

Multiple Pathways for Young Adults

A Report to the Washington Legislature
on Young Adult Unemployment



December 2012

Workforce Training and Education Coordinating Board
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Executive Summary

Today's Young Adults Face High Unemployment, Lower Lifetime Earnings

In the aftermath of the Great Recession, and a still tight job market, Washington's young adults (ages 18-24) continue to struggle with high unemployment, putting at risk their long-term economic prospects and potentially delaying traditional milestones such as home ownership, marriage and children. Some 16.7 percent of our state's young adults were unemployed in 2012,¹ compared with older adults (ages 25-64) who had a 7 percent unemployment rate. While it's not unusual for young adults to have higher unemployment rates than older workers, young adults in the pre-recession year of 2007 had an unemployment rate of 10.6 percent—a full six percentage points lower than the 2012 rate.

The impacts of high unemployment on young adults are far reaching and go beyond young adults taking longer to find their first rung on a career ladder. Ultimately, this “failure to launch” is expected to have negative consequences on individual income, lifetime earning potential and long term employability for a generation of workers.

Education is Key

Education—particularly education that goes beyond a high school diploma—is proven to help young adults successfully enter the labor market, earn higher wages and increase their job security. Unemployment rates for young adults drop considerably as individuals obtain postsecondary education or training, whether it's an associate's degree or certificate, an apprenticeship or four-year degree. Young people who earn a two-year or four-year degree have the lowest rates of unemployment, at 7 percent and 9 percent, respectively.

Meanwhile, one out of three young adults who have not earned a high school diploma is unemployed—the highest among their peers. In the 2010-11 school year, approximately one in four high school students dropped out, or about 14,000 students statewide.²

Education and Training Not Meeting Employer Needs

Of those who graduated, 36 percent did not go on to any postsecondary education or training in the year following their graduation, stranding them in a tight job market with just a high school diploma to compete for jobs that often require more advanced credentials. Of those who do go on to

¹ Source: Bureau of Labor Statistics, 2012, Current Population Survey. Note: The BLS survey includes 16- and 17-year olds and thus does not completely align with this report's definition of young adult (18-24).

² The high school class of 2011 had an on-time graduation rate of 76.6 percent, according to the Office of Superintendent of Public Instruction, Graduation and Dropout Statistics Annual Report 2010-11.

postsecondary education, too few are entering programs in high-demand fields, such as health care and software engineering. Consequently, thousands of Washington employers are leaving positions unfilled for lack of qualified candidates who have the right combination of education and technical training. Another deficit for young people is soft skills, such as being punctual, dressing appropriately and working as a team. Without the chance to obtain a first job, it makes it much more difficult to learn these subtle but critical skills, further damaging young people's ability to successfully attach to the labor market. This is a vicious circle. Without getting that first job, young adults can't gain the skills they need, further stalling their participation in the job market and their road to self-sufficiency.

A Comprehensive Solution

Moving forward, a comprehensive solution must address the full spectrum of challenges faced by our state's young adults and the employers who seek skilled and educated workers, but find them in short supply. The challenges that face decision makers today are how to blend existing promising practices into a comprehensive solution that promotes workforce success for all our young people.

Young adults need to connect to postsecondary education and work experience. For many, this means focusing support for them through the completion of meaningful credentials. College programs that offer "work-and-learn" options, apprenticeship, and targeted to undereducated young people, such as Skill Link, are among the worthy models successfully transitioning unemployed older youth into the labor market. These types of programs must be supported and expanded to reach the many young people who have aged out of our public K-12 system, often with little to no means of support and continue to languish on the unemployment rolls.

The recommendations in this report, though, focus on finding solutions for our young people while they are still enrolled in K-12, especially at the high school level. Focusing attention on what and how students learn can significantly affect their entry into the labor market and long-term economic security.

A comprehensive solution builds on the state's efforts to achieve rigorous academic standards for all students. In addition, the solution must include:

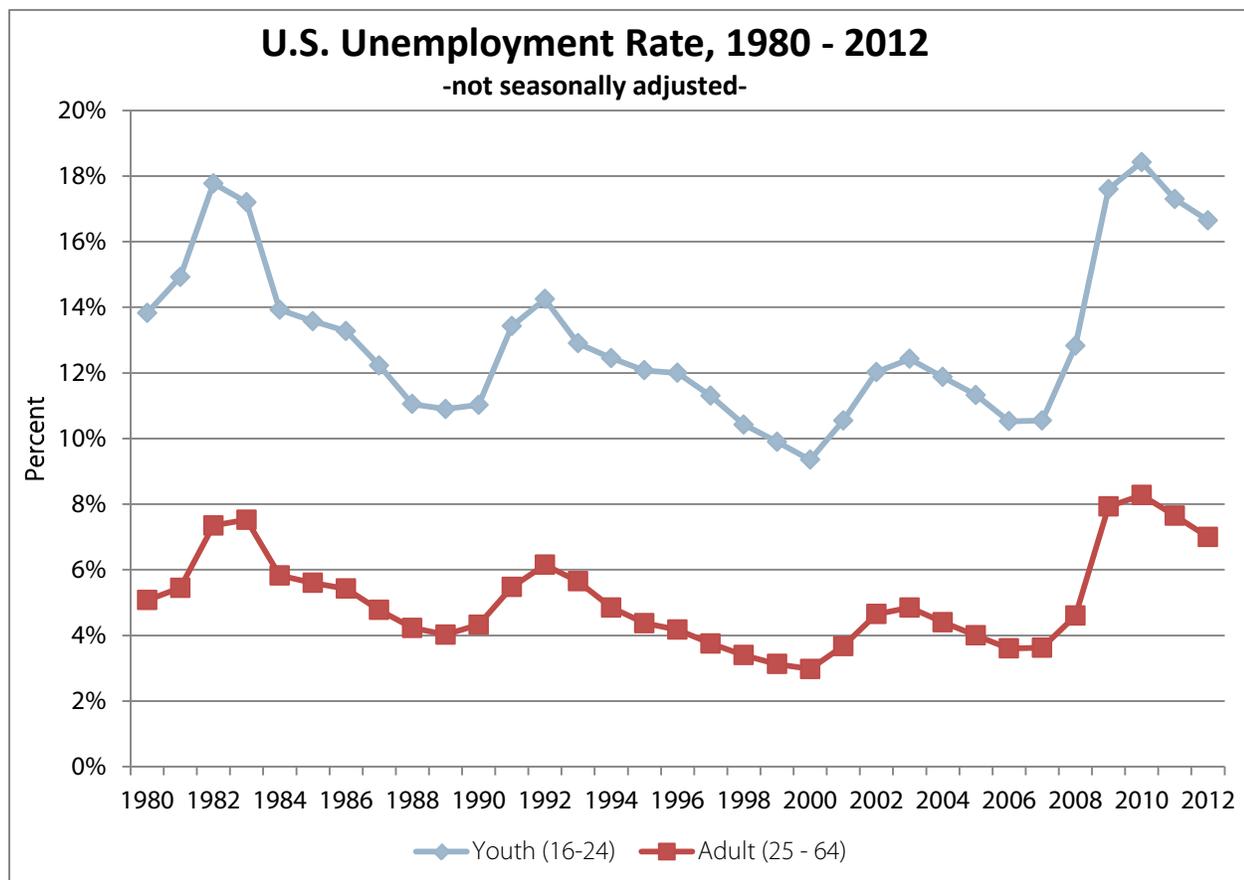
- Career Guidance
- Career Planning
- Work-Integrated Learning
- Technical Skill Training

Some of the most successful high school experiences include opportunities for students to not only learn in a traditional academic setting, but to apply that academic learning in a safe, work-integrated learning environment that pertains to a career of interest.

Washington is fortunate to have many programs in place that employ the necessary comprehensive strategies needed for students to succeed in today's workplace. However, these programs are largely local with little ability to scale up statewide, leaving too many students without the opportunities to plan for careers, immerse themselves in work-related learning and embark on satisfying education and career paths. Decision makers are now faced with the challenge of elevating promising practices to a statewide level. With the right guidance, education, and training, our young adults will grow into a thriving and dedicated workforce that drives Washington's economy in the coming years.

Young Adult Unemployment

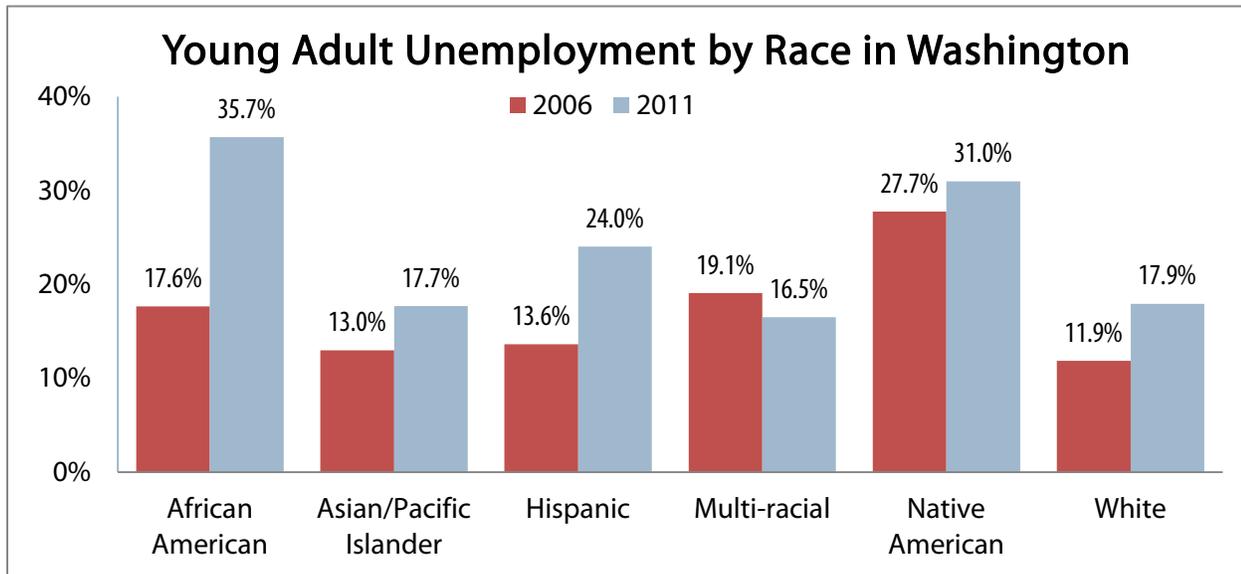
Young adult unemployment is a persistent phenomenon that has been compounded by the Great Recession. In 2012, 16.7 percent of our state's young adults were unemployed, compared to 7 percent of older adult workers (25-64). But there is nothing new about this differential. Young adults have long experienced unemployment rates between 6 and 10 percentage points higher than the older workforce. The chart below compares unemployment rates between these two age categories.



Source: Bureau of Labor Statistics, 2012, Current Population Survey.

Unemployment Rates Even Higher among Minorities

Unemployment rates for minority young adults are significantly higher than the general population of young adults. In 2011, African American young adults in Washington had the highest unemployment rate with 35.7 percent, followed by young Native Americans (31 percent) and Hispanics (24 percent). White young adults and Asian/Pacific Islander young adults had nearly identical unemployment rates of just under 18 percent. Interestingly, multi-racial young adults had the lowest unemployment rate: 16.5 percent.



Source: U.S. Census Bureau's 2011 and 2006 American Community Survey, Washington young adults aged 18-24.

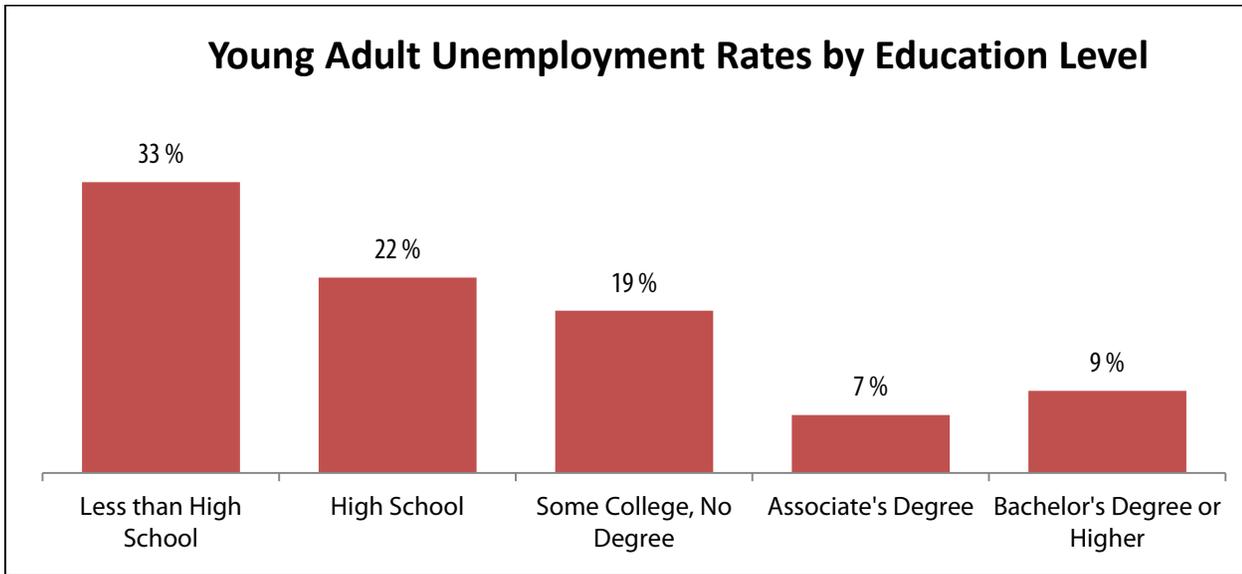
Far Reaching Impacts

High unemployment and low wages are often intertwined. That is, as more people search for work and jobs are scarce, wages tend to fall. For every percentage point increase in the unemployment rate, new labor entrants have wages 6 to 7 percent lower than similar people who entered the labor market during healthy economic times - a phenomenon that can impact future earnings for as long as 15 years.³ Higher unemployment rates not only depress initial wages, they can harm lifetime earning potential as well. One study found individuals who experience joblessness when unemployment rates are above 8 percent will see a loss of 2.8 years of earnings over their lifetime.⁴

³ Van Horn, C., Zukin, C., Szeltner, M., & Stone, C. (2012). Left out. Forgotten? Recent High School Graduates and the Great Recession. John I Heldrich Center for Workforce Development.

⁴ Rory O'Sullivan, A. J. (2012). No end in sight? The long term youth jobs gap and what it means for America. Young Invincibles.

Education continues to be an indicator of employment success for young adults. While 33 percent of young adults without a high school diploma were unemployed in 2011, the unemployment rate for young adults with a postsecondary degree ranged from 7 to 9 percent. Some 42 percent of manufacturing jobs by 2018 are expected to require at least some postsecondary education and training.⁵ Even so, young adults benefit by completing high school. High school graduates have lower unemployment and higher earnings than those without diplomas, and this earning power and employability rises with additional education at every level. The connection between education and employability applies to both genders and all ethnicities and races.

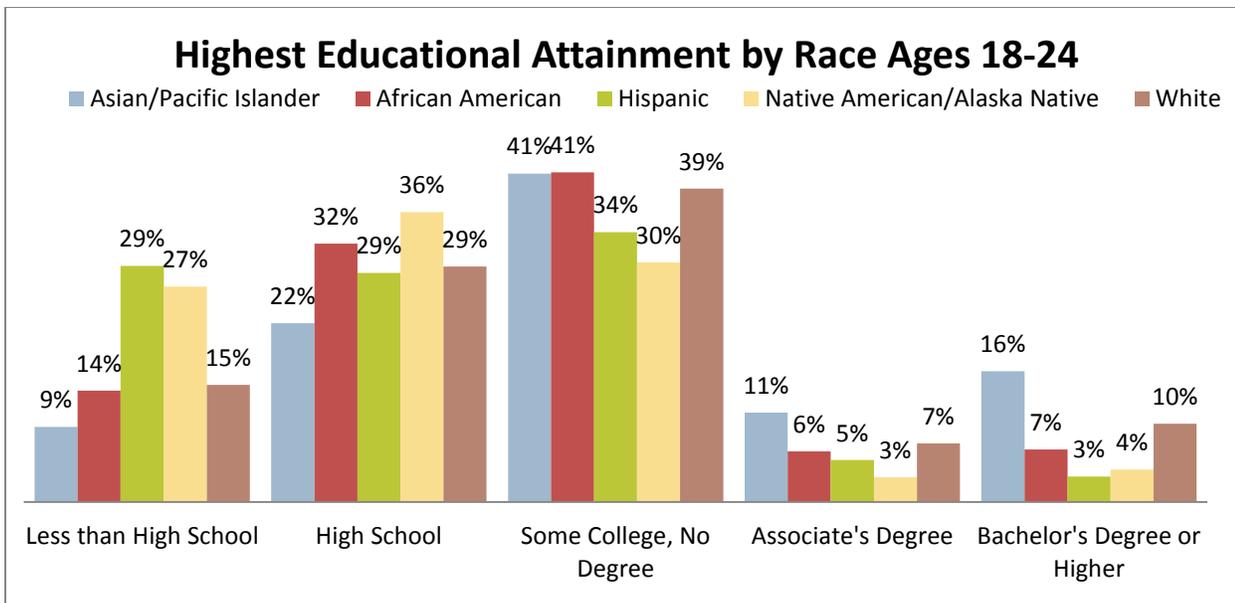


Source: U.S. Census Bureau's 2011 American Community Survey, Washington young adults aged 18 to 24.

Persistent unemployment and disconnection from the world of work places our state's youth at a competitive disadvantage. This struggle to connect to the economy also erodes confidence and optimism, replacing it with doubt regarding their preparation for entering the job market. Nationwide, 28 percent of youth say they should have been more careful about the courses they took as electives, and roughly the same number say they should have taken more classes directly related to preparing for a career.⁶

⁵ Workforce, G. U. (2011). Career Clusters: Forecasting demand for high school through college jobs: 2008-2018. Georgetown: Georgetown University.

⁶ Van Horn, C., Zukin, C., Szeltner, M., & Stone, C. (2012). Left out. Forgotten? Recent High School Graduates and the Great Recession. John I Heldrich Center for Workforce Development.

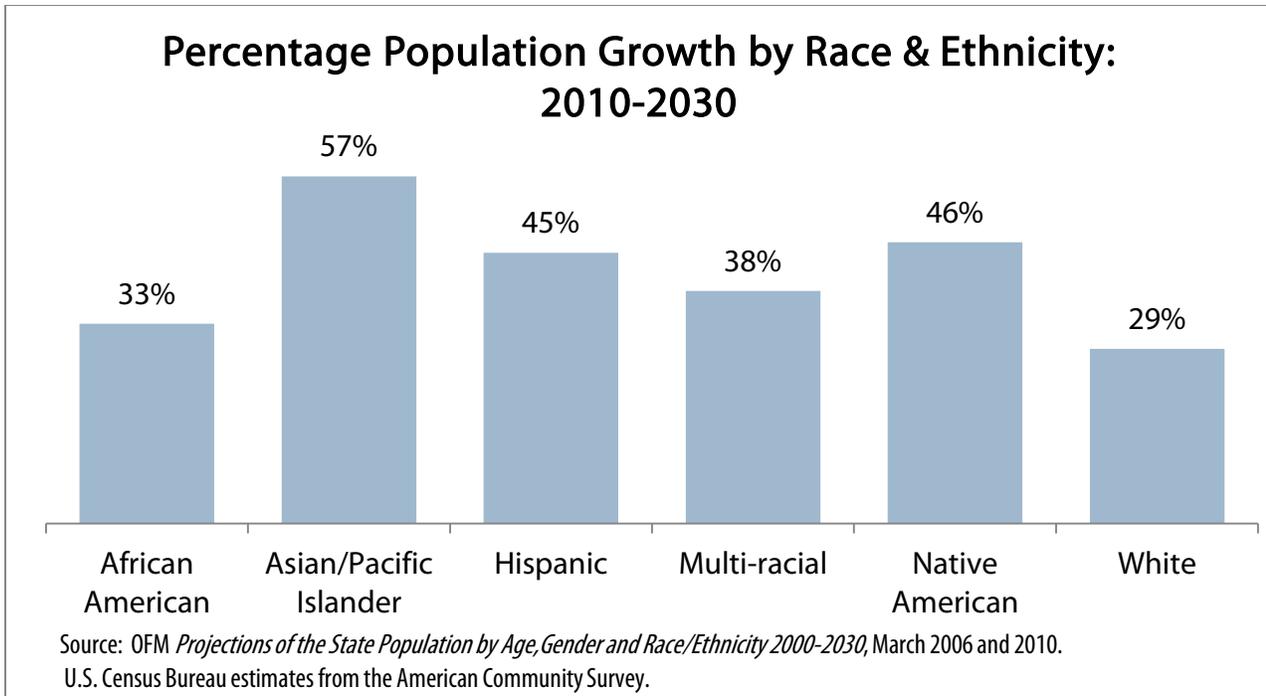


Source: U.S. Census Bureau's 2011 American Community Survey.

For many young adults, the critical first step in their transition from high school to higher education is proving difficult. More than one third of Washington's young adults are not engaging in some form of postsecondary education within a year of their high school graduation.⁷ This problem becomes more acute when filtered through race.

Hispanics, Native Americans and African Americans are underrepresented in post-high school education and training programs. When comparing postsecondary education trends with population projections, this problem becomes even more pressing. The following charts show population growth projections through 2030. While all groups will grow during the next 20 years, minority population growth is expected to significantly outpace whites. Yet, if many minority groups continue to obtain postsecondary education at rates lower than whites, our future workforce will be less educated than it is today.

⁷ HECB, H. E. (2012). Key facts about Higher Education in Washington. Olympia: Higher Education Coordinating Board.



Cost of Higher Education Poses Barrier

The average annual loan for Washington students during the 2010-11 academic years was \$7,654 for need-based students and \$9,533 for non-need based students.⁸ Tuition growth has outpaced growth in median household income over the past two decades, with tuition growing nearly 300 percent in that time frame.⁹

Disconnected Youth or Lost Opportunity?

Nearly 15 percent, or approximately one in six youth in Washington, aged 16-24, are not in school and are not working.¹⁰ These disconnected teens and young adults represent a critical lost asset in Washington's economy. However, if given the right resources, understanding, and access these individuals represent a unique opportunity. The benefits derived from fully engaging disconnected young adults in education and/or the workforce are felt not only by the individual young person, but by the surrounding communities as well.

Ensuring young adults are connected to our community through education and employment can prove effective in bolstering individual achievement, limiting long-term unemployment, and

⁸ HECB, H. E. (2012). Key facts about Higher Education in Washington. Olympia: Higher Education Coordinating Board.

⁹ HECB, H. E. (2009). Tuition Policy Report. Olympia: Higher Education Coordinating Board.

¹⁰ Nation, O. (2013), Opportunity Index, Washington Opportunity Index: <http://opportunityindex.org/#5.00/45.635/-93.089/>

increasing economic vitality. Researchers studying young adults and employment have found that having a job is a protective factor against potential delinquency, among even those previously involved in antisocial behavior.¹¹ This connection is strong enough to overcome entrenched criminal behavior for prior offenders. If left disengaged, disconnected young adults are likely to grow into adults who are entangled in our state's criminal justice or social service programs.

Research shows that the length of disconnection matters to young adult success. For instance, of those who were disconnected from employment and work for between one and two years, 61 percent of men and 48 percent of women were employed full time between the ages of 25-28. Yet of those who were disconnected from the workforce or education for three years or more, only 41 percent of men and 21 percent of women were employed full time between the ages of 25-28. For individuals who stayed connected to school or employment, 75 percent of men and 62 percent of women were employed full time at the same age in their life.¹²

A Comprehensive Solution

A comprehensive solution must address the full spectrum of challenges faced by our state's young adults and employers who seek skilled and educated workers, but find them in short supply. The challenges that face decision makers today are how to blend existing promising and best practices into a comprehensive solution that promotes success in today's workforce. In addition to rigorous academic standards, the solution must include:

- Career Guidance
- Career Planning
- Work-Integrated Learning
- Technical Skill Training

Some of the most successful high school experiences include opportunities for students to not only learn in a traditional academic setting, but to apply that academic learning in a safe, work-integrated learning environment that pertains to a career of interest. Washington hosts many examples of how career guidance, career planning, work-integrated learning and technical skill training combine to support young adult success. The challenge is to bring these successes up to a scale that provides comprehensive support for all Washington residents. For this to occur, there needs to be a strong partnership between education, business, and labor sectors to ensure maximum return on investment and successful transition from education and training to living-wage careers.

¹¹ Bradford, S. (2012). *Working for a Better Future*. Washington D.C : Justice Policy Institute .

¹² Bridgeland, J. M., & Milano, J. A. (2012). *Opportunity Road; the Promise and Challenge of America's Forgotten Youth*. Civic Enterprises & America's Promise Alliance.

Career Guidance

Career Guidance supports a student's search for answers to a daunting but critical question: What do you want to be when you grow up? Comprehensive guidance and counseling programs help students identify and think critically about their unique abilities, natural interests, and the realistic steps to achieve their goals. This process can be executed in a number of ways spanning a spectrum that encompasses online career exploration tools to comprehensive guidance curriculum delivered in the classroom. Navigation 101 and CareerBridge.wa.gov are two examples of guidance tools used by students in many schools in our state.

Navigation 101 is a comprehensive school guidance and counseling program in Washington that helps students make clear, careful, and creative choices for college and career readiness in the areas of course selection, goal setting, career planning, and postsecondary options - including financial aid.¹³

The challenge for comprehensive Career Guidance is ensuring that individuals are encouraged to apply the information gathered from these and other tools to their long-term goals and career ambitions through careful selection and completion of specific education and training opportunities. This can be done through a number of diverse tools and does not immediately require an increase in counseling staff.

However, recent work conducted by Washington's Quality Education Council (QEC) calls for an increase in counseling staff to better promote and encourage careful deliberation among students in shaping an individualized education plan for both high school and post-high school education and training. In developing the Prototypical School Funding Model, the QEC established a Funding Formula Technical Working Group that built a detailed tool for identifying the cost of Basic Education in Washington and a plan for phasing in necessary enhancements.

Among the first round of enhancements identified by the funding formula group was an increase in guidance counselors to better support students. While still in high school or middle school, students should get help reviewing and applying their individual goals to education opportunities at their school, with an eye toward education and training programs after high school.

CareerBridge.wa.gov is a free, online tool that helps students explore occupations that align with their interests and connects these occupations to education and training programs that prepare them for a career. The site, created and administered by the Workforce Board, features almost 6,000 public and private education programs in Washington and provides state-specific labor market data on how much jobs pay and whether demand for those jobs is growing or shrinking.

¹³ OSPI (2012, December). Retrieved from <http://www.k12.wa.us/SecondaryEducation/GuidanceCounseling/default.aspx>.

CareerBridge.wa.gov also provides performance data for about 40 percent of the listed programs, a “consumer reports” that lets users see how many students completed a program, how many found employment and at what wage levels. The site also includes a “Pay for School” section so students and their parents can find ways to make postsecondary education more affordable.

Career Planning

While career guidance engages the student in thinking about the future, career planning focuses on the roadmap to get there. In short, it is not enough to know what you want to be when you grow up, you need to understand the steps necessary to advance to that chosen career, from initial education through entry-level positions, on up a career ladder.

The National Association of State Directors of Career Technical Education Consortium has spearheaded work on a national scale that arranges career opportunities into 16 Career Clusters and 79 Career Pathways to help students navigate their way to greater success in college and career.¹⁴



While still in high school and middle school, students should be encouraged through a facilitated process to explore a broad level Career Cluster that interests them. Furthermore, students should be encouraged to use their student choice options to dive deeper into a specific Career Cluster through course work that will give them a better academic understanding of a career in practice.

¹⁴ The National Association of State Directors of Career Technical Education Consortium (NASDCTEC) (2012, November). Career Clusters. Retrieved from CareerTech.org: <http://www.careertech.org/career-clusters/>.

Career Clusters are broken down even further into specific Career Pathways that provide more granular detail about a specific opportunity within a Career Cluster. An example would be the Career Pathways of Registered Nurse, Physical Therapist, or Optician – all of which are within the Health Science Career Cluster. Career Pathways give students the ability to further explore a Career Cluster through a specific occupation. Once a student has decided to explore in detail a specific Career Cluster or Pathway, they can take the courses that prepare them for the pathway, and capitalize on available Work-Integrated Learning opportunities.

Work- Integrated Learning

Work-Integrated Learning is a foundation of career readiness, a critical component of what is expected of our young adults as they complete middle and high school, and postsecondary education and training. This is recognized by the Career Readiness Partnership Council (CRPC), a nationwide partnership that includes several businesses and foundations. In a recent effort to define career readiness, the CRPC recognized that “college readiness is only part of the answer. What is needed is a more comprehensive strategy that bridges the gap between education and workforce preparation.”¹⁵

Work-integrated Learning opportunities include something as simple as a two-hour work site visit to a three-month paid internship in a Career Cluster of interest. There are a number of creative alternatives for work-integrated learning within this spectrum. The most important aspect of any work-integrated learning opportunity is that students have the ability to explore the world of work in a learning environment with room for trial and error. “There was widespread consensus ... that the work experience opportunity provided through [work-integrated learning] was responsive to the interests and immediate needs of [young adults] building work readiness skills, a strong work-integrated learning experience and connections to area employers.”¹⁶

Work-integrated learning opportunities should be in line with a developed and detailed plan of course work that is unique to the individual student. By participating in Work-integrated Learning opportunities while in high school and middle school, young adults gain knowledge that informs their decisions



¹⁵ Career Ready Partner Council. (2012). *Building Blocks for change: What it means to be career ready*. Career Ready Partner Council.

¹⁶ Mathematica Policy Research Inc. (2011). *Beyond a Summer Work: The Recovery Act 2009 Post Summer Youth Employment Initiative*. Mathematica Policy Research Inc.

about long-term career goals. In the work-integrated learning process, students become aware of how their education relates to a career, which, in turn, strengthens their resolve to continue with their education and earn a career-related credential.¹⁷

Career guidance helps a student visualize themselves in the economy. Career planning outlines the steps that get them to that future. Work-integrated learning connects the education they receive to the real world. The next piece of a comprehensive solution is to ensure they have the skills necessary to function in the workplace.

Technical Skill Training

Whether it is manipulating a spreadsheet, programming a computer, cutting hair, or machining an airplane component, technical skills are what drive our economy. Such skills are also what make people employable. The absence of occupational skills is the number one reason why employers are unable to fill a vacant position.¹⁸

Career and Technical Education programs through high schools and Skills Centers provide students the chance to learn a wide range of technical skills through work-integrated learning. These programs are increasingly integrated with academics, making it possible for students to gain academic credits necessary for graduation and admission into four-year institutions. However, more needs to be done to integrate skill training and academic education for this to be available to all students.

In addition, technical training programs can help reengage young adults who have left the educational system and struggled in the workplace. By increasing the availability of short-term credit programs that build upon each other, young adults can earn credentials that stack together, allowing them to learn, earn, and work their way up the career ladder.

Employer and Business Engagement Essential to Success

The comprehensive solution proposed above requires robust partnerships among education leaders, businesses, and potential employers. A recent report by the Annie E. Casey Foundation recognized that “in many past initiatives, the role of the private sector in young adult policy has been more symbolic than substantive. Addressing the challenge at hand... will require vastly different scope of involvement on the part of business leaders and expanded public policy incentives.”¹⁹

¹⁷Thomas Raymond Bailey, K. L. (2004). *Working Knowledge: Work-Based Learning and Education Reform*. Routledge Falmer.

¹⁸ Employer Survey – Workforce Training and Education Coordinating Board, www.wtb.wa.gov/EmployerSurvey.asp.

¹⁹ Annie E Casey Foundation. (2012). *Youth and Work: Restoring Teen and Young Adult Connections to Opportunity*. Annie E. Casey Foundation.

Those in education must have a functional understanding of the dynamic and evolving world of work. Teachers, administrators, and other education professionals must develop and maintain a relationship with the world of work that awaits their students. This requires a strong relationship with community employers and business leaders to better facilitate and create work-integrated learning opportunities for students.

Business and labor leaders need more opportunities to connect with their local education communities in a way that best accommodates packed schedules and a fast-paced work environment. These connections can promote the creation of more work-integrated learning opportunities as well as to provide a forum for the exchange of ideas, innovations, and expertise between local business and labor communities, public schools, apprenticeship councils, and institutions of higher education.

Solutions in Practice

Many programs currently in place take into account the needs of education leaders, business, and employers. The challenge for Washington is to capitalize on these promising practices and find ways to scale them up to statewide.

Opportunity Internship Program – The Opportunity Internship program provides low-income Washington high school students with internships in high-demand fields. The program is designed to encourage high school completion and application to college. This program currently operates in five areas of the state. For more information, see: www.wtb.wa.gov/OpportunityInternship.asp.

Jobs for Washington Graduates – Washington’s chapter of this national organization targets at-risk youth by helping them acquire classroom and work-related skills that allow them to overcome their life challenges. The local chapter is unique in the nation for working directly with Career & Technical Education programs. The organization operates in 34 school sites.

See: <http://jobsforwashingtongraduates.wordpress.com/>.

Inspire Washington – Based in Spokane and serving a large section of Eastern Washington, Inspire Washington (<http://inspirewashington.org/>) is a secure web-based community for students, teachers, parents, and employer-sponsored job coaches. Starting in middle and high school, employers and students can begin communicating with each other about career exploration and work-based learning opportunities, cultivating relationships that result in careers. .

nConnect - Using an Internet based platform, nConnect provides career-related learning experiences to southwest Washington schools and students. This program connects high school and community college students from low-income households with industry professionals who serve as

mentors. Volunteers conduct mock interviews, provide job shadows, review resumes, and generally inform about potential career pathways. See: www.nconnect.org.

Youth Building Tacoma – This program provides a 10-week workplace competency training program that includes classroom work and an internship to young adults (18-24). The program focuses on the work ethics necessary for sustainable employment. See: <http://reachtacoma.org/get-help/programs/youth-building-tacoma/>.

Experience Work Project – This Mount Vernon Chamber Foundation project uses a web-based platform to connect young adults and employers throughout Skagit County with the goal of providing a continuum of work-integrated learning opportunities such as job shadowing, mentoring and internships. See: www.experienceworkproject.com/.

Washington Business Week – This organization provides one-week programs to high school students, both at school and in the summer at different college campuses. Business leaders serve as mentors and students experience simulated career challenges in a general business setting or career-focused pathway. See: www.wbw.org.

Registered Apprenticeship - Apprenticeship is a combination of on-the-job training and related classroom instruction under the supervision of a journey-level craft person or trade professional in which workers learn the practical and theoretical aspects of a highly skilled occupation. Close to 2,000 young adults (18-24) actively participated in apprenticeship programs throughout the state in 2012, earning an average of \$23.86 per hour. See www.apprenticeship.lni.wa.gov.

Recommendations

Washington's youth must make stronger connections to the workplace. Through focusing student career choices, encouraging further education and training, and fostering the development of critical work readiness skills, Washington's youth can rise to the 21st century challenges that lay ahead.

The Workforce Board recommends several strategies to help reduce high unemployment rates among young adults. These recommendations are identified in the Workforce Board's recently adopted plan, *High Skills, High Wages: Washington's Strategic Plan for Workforce Development*. This plan recommends the expansion of partnerships between local employers, business leaders, and educational professionals. These partnerships are essential in getting Washington youth needed work experience that leads to job opportunities, enhanced work ethic and job skills, a job-ready resume, and the ability to achieve economic self-sufficiency and self-reliance. The programs

mentioned previously are making those connections, facilitating those partnerships, and bolstering student-centered success.

Scale Up Programs that Work

The question is how the best of these practices can be scaled up to reach more youth statewide. The state's 12 Workforce Development Councils (WDCs) are natural intermediaries. WDCs provide employer outreach, oversee the state's WorkSource employment centers and develop regional strategic plans that assess local employment to coordinate workforce activities throughout the state. A majority of each WDC's board consists of area employers who have a direct connection to the employment obstacles and opportunities in their communities.

Building a large-scale platform for the sharing of information, resources, and ideas surrounding youth employment and work-based learning opportunities will take time, money and technical assistance. Once established, such a comprehensive platform would help bring best practices statewide, benefiting youth from around Washington, and employers who depend on skilled, work-ready employees.

Summary

The ripple effects of young adult unemployment will likely be felt for decades to come through decreased earnings, higher rates of anti-social and criminal behavior, and a higher likelihood of unemployment later in life. A comprehensive solution to this growing problem must include efforts to ensure every young adult has an opportunity to become connected to the world of work through a visible pathway that leads to further education and career credentials. These work connections flourish best through broad partnerships that include education and business leaders, leveraging best practices and limited resources. Youth must be challenged to plan for their success in the world of work while they are still engaged in our state's high schools and middle schools. Youth must understand, with great clarity, the connection between their academic endeavors and ambitions and the steps needed to find and prepare for a fruitful career that builds on their interests and abilities.

This report and previous reports on young adult unemployment can be found at: www.wtb.wa.gov