

News

Dropouts on the Clock Pose Research Policy Riddles

As seen in the *Employment & Training Reporter*

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Almost a third of out-of-school youths are actually employed, their situation overlooked by policymakers and researchers alike.

Researchers draw one possible policy implication that could affect programs under the Workforce Innovation and Opportunity Act, proposing two-generational employment and training strategies.

The spotlight was cast on these youths when Urban Institute researchers went to study a Promise Neighborhood in Langley Park, Md., just outside Washington, D.C.

The researchers went into the heavily Hispanic neighborhood expecting to find unemployed dropouts receiving no assistance and “found something else” instead. “The rates of disconnected youth were on par with national averages, but nearly 40 percent of young people between the ages of 16 and 19 were working and not in school,” they recount in *Dropping Out and Clocking In: A Portrait of Teens Who Leave School Early and Work*.

Authors Molly Scott, Simone Zhang and Heather Koball, all researchers at the Institute’s Metropolitan Housing and Communities Policy Center, wanted to know if Langley Park was a fluke. So off they went to crunch 2008-12 data from the American Community Survey on 563,000 youth ages 16 to 18 who did not have high school diplomas and were not enrolled in school.

This covers a group of mostly male “early leavers” who left school without finishing 12th grade. A plurality (45 percent) is non-Hispanic white, followed by Hispanics (32 percent) and African Americans (17 percent). Slightly more than half (54 percent) dropped out in 10th or 11th grade.

Three fourths live with someone who has a high school diploma. A third of these households are very poor, living below the poverty line; another third live on an income more than 200 percent of the federal poverty threshold.

Only 30 percent of these youths are also employed.

“They are disproportionately male, older, Hispanic, and not living with a parent,” write the researchers. “Further, they tend to discontinue their education either before starting high school or in 12th grade.”

The share of immigrants is greater than that of their unemployed peers, but 75 percent are U.S.-born.

Their households are larger, include fewer adults and have higher housing costs than those of their unemployed peers and exhibit “much lower rates of connection to federal safety net programs.”

Half work 40 weeks or more out of a year and predictably most are poor, including 62 percent who earn up to \$9,999 a year. Only 11 percent make more than \$20,000 and the rest make something in between. Unsurprisingly, only 11 percent bring home enough to contribute 50 percent or more to household income.

However, even contributions of far less are important, the researchers point out.

“Contributions of this magnitude make a tremendous difference for many households. Youth earnings move 42 percent of households with income that would otherwise fall below 100 percent of [the federal poverty level] out of poverty,” they write. “Among working poor households, one-third experience a move to more than 200 percent of FPL because of youth earnings.”