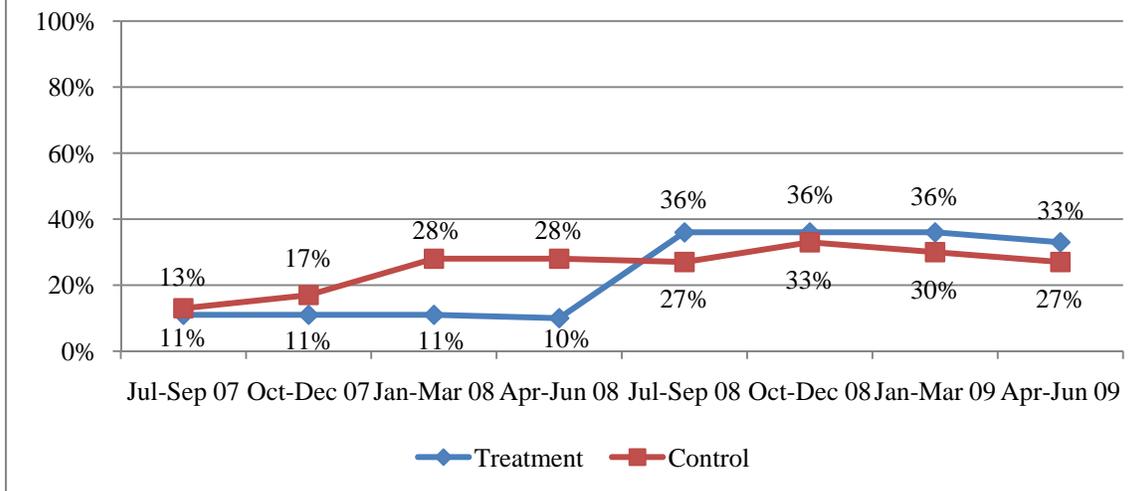


Program completion was critical to young people’s success as was Year Up’s relationships with employers. As noted earlier, 64 percent of the Year Up participants completed the program. Graduates earned significantly higher wages than participants who dropped out of the program (\$13.54 an hour versus \$10.96 an hour). Overall, one quarter of the Year Up participants (44 percent of program graduates) were hired either by their internship employer or by another employer partner. The Year Up participants who were hired by the program’s employer partners were significantly more likely to work in information technology or investment operations positions than those who obtained jobs elsewhere (94 percent versus 12 percent, respectively).

Year Up Participants Were Just As Likely as Control Group Members to Attend College

The Year Up participants were as likely to attend college during the second year after enrollment in the study as members of the control group (Figure 7). During the eighth quarter after random assignment, one-third of Year Up participants attended college compared to 27 percent of control group members, which is not a statistically significant difference. About three-quarters of the young people in both groups who had attended college earned college credits. Similar percentages attended a four-year college (52 percent) as opposed to a two-year college (48 percent). The fact that college attendance among Year Up participants was similar to that among control group members can be interpreted as a positive finding. Some critics of job training programs for young people argue that such programs can reduce college attendance among those who might otherwise have succeeded in college, possibly leading to lower earnings over time. The results of the study suggest that participation in Year Up increased young people’s earnings without reducing college attendance.

Figure 7. Percent Attending College During Each Quarter After Random Assignment



Implications and Conclusions

The findings indicate that while young people who apply to Year Up are motivated and able to work, the program helps them access higher-quality jobs than they could access on their own, leading to significantly greater earnings. As noted in the introduction, few youth employment programs have been able to demonstrate a positive impact on participants' employment and earnings. Many programs are unable to engage young people at levels sufficient to build the skills needed to succeed or provide access to opportunities once the program is complete. Caution is warranted in declaring the Year Up model a success, however, as past studies have found that early earnings gains often disappear over time. A future report will examine whether participants sustain the earnings gains four years after program application, and whether they make greater progress in pursuing a postsecondary degree. This report will also review the program's costs and cost-effectiveness in light of these findings.

The initial results of this study lend support to findings from previous research on youth development and employment programs regarding what constitutes effective practices. The results suggest that public and philanthropic investments should be made in programs that have the following elements:

1. **A focus on opportunities in strong sectors of the local economy and employer involvement in program design and implementation.** The findings support the growing body of evidence that sector-based job training programs can have a significant positive impact on the earnings of less-skilled, low-income workers (Maguire et al. 2010). The earnings impacts found in this study resulted from the Year Up participants' greater ability to access jobs in the targeted sectors, which paid more than the other types of jobs the study participants obtained. Two key features of Year Up are that it designed a curriculum that meets the needs of its corporate partners, and it obtains employer commitments to hire and pay for student interns, many of whom obtain regular jobs with

their employers after program completion. At the same time, Year Up is an intensive program that seeks to provide a talented pool of workers to its corporate partners. As is the case with many other sector-based training programs, Year Up targets young people who have basic skills, including a high school diploma or GED, and the motivation to succeed.

2. **An emphasis on teaching corporate workplace norms of behavior, dress, and communication in addition to the technical skills needed for the targeted jobs.** Year Up students in the study emphasized the importance of these aspects of the training to their success at their internships. While many job training programs include instruction on basic workplace skills, two aspects of the Year Up program appear to be critical to the success of the professional skills training. First is the respectful manner in which staff members interact with students when providing both positive and negative feedback, making the students more receptive to the messages about what they need to do to succeed. Second is the program's ability to produce results in the form of well-paying opportunities at leading firms that otherwise were out of reach to the young people. Programs need to demonstrate that they can provide access to better opportunities than people can obtain on their own.
3. **Strong supports for students and consistently high graduation rates.** Young people need to build the necessary skills to be qualified for the targeted opportunities. Despite the best motivation and the potential opportunities available, completing a year-long program poses challenges, particularly for young people who lack a support network, have their own family responsibilities, or otherwise face significant financial burdens. Programs should have high expectations that young people will graduate, while providing multiple supports to give students every opportunity to succeed. At the same time, students who fail to meet the expectations should not be allowed to graduate, as this can hurt a program's credibility in the long-run. A key aspect of Year Up is the multiple opportunities it offers young people to receive support and guidance from adults, whether through program staff, social workers, workplace supervisors, or mentors from outside of the program. The stipends Year Up offers can help students cover some of their expenses while providing an incentive for abiding by the program's attendance and other rules, which is required for students to receive the full amount.
4. **An emphasis on the importance of a postsecondary degree and building the skills and confidence that young people need to succeed in college.** The experience of Year Up demonstrates that it is possible to help young people gain occupational skills and access well-paying job opportunities while encouraging them to continue their education. Year Up does this by enabling young people to earn college credits from the program's academic partners for the courses they successfully complete, which can help them feel that they have made progress in pursuing their education. The program also provides instruction and assignments that improve the skills young people need in college, including reading and writing.

In sum, the experience of Year Up suggests that social policies should encourage intensive programs that provide a combination of training, work experience and support services to build

young people's technical and professional skills and confidence while at the same time meeting employers' needs for skilled workers in industries that offer young people access to well-paying job opportunities. Several economic indicators reveal young adults' vulnerability in the labor market and underscore the need for investment in the skills of young workers. Between December 2007 and January 2010, the unemployment rate among young workers increased by 7.1 percentage points to 18.9 percent. Young people of color face even greater challenges, with unemployment rates of 32.5 percent and 24.2 percent among young black and Latino workers, respectively (Edwards and Hertel-Fernandez 2010). Employment projections indicate that half of all new jobs created through 2018 will be in occupations that require either a postsecondary degree or vocational award (Bureau of Labor Statistics 2009). Engaging young adults—particularly young people of color from low-income families—in education or training is critical both to helping them make a successful transition to adulthood and to developing a skilled young labor force that can meet the demands of the economy.

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