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# **A Call to Develop The “Hope and Opportunity Program” For America’s Young Men and Women without Hope “The Fierce Urgency of Now” to Act Decisively to Save This Generation of Youth who are Out of School**

In March, 1968 Senator Robert Kennedy in his campaign for the presidency said, “It is indecent for a man on the streets in New York City or Cleveland or Detroit or Watts to surrender the only life that he has to despair and hopelessness”. He demanded that the government “fund the employment of men who cannot find work. We must ask ourselves what kind of country we really are; we must ask ourselves what we really stand for”. Lastly, he said, “We must examine how we can help the millions of our fellow citizens who lead lives of hopelessness and poverty where, as Sophocles said, ‘Day follows day with death the only goal’”.

## ***The Last Campaign – Robert F. Kennedy and 82 Days That Inspired America***

On June 5, 2007, Senator Barack Obama speaking to the Hampton University Annual Ministers’ Conference about the 1992 L.A. riots said, “Most of the ministers here know that those riots didn’t erupt overnight; there had been a ‘quiet riot’ building up in Los Angeles and across the country for years.

“If you had gone to any street corner in Chicago or Baton Rouge or Hampton – you would’ve found the same young men and women without hope, without miracles, and without a sense of destiny other than life on the edge – the edge of the law, the edge of the economy, the edge of family structures and communities.

“Those ‘quiet riots’ that take place everyday are born from the same place as the fires and the destruction and the police decked out in riot gear and the deaths. They happen when a sense of disconnect settles in and hope dissipates. Despair takes hold and young people all across this country look at the way the world is and believe that things are never going to get any better.”



President-elect Barack Obama, like Bobby Kennedy, knows and understands the situation of the poor in a unique way because he has lived and worked in neighborhoods where the hopelessness and despair is clear and deep.

As President-elect Obama so eloquently said in his February, 2008 New Hampshire speech, "... the hopes of the little girl who goes to the crumbling school in Dillon are the same as the dreams of the boy who learns on the streets of L.A."

Yet, in 1968 there were, and now 40 years later in 2008, there are still too many of our young people learning on the streets of our towns and cities without hope and looking at the world and believing things are never going to get any better.

**Nearly 6.1 million young Americans between the ages of 16 and 24 had dropped out of high school in 2006 before receiving a regular high school diploma.**

**22% of Hispanic young adults (20-24) are both jobless and out of school.**

**26% of Black young adults and 29% of Black male young adults (20-24) are jobless and out of school. These ratios are even worse when we confine ourselves to low income youth.**

They need real opportunities to help them reach their dreams.

President-elect Obama has proposed a "Zero to Five" plan, at a cost of \$10 billion a year, providing incentives to states to expand early education for young children. This is a potentially smart investment that could pay great dividends as these young children grow up.

As a community organizer in Chicago from 1986 to 1988, President-elect Obama helped develop programs for youth who were truant and dropouts.

We hope he will expand his Education Plan and his administration will propose a \$10 billion "**Hope and Opportunity Plan**" that will provide incentives to states and local school districts and governments to undertake initiatives to re-enroll 3 million of America's most vulnerable youth and young adults (16 to 25 years old) who have dropped out of school to get back into school and jobs.

The "**Hope and Opportunity Plan**" will focus on re-enrolling and employing low-income youth who are out of school, jobless and too often involved in gangs, drugs, and filling the prisons in record numbers across the country.

The "Hope and Opportunity" plan will complement the "Zero to Five" investment plan by re-enrolling and employing those young people who today are likely to still drop out of school – particularly those young people who will go through the "Zero to Five" plan. We cannot write off this next generation of at risk young adults.

The bad news is that, just like in 1968, in 2008 there are millions of young people "learning on the streets", not in school and their numbers are growing as the national labor market sheds jobs and earning opportunities.

The good news is that for these youth, there is clear national and local research and experience from a wide range of programs that demonstrates successful ways to re-enroll and graduate these "young men and women without hope".

Just like well administered pre-K and early education programs for young children, the dividends for investment in these programs are tremendous. Over their working lifetime, the average high school graduate with no post-secondary schooling will earn \$420,000 more than a typical high school dropout. (Professor Andrew Sum and his colleagues at Northeastern University in Boston have detailed this and other key findings on the economic



and social benefits of a high school diploma in various studies over the past few years for Illinois, Massachusetts, and Michigan.

We know how to serve the education and employment needs of many of these out of school youth, and we have the means to make this happen. Our nation must make a major investment in the education and employment of students who have dropped out of high school and want to re-enroll to earn their diploma. How do we pay for this?

In 1968, Robert Kennedy said, “We cannot continue to deny and postpone the demands of our own people while spending billions in the name of the freedom for others.” The Iraq war is costing \$17 billion a month – 3 weeks of the Iraq war would pay for the \$12 billion annual cost of the “**Hope and Opportunity Plan**”.

## **The Growing Crisis of Jobless Youth and Young High School Dropouts and Recommendations to Develop a National Response**

### **Youth Employment Crisis: Lowest Employment Rates in 60 Years**

Both year round and during the summer the employment rates of the nation’s teens have reached historical lows. A recent report by the Center for Labor Market Studies in the spring of this year forecast that only 34% of America’s teenagers 16-19 years old would be employed this summer, the worst employment rate in the past 60 years. The recent release of August 2008 employment data for teens revealed that the summer 2008 employment rate actually fell slightly below that projected. A new historical low was reached. Black, Hispanic, and low income youth were most adversely affected by these employment developments.

Other research on the state of youth employment in America by the Center for Labor Market Studies at Northeastern University in Boston, Mass., demonstrates that the teen job market has been quickly collapsing across the country. The report, *The Continued Collapse of the Nation’s Teen Job Market and the Dismal Outlook for the 2008 Summer Labor Market for Teens: Does Anybody Care?*, based on U.S. Census Bureau and U.S. Bureau of Labor Statistics employment data, finds the picture to be equally bad at the national and local levels. Among the report's findings:

- The U.S. economy has shed more than one million payroll jobs in the 10 months of 2008, and now has on average 2.8 million more unemployed persons than one year ago. Underemployment and hidden unemployment also have been rapidly rising.
- Youth employment actually saw a **net loss** of jobs during the recent job-growth boom of 2003 to 2007. That stands in sharp contrast to the experiences of youth during the job boom of 1992 to 1996 when America's youth garnered almost one million additional jobs, nearly 1 of every 10 net new jobs.
- This national employment crisis is crippling the teen job market. **This summer, only 33% of American youth 16 to 19 years of age were employed (seasonally adjusted)**, with Black and Latino youth the hardest hit groups. This was the **worst teen summer employment rate in post-World War II history**. In October 2008, there were 500,000 fewer teens employed than in October 2007. The nation’s teen employment rate fell by 3 percentage points over the past 12 months versus 1 percentage point for adults 20+. In October, 68 percent of teens were jobless.
- The youth-joblessness picture is **especially grim for America's major cities**. The joblessness rate represents the percent of the teen population in a particular demographic group that were not working. It includes the official unemployed, the hidden unemployed, and those no longer actively looking for work. In 2006, joblessness rates for teens 16 to 19 years of age were extraordinarily high in ten major cities, as shown in the chart below:

**Youth Joblessness Rates for Teens 16 to 19 Years of Age in 10 Major Cities, 2006 (in %)**

CITY	BLACK YOUTH	HISPANIC YOUTH	WHITE YOUTH	ALL YOUTH
Baltimore	79%	NA	60%	76%
Boston	70%	71%	72%	72%
<b>Chicago</b>	<b>85%</b>	<b>70%</b>	<b>65%</b>	<b>76%</b>
Detroit	82%	55%	69%	80%
Houston	79%	69%	68%	71%
Los Angeles	79%	74%	73%	74%
Milwaukee	78%	79%	53%	72%
New York City	82%	77%	65%	72%
Philadelphia	81%	86%	64%	77%
<b>Washington, D.C.</b>	<b>86%</b>	<b>58%</b>	<b>88%</b>	<b>83%</b>

These findings are particularly troubling because youth employment is a good predictor of later youth labor market success, especially for those youth not enrolling in four-year colleges and universities. Among the benefits of making sure all of America's youth have after-school and summer jobs:

- **A reduction in urban violence.** When youth are employed, they are engaged with their lives and have no need to turn to illicit activities and street gangs.
- **Higher future earnings.** Teens who work often gain valuable work experience that they can use to get better jobs later in life.
- **Lower dropout rates.** Disadvantaged teens who work during high school, especially males, are more likely to remain in high school than their peers who do not work.
- **Lower pregnancy rates.** National evidence shows that pregnancy rates are lower for teens residing in metropolitan areas with higher employment rates for teen girls.

***IMMEDIATE ACTION NEEDED FROM WASHINGTON FOR SUMMER 2009***

The youth employment picture was not always so dire. In the late 1990s and even more so in the late 1980s, teens were employed at consistently higher rates than they have been in recent years. In the fall of 2000, 45% of every 100 teens were working versus under 32 percent in October 2008. This is especially true of males of all race-ethnic groups and low-income youth. Higher summer youth employment rates throughout the 1990s were buoyed in part by a federal youth-employment program that was eliminated by the Clinton administration and the Congress at the end of the decade. Since then, the Bush administration has not established a replacement youth-employment program, and youth employment was left out of the recent fiscal stimulus package despite several efforts to include it. Unfortunately, because of the sweeping scope of the problem and fiscal difficulties faced by state governments, only action and leadership at the federal level is likely to stem the tide of youth joblessness. There also is an important role for governors and chief elected officials to advocate on behalf of teens and young adults.

**Recommendation: Immediately Create a Jobs Program for Out-of-School Youth and Restart Summer Youth Employment Program Funding at \$2 Billion**

Given the extraordinary rise in joblessness among 16-21 year olds in recent years and months, there is a need to create jobs for teens and young adults in both the private and nonprofit sectors. The Summer Youth Employment Program, which had operated from 1964 to 2008 needs to be restarted immediately at a level of \$2 billion to employ more than one million jobless youth, 16 to 24, across the country. This program will provide many of these youth with their first jobs, the skills and discipline they will need to find work in the private sector, and the programming can be combined with tutoring and specific academic classes to strengthen their reading and math skills. The Summer Youth Employment Program would be run through public and private, for-profit and not-for-profit organizations and businesses, and through these programs, youth would make contacts with businesses and create a resume that will help them find future work. Monies could be used to help develop private sector jobs for teens and test the effectiveness of alternative wage subsidy schemes.



In early January of 2008, the House of Representatives had allocated \$1 billion in an early version of the economic stimulus bill, but this funding was removed in negotiation by mid-January.

Senator Patty Murray has sponsored Senate Bill 2755 and House Representative James Clyburn sponsored House Resolution 5444 – these bills would restart the summer youth employment program at \$1 billion. The funding for this legislation should be increased to \$2 billion to directly address the growing youth joblessness crisis and provide for some initial job creation in the winter and spring of 2009.

## **Dropouts Crisis in America: Millions of Students Left Behind**

A second major youth problem is that under the scope of the current No Child Left Behind (NCLB) legislation millions of children are being left behind and failing to graduate from high school with a regular diploma. According to a diverse set of national household survey and administrative data analyzed by the Center for Labor Market Studies at Northeastern University in Boston, nearly 6.1 million youth between the ages of 16 and 24 had already left high school without obtaining a high school diploma by 2006. This group of youth is also being left behind in the labor market in considerable numbers.

The data confirm that there is a dropout crisis in this country – one that cuts across many states, and racial and gender lines but remains far more concentrated among low-income Black and Hispanic males and in larger central city school districts. At this point in time, NCLB is not meeting the needs of millions of teens and young adults who left high school without a diploma.

The time is right for a strong national investment in young dropouts – the kind of investment that “No Child Left Behind” has failed to make.

We need a sustained national, state and local investment strategy to re-enroll dropouts, and a national investment that is commensurate with the size of the problem. We must understand that many dropouts can succeed if we re-enroll them in schools designed for success, build their academic, employability, and social skills, help them graduate – and prepare them for college or a job. Along the way, we must constantly evaluate schools based on their students’ success in strengthening both high school graduation rates and achievement test scores.

There are a number of existing programs that respond to the education and employment needs of young people in this country. Right now, we should focus “No Child Left Behind” and the proposed “Graduation Promise Act” on efforts to improve education in this country for those students who have dropped out of school and deserve another chance to obtain high school diplomas.

### **Immediate Recommendation: Develop Programs to Re-Enroll Dropout Students**

The primary focus of these programs would be on programming to re-enroll students who have dropped out. This program could be funded either as a part of the reauthorization of the NCLB legislation or as separate legislation.

**Expand the proposed Graduation Promise Act – SB 1185 and HR 2928 so that \$3 billion of its annual funding would re-enroll high school dropouts** by providing a 50% Federal match to a \$3 billion state and local school district 50% match (from average daily attendance funds generated by these re-enrolled dropout students) to annually re-enroll over 700,000 out of school students into comprehensive small schools (80-150 students) with summer and after school components and employment programs, both year-round and summer. These schools would be led by experienced principals and teachers, focus on learning in the real world, well funded with local school site program and fiscal control, and have specific outcomes measuring student progress and achievement including enrollment, attendance, credit gains, academic skill gains, promotions, graduations, and transition to college, work, or training.



The formula for distributing the federal funds would be based on the state's percentage of the national number of dropouts in the country. The federal funds matched with the state funds would then leverage local school district funding for re-enrolling out-of-school students with the regular local school district and/or state average daily attendance funding.

There should be two other two key provisions: 1) any student who re-enrolls and drops out again would not be counted against the school district's dropout rate, and 2) performance measures for progress would be developed to provide some flexibility so that school districts could measure a student's re-enrollment, attendance, skill gains, credit gains, promotions, graduations and transitions. The existing NCLB skill gains measures should be flexible to reduce disincentives for enrolling such youth. Without this flexibility, it is highly unlikely that school districts will re-enroll any large number of medium to high risk out-of-school students whose reading and math skills at time of re-enrollment will average 7<sup>th</sup> grade or below, making it very unlikely that these students would reach the national skills level required by NCLB.

The Graduation Promise Act recognizes the need to restructure and renew current high schools from which large numbers of students are dropping out. However, it does not go far enough in terms of providing a continuous and sufficiently sizable level of funding to provide incentives for states and their local school districts to re-enroll those students who have dropped out but would want to re-enroll into programs with the characteristics outlined above. The personal and societal economic costs of dropping out of high school are larger today than in earlier decades, especially for males, and are taking a terrible toll on young family formation and the well being of children in these families.

## **Recommendations to Educate and Employ America's Out of School & Jobless Youth**

### ***FOCUS ON WHAT WORKS***

While the current level of public investment in teens and young adults who have dropped out of school—or are at risk of being dropouts—is clearly inadequate, there is substantial research regarding the effects of past programming and there currently exist a range of effective local and national programs around the country that provide strong examples of what can work.

From 1977 to 1980, the Carter administration annually funded \$2 billion of employment and training programs for high-risk and out-of-school youth. These programs were funded under the Youth Employment and Demonstration Programs Act (YEDPA). These programs, directed through the U.S. Department of Labor's Office of Youth Programs by Dr. Robert Taggart, included a comprehensive set of evaluations done by leading national organizations including Manpower Demonstration Research Council (MDRC), Public Private Ventures (PPV), ABT Associates, Mathematica Policy Research, and the Educational Testing Service (ETS) among others. The YEDPA programs were the most widely researched and evaluated programs in this country's history. YEDPA supported a wide range of programs that included: 1) broad-based Youth Incentive Employment Pilot Programs in small neighborhoods of large cities, including Baltimore, Boston, Oakland, etc. where nearly every low-income student was reached by being entitled to a job if they returned to or remained in school; 2) a huge array of subsidized job opportunities for youth in private firms and public sector agencies; 3) youth entrepreneurship programs that supported youth running small businesses tied to educational and work experiences; 4) Conservation Corps programs combining education and productive work for out-of-school youth. The evaluation results of these programs indicated that it was important to combine educational skills and schooling with employment opportunities throughout the school year and the summer.



The current array of programs that re-enroll out-of-school youth have found that many young people who have left high school before earning a diploma are not all dead-end dropouts, but often are in fact students waiting and looking for opportunities to reenroll and finish high school. To attract and retain these former dropouts, these schools must be smaller (80-150 students), comprehensive in scope with summer and after school programs, led by experienced principals and teachers, focused on learning in the real world, well funded with local school program and fiscal control, and have specific and accountable measures tracking student achievement. Small schools utilizing proven best practices can be effective, especially if they use measurable outcomes including skill gains, enrollment, attendance, credit gains, promotions, and graduations.

Successful national and local program efforts that reach this population include:

- **The Los Angeles Conservation Corps** that combines charter school programming and work;
- **Soledad Enrichment Action Program** in Los Angeles that operates many programs including an 18 campus charter school to re-enroll dropouts;
- **The Chicago Alternative Schools Network**, which has demonstrated for over 30 years successful programs re-enrolling students who have dropped out of school through 23 community-based schools;
- **The Milwaukee Partnership Program** has administered for over 22 years successful programs re-enrolling students who have dropped out of school through 15 community-based schools;
- **Portland, Oregon** has operated effective programs in re-enrolling students who have dropped out of school;
- **The Job Corps**, an education and vocational training program administered by the U.S. Department of Labor that helps young people ages 16 through 24 improve their schooling and basic academic skills, obtain vocational training, gain access to unsubsidized jobs after leaving the center and take control of their lives;
- **YouthBuild USA**, a U.S. Department of Labor funded program that provides education and training in the context of building affordable housing and has trained more than 40,000 youth;
- **The Center for Employment and Training (CET)**, which provides job training and education and has 33 centers in 12 states, including Illinois, Texas and California;
- **Youth Corps (Service and Conservation Corps)**, an education and training program that enrolls over 23,000 youth annually. The program is a direct descendant of the Civilian Conservation Corps, which was created during the Great Depression of the 1930s and employed three million people in the 1930s and early 1940s.

## **KEY RECOMMENDATION**

### **Pass the “Hope and Opportunity Plan”**

The challenge facing this country is immense in terms of the number of youth who have left high school without graduating and the decline in employment among the nation’s teenagers.

There are two groups of youth that need to be supported to earn their high school diploma.

1. **The first group of youth, age 15-19 years old, should be served by a combination of summer employment and education funded at \$5 billion which would reach and engage over 3 million low-income youth both in and out of school.** There should also be \$5 billion of federal funds to be matched by \$5 billion of state and local school district funds in the same way described earlier to re-enroll over 1 million out of school youth in this age group into comprehensive small schools (80-150 students) with summer, after school and employment programs.



2. **The second group of young adults, 20-24 years old, should be served by programs that combine work and education** in the format of YouthBuild, Conservation Corps programs and other programs that provide older youth and young adults the opportunity to learn work-related and technical skills, earn a high school diploma or its equivalent, and work several days per week for pay doing productive projects. There should be \$5 billion to support these types of programs to reach over 450,000 young adults each year.

The funding for both of these sets of programs should be designed to reach those groups that are most at risk of long-term joblessness and poverty and are out of school.

The cost of these programs is small compared to the lifetime cost of doing nothing in terms of the lost employment and earnings, future poverty and dependency, lower tax revenues due to low earnings, and higher costs of imprisonment, welfare, and other transfer costs that amount to over \$312,000 over the working lifetime per youth who remains on the street and does not earn a high school diploma. If only half of the re-enrolled students each year earn a high school diploma, taxpayers will be saved over \$225 billion over the life of these re-enrolled students from the combined increase of federal, state, and local taxes paid and reduced levels of cash and in-kind government transfers, including lower incarceration costs. The personal benefits from reduced crime would add countless billions to this total.

## ***HISTORICAL BACKGROUND***

***The Carter Administration Proposed a \$4 Billion “Youth Act” Program for High-Risk and Out-of-School Youth That Was Killed by the Reagan Administration and Never Resurrected by later Administrations, Resulting in Two Generations of Youth Lost to Joblessness, Drugs, Crime and Prison***

In 1980, the Carter Administration introduced the Youth Act of 1980 that would have increased the \$2 billion of annual funding up to a level of \$4 billion annually with increases based on inflation for re-enrolling out-of-school youth and keeping high risk youth in school. This effort would have targeted youth 16-21 years old. This program was not funded by the Reagan administration. If this program had been funded over the past 26 years, the amount of spending would have been over \$184 billion and the average annual funding would have been \$9.1 billion just for youth 16-21 years old. Instead, the combined amount of spending for this age group from 1980 to 2006 was only \$34 billion – \$150 billion or 80 percent less. This means that over 15 million high risk youth were not served over the past 26 years. These youth, who were often the poorest and most at risk in our country, went without the critical services and support that they needed to obtain the employment and educational skills they would need in order to compete and be more productive adults.

***By the end of the 1990s, the Republican-controlled Congress Had Cut Youth Employment Programs from \$2 Billion to \$1 Billion. And The Clinton Administration through New Employment and Training Legislation Had Eliminated the Summer Youth Employment Program, Sending 650,000 Largely Economically Disadvantaged Youth to the Streets***

In January 1993, there were nearly \$2 billion for youth employment and training programs under the Job Training and Partnership Act (JTPA). By 2000, there was only \$1 billion and the Summer Youth Employment Program (SYEP), employing over 600,000 poor, jobless youth had been eliminated, even though it had successfully employed millions of poor youth in the summers since 1964.

In January 1993, \$2 billion of youth programming through the Department of Labor included nearly \$1.3 billion for SYEP and \$700 million for year-round youth programs. In these programs, particularly the SYEP, 48% of the participants were Black, with many getting their first jobs through this program. The summer and year-round job market for teens began a sustained and steady collapse following the end of the labor market boom in early 2001.



In 1995, the Republican-controlled Congress cut the year-round youth program from \$700 million to \$125 million, and SYEP had already been cut from \$1.3 billion to \$875 million for a combined total of \$1 billion – a drastic 50% reduction from \$2 billion in just 2 ½ years of the Clinton administration.

In 1999/2000, the national employment and training legislation, the Job Training Partnership Act (JTPA), was reformulated into the Workforce Investment Act (WIA) and ended separate funding for the SYEP. Since 1964 the SYEP had been an independent stand alone program. The funding was specifically designed only to employ poor, jobless youth in the summer.

Instead the WIA program allocated \$1 billion of the existing youth employment funding (\$875 million for SYEP and \$125 million for year round programs) for year round programs – which ended the SYEP as a separate, stand alone program.

Then and now, Black youth joblessness across the country continually ranges from 70% to 80%. The carnage that results from this extraordinarily high level of joblessness in most poor neighborhoods is endless and completely unnecessary and has disastrous long term consequences.

Clearly, much more needs to be done by both the private and public sectors to expand youth employment both year round and during the summer or we will continue to have our streets filled with youth who have no economic future without improved labor market and educational opportunities. They will fail to contribute to the economy, form stable families, and they will fill our jails and prisons in increasing numbers, with a substantial cost to them, their communities and all of us. The time for action is now.

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