

Employ Young Americans Now An Example of Targeted Direct Government Job Creation

Introduction

Around 40 million young people live in America. This group, from age 16-24, are coming to age at an interesting time in the global economy. Today, this group consists of people who were 8-16 years old when the Great Recession hit in 2008. That recession hit young people hard, and the effects have made today's job market for young people a difficult one to enter. Excluding 16-18 year olds, 11.13% of today's youth have not finished high school. Near 40% are not attending school, 26.38% are in high school, 31.79% are in undergrad, and 1.89% are in graduate or professional school. Of the previous cohort who was young in 2008, 60% attended at least one year of college. Combined with the fact that 45%, or 1.26 trillion, of federal government assets is student loans, the outlook is not the best. Distributing these loans equally to the around 35 million 18-34 year olds with at least one year of college gives an average debt of over \$35,000 per student. This makes sense to do since most of the increase in student loans happened after the great recession. At the federally set interest rate of 5.6%, this means these students on average are paying an extra \$166 a month on top of other costs of living. With skyrocketing tuition costs, and no guarantee of a job after a college education, college does not seem to be a perfect solution. It leaves behind those who cannot afford the money or years away from family to attend, and fails to have proper links to job markets. Students can wander lost for four years without any connection to the economy, which while beneficial in its own right, leaves job prospects bleak.

A better solution than pushing college would be to create jobs for young people. Demand side solutions means we can create jobs catered to the employees looking, rather than hoping students decide to train themselves in high demand job markets. As Hyman Minsky said, "It has never been shown that a thorough program of job creation, taking people as they are, will not, by itself, eliminate a large part of the poverty that exists" (Minsky Jobs 1). Combined with his view that poverty in America is largely linked to unemployment, fixing youth poverty may be as simple as creating jobs for youth as they are, not as the market wants them to be. This is consistent with Pavlina Tcherneva's view of Keynesian employment policy, one where policy targets job creation for the unemployed rather than aggregate or general growth. While this is a good general strategy, concrete policy proposals are necessary. Senator Bernie Sander's bill "Employ Young Americans Now" is given as an example of such targeted employment policy. The paper starts with reviewing the literature of other supply, demand, and linkage solutions to youth unemployment proposed by other researchers.

The State of American Youth

Youth for the purposes of this paper consists of current 16-24 year olds in the 2014 ACS. Of this group of nearly 40 million people, 49.5% are employed, 8.9% are formally unemployed, and the remaining 41.6% are not in the labor force. 75% of those not employed are attending school, but the remaining 5.25 million young people are no longer involved with the formal

system. 22.5% of this group did not complete high school, and the majority (60%) did not attend college afterwards. This cohort of just over 4 million youth have few options available to them. To understand what options they have, first we will take a look at what the 20 million employed youth are doing. 25% of them are no longer in school, 78% of which completed high school or more. The other 15 million who are employed are also in school. The jobs that the 6.5 million employed who do not have more than a high school education are doing consist of 7.5% cashiers, 5% chefs and cooks, with other food service, manual labor, and cleaning/service jobs taking up the other highest employed sectors (see figure X). These are the types of jobs that the 5.25 million who did not complete more than high school and are no longer in school could be doing, if only there were more of them available. Some would argue that creating more of these low income jobs is only setting up youth for a lifetime stuck in such jobs, with no upward mobility. They would say that these young people should go to college and get better jobs. College however, with its increasingly high costs and no direct guarantees, is also a problematic solution to push heavily to our youth.

“According to the College Board, the average cost of tuition and fees for the 2015–2016 school year was \$32,405 at private colleges, \$9,410 for state residents at public colleges, and \$23,893 for out-of-state residents attending public universities.” College tuition has increased dramatically, while at the same time the loan amounts that the Federal Government is able to guarantee have gone up dramatically as well. Today independent students can maximize their debt at \$57,500, \$23,000 of which can be subsidized. This is up from \$7,500 which could be subsidized in 1973-1980, and unsubsidized amounts only increased in 2008. This increasing maximum unsubsidized loan amount has helped drive Federal loans to students from \$200 billion in 2008 to over \$1 trillion today. This amount of debt should only be taken on if students have strong understandings of the job markets, and cater their education to a market they expect to be in high demand 4 years down the line. The top colleges which promote liberal educations and freedom of choice in major and classes often fail to help students understand which majors will be in high demand when they graduate (Deresiewicz). Waiters, waitresses, cashiers, and childcare workers still make up over 4% of the employed college graduated youth job market, jobs which are at the top of youth employment of non college graduates as well. Nurses and elementary/middle school teachers take the top two current jobs for college graduate youth. These are jobs which provide the public services of education and health. Since the sectors where young people are employed the most today consist of public services and construction/beautification, using the government to expand these sectors would be a way to expand job opportunities for today's youth.

Aggregate Stafford Loan Limits

The following table lists historical aggregate Stafford loan limits.

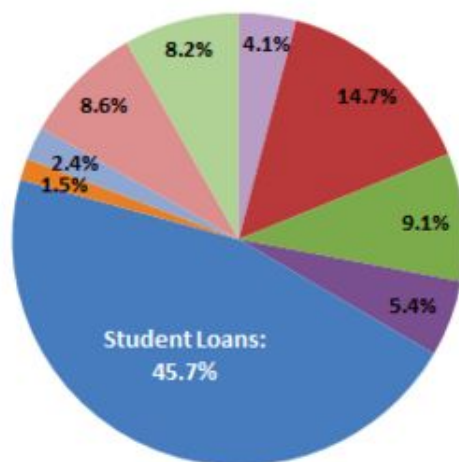
Year	Undergraduate	Graduate + Undergraduate
10/1/1992 to the present	\$23,000	\$65,500
1/1/1987 to 9/30/1992	\$17,250	\$54,750
1/1/1981 to 12/31/1986	\$12,500	\$25,000
5/20/1977 to 12/31/1980	\$7,500	\$15,000
6/1/1973 to 5/19/1977	\$7,500	\$10,000
7/2/1967 to 5/31/1973	\$9,000	\$9,000

Aggregate Stafford Loan Limits

The following table lists historical aggregate Stafford loan limits.

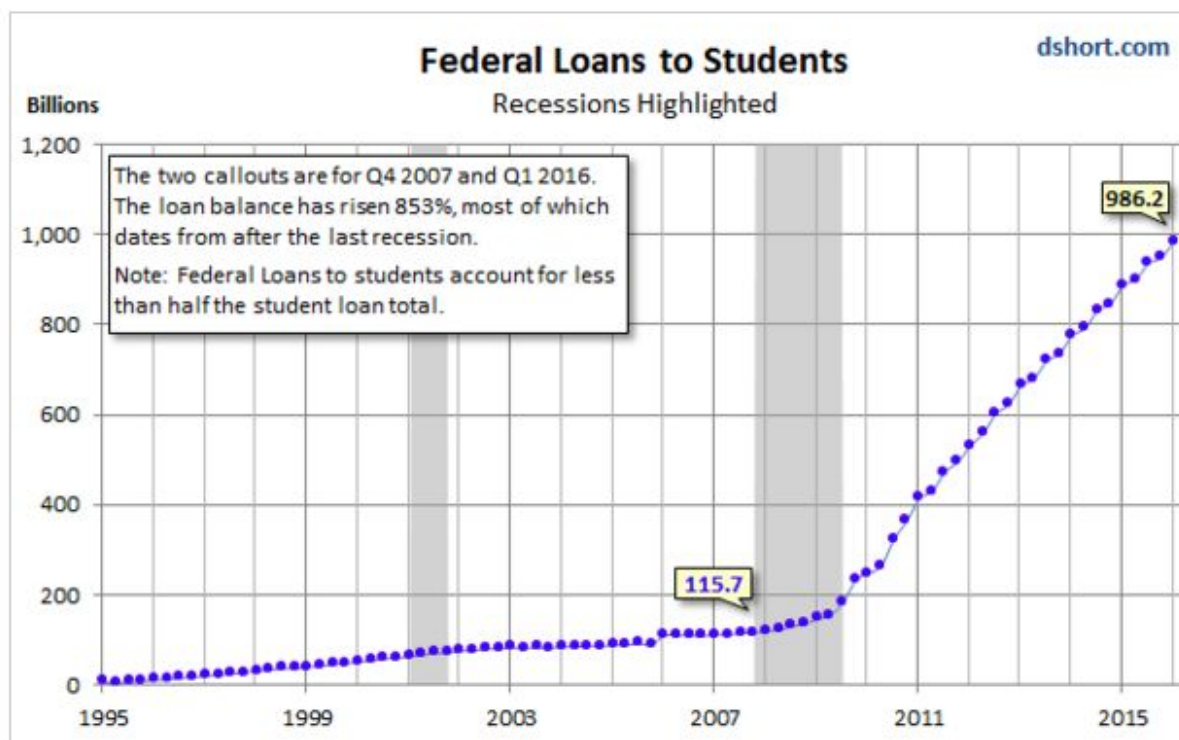
Year	Undergraduate	Graduate + Undergraduate
10/1/1992 to the present	\$23,000	\$65,500
1/1/1987 to 9/30/1992	\$17,250	\$54,750
1/1/1981 to 12/31/1986	\$12,500	\$25,000
5/20/1977 to 12/31/1980	\$7,500	\$15,000
6/1/1973 to 5/19/1977	\$7,500	\$10,000
7/2/1967 to 5/31/1973	\$9,000	\$9,000

Federal Government Total Financial Assets



- U.S. Official Reserve Assets: 4.1%
- Checkable Deposits and Currency: 14.7%
- Other Loans and Advances: 9.1%
- Total Mortgages: 5.4%
- Student Loans: 45.7%
- Corporate Equities: 1.5%
- Trade Receivables: 2.4%
- Taxes Receivable: 8.6%
- Total Miscellaneous Assets: 8.2%

Source: *Financial Accounts of the United States for Q1 2016*



```
. tab gradeatt if youth [fweight=newperwt]
```

Grade level attending [general version]	Freq.	Percent	Cum.
N/A	15,864,480	39.80	39.80
Grade 5 to grade 8	54,395	0.14	39.94
Grade 9 to grade 12	10,513,486	26.38	66.32
College undergraduate	12,669,571	31.79	98.11
Graduate or professional school	753,901	1.89	100.00
Total	39,855,833	100.00	

```
. tab occ2010 if youth & empstat == 1 & gradeatt == 0 & educ <= 6 [fweight=newperwt]
```

Figure X

```
. tab occ2010 if youth & empstat == 1 & gradeatt == 0 & educ <= 6 [fweight=newperwt], sort
```

Occupation, 2010 basis	Freq.	Percent	Cum.
Cashiers	483,742	7.45	7.45
Chefs and Cooks	324,265	4.99	12.44
Laborers and Freight, Stock, and Materi	276,653	4.26	16.70
Waiters and Waitresses	273,790	4.22	20.92
Retail Salespersons	254,731	3.92	24.84
Stock Clerks and Order Fillers	207,048	3.19	28.03
Customer Service Representatives	177,502	2.73	30.77
Construction Laborers	162,104	2.50	33.26
Janitors and Building Cleaners	152,442	2.35	35.61
Grounds Maintenance Workers	132,184	2.04	37.65
Food Preparation Workers	127,779	1.97	39.61
Driver/Sales Workers and Truck Drivers	125,052	1.93	41.54
First-Line Supervisors of Sales Workers	116,692	1.80	43.34
Nursing, Psychiatric, and Home Health A	111,849	1.72	45.06
Other production workers including semi	107,092	1.65	46.71
Agricultural workers, nec	95,031	1.46	48.17
Assemblers and Fabricators, nec	92,142	1.42	49.59
Childcare Workers	80,189	1.23	50.83
Maids and Housekeeping Cleaners	75,075	1.16	51.98
Receptionists and Information Clerks	71,571	1.10	53.08
Automotive Service Technicians and Mech	65,515	1.01	54.09
Combined Food Preparation and Serving W	64,407	0.99	55.09
Personal Care Aides	63,293	0.97	56.06

```
. tab gradeatt if youth & empstat != 1 [fweight=newperwt]
```

Grade level attending [general version]	Freq.	Percent	Cum.
N/A	5,252,545	26.11	26.11
Grade 5 to grade 8	47,245	0.23	26.34
Grade 9 to grade 12	8,343,716	41.48	67.82
College undergraduate	6,163,134	30.64	98.46
Graduate or professional school	310,455	1.54	100.00
Total	20,117,095	100.00	

```
. tab educ if youth & empstat != 1 & gradeatt == 0 [fweight=newperwt]
```

Educational attainment [general version]	Freq.	Percent	Cum.
N/A or no schooling	97,843	1.86	1.86
Nursery school to grade 4	21,866	0.42	2.28
Grade 5, 6, 7, or 8	143,662	2.74	5.01
Grade 9	198,301	3.78	8.79
Grade 10	311,859	5.94	14.73
Grade 11	407,395	7.76	22.48
Grade 12	3,156,877	60.10	82.58
1 year of college	562,004	10.70	93.28
2 years of college	108,952	2.07	95.36
4 years of college	227,458	4.33	99.69
5+ years of college	16,328	0.31	100.00
Total	5,252,545	100.00	

```
. bysort empstat: tab gradeatt if youth [fweight=newperwt]
```

```
-> empstat = N/A  
no observations
```

```
-> empstat = Employed
```

Grade level attending [general version]	Freq.	Percent	Cum.
N/A	10,611,935	53.76	53.76
Grade 5 to grade 8	7,150	0.04	53.80
Grade 9 to grade 12	2,169,770	10.99	64.79
College undergraduate	6,506,437	32.96	97.75
Graduate or professional school	443,446	2.25	100.00
Total	19,738,738	100.00	

```
. tab empstat if youth & gradeatt == 0 & educ >= 9 [fweight=newperwt]
```

Employment status [general version]	Freq.	Percent	Cum.
Employed	1,692,249	87.41	87.41
Unemployed	115,142	5.95	93.36
Not in labor force	128,644	6.64	100.00
Total	1,936,035	100.00	

```
. tab occ2010 if youth & empstat == 1 & gradeatt == 0 & educ >= 9 [fweight=newperwt], sort
```

Occupation, 2010 basis	Freq.	Percent	Cum.
Elementary and Middle School Teachers	93,545	5.53	5.53
Registered Nurses	61,427	3.63	9.16
Accountants and Auditors	56,447	3.34	12.49
Retail Salespersons	55,273	3.27	15.76
Customer Service Representatives	50,135	2.96	18.72
First-Line Supervisors of Sales Workers	38,770	2.29	21.01
Waiters and Waitresses	36,258	2.14	23.16
Secretaries and Administrative Assistan	35,159	2.08	25.23
Computer Scientists and Systems Analyst	33,773	2.00	27.23
Software Developers, Applications and S	30,705	1.81	29.04
Managers, nec (including Postmasters)	30,200	1.78	30.83
Secondary School Teachers	27,778	1.64	32.47
Designers	27,049	1.60	34.07
Cashiers	26,058	1.54	35.61
Social Workers	24,871	1.47	37.08
Managers in Marketing, Advertising, and	24,464	1.45	38.52
Human Resources, Training, and Labor Re	23,377	1.38	39.90
Other Teachers and Instructors	21,353	1.26	41.17
Childcare Workers	19,899	1.18	42.34
Other Business Operations and Managemen	19,471	1.15	43.49
Receptionists and Information Clerks	18,925	1.12	44.61
Sales Representatives, Wholesale and Ma	18,503	1.09	45.70
Management Analysts	17,548	1.04	46.74
Office and administrative support worke	15,921	0.94	47.68

```
. tab gradeatt if youth & empstat == 1 [fweight=newperwt]
```

Grade level attending [general version]	Freq.	Percent	Cum.
N/A	10,611,935	53.76	53.76
Grade 5 to grade 8	7,150	0.04	53.80
Grade 9 to grade 12	2,169,770	10.99	64.79
College undergraduate	6,506,437	32.96	97.75
Graduate or professional school	443,446	2.25	100.00
Total	19,738,738	100.00	

```
. tab educ if youth & empstat == 1 & gradeatt == 0 [fweight=newperwt]
```

Educational attainment [general version]	Freq.	Percent	Cum.
N/A or no schooling	62,382	0.59	0.59
Nursery school to grade 4	21,351	0.20	0.79
Grade 5, 6, 7, or 8	168,596	1.59	2.38
Grade 9	127,053	1.20	3.58
Grade 10	180,430	1.70	5.28
Grade 11	310,207	2.92	8.20
Grade 12	5,623,244	52.99	61.19
1 year of college	1,841,008	17.35	78.54
2 years of college	585,415	5.52	84.05
4 years of college	1,588,312	14.97	99.02
5+ years of college	103,937	0.98	100.00
Total	10,611,935	100.00	


```
. bysort empstat: tab educ if youth [fweight=newperwt]
```

```
-> empstat = N/A
no observations
```

```
-> empstat = Employed
```

Educational attainment [general version]	Freq.	Percent	Cum.
N/A or no schooling	62,382	0.32	0.32
Nursery school to grade 4	21,351	0.11	0.42
Grade 5, 6, 7, or 8	187,805	0.95	1.38
Grade 9	235,085	1.19	2.57
Grade 10	702,932	3.56	6.13
Grade 11	1,387,637	7.03	13.16
Grade 12	7,801,726	39.52	52.68
1 year of college	5,710,207	28.93	81.61
2 years of college	1,170,750	5.93	87.54
4 years of college	2,288,764	11.60	99.14
5+ years of college	170,099	0.86	100.00
Total	19,738,738	100.00	

```
. tab empstat if youth [fweight=newperwt]
```

Employment status [general version]	Freq.	Percent	Cum.
Employed	19,738,738	49.53	49.53
Unemployed	3,531,098	8.86	58.39
Not in labor force	16,585,997	41.61	100.00
Total	39,855,833	100.00	

. tab empstatd if youth & gradeatt == 0 [fweight=newperwt]

Employment status [detailed version]	Freq.	Percent	Cum.
At work	10,090,805	63.61	63.61
Has job, not working	197,205	1.24	64.85
Armed forces--at work	320,978	2.02	66.87
Armed forces--not at work but with job	2,947	0.02	66.89
Unemployed	1,879,693	11.85	78.74
Not in Labor Force	3,372,852	21.26	100.00
Total	15,864,480	100.00	

. tab empstatd if youth & gradeatt == 5 [fweight=newperwt]

Employment status [detailed version]	Freq.	Percent	Cum.
At work	2,101,594	19.99	19.99
Has job, not working	61,701	0.59	20.58
Armed forces--at work	6,475	0.06	20.64
Unemployed	701,206	6.67	27.31
Not in Labor Force	7,642,510	72.69	100.00
Total	10,513,486	100.00	

. tab empstatd if youth & gradeatt == 6 [fweight=newperwt]

Employment status [detailed version]	Freq.	Percent	Cum.
At work	6,240,646	49.26	49.26
Has job, not working	209,068	1.65	50.91
Armed forces--at work	55,922	0.44	51.35
Armed forces--not at work but with job	801	0.01	51.35
Unemployed	912,460	7.20	58.56
Not in Labor Force	5,250,674	41.44	100.00
Total	12,669,571	100.00	

. tab educ if age >= 25 & age <= 32 [fweight=newperwt]

Educational attainment [general version]	Freq.	Percent	Cum.
N/A or no schooling	264,446	0.76	0.76
Nursery school to grade 4	126,335	0.36	1.12
Grade 5, 6, 7, or 8	765,827	2.20	3.32
Grade 9	534,376	1.53	4.85
Grade 10	573,957	1.65	6.50
Grade 11	819,205	2.35	8.85
Grade 12	10,993,892	31.55	40.40
1 year of college	6,113,379	17.54	57.94
2 years of college	3,061,655	8.79	66.73
4 years of college	8,246,282	23.66	90.39
5+ years of college	3,349,015	9.61	100.00
Total	34,848,369	100.00	

. tab educ if youth [fweight=newperwt]

Educational attainment [general version]	Freq.	Percent	Cum.
N/A or no schooling	160,225	0.40	0.40
Nursery school to grade 4	43,217	0.11	0.51
Grade 5, 6, 7, or 8	567,779	1.42	1.94
Grade 9	1,705,034	4.28	6.21
Grade 10	3,913,652	9.82	16.03
Grade 11	5,036,186	12.64	28.67
Grade 12	14,038,110	35.22	63.89
1 year of college	9,582,389	24.04	87.93
2 years of college	1,609,603	4.04	91.97
4 years of college	2,962,667	7.43	99.41
5+ years of college	236,971	0.59	100.00
Total	39,855,833	100.00	

```
. tab finccut if youth & empstat == 1 & gradeatt == 0 & educ <= 6 [fweight=newperwt]
```

finccut	Freq.	Percent	Cum.
0	187,280	2.97	2.97
1	292,104	4.64	7.61
2	1,320,156	20.95	28.56
3	1,625,615	25.80	54.37
4	1,742,474	27.66	82.02
5	1,060,585	16.83	98.86
6	71,951	1.14	100.00
Total	6,300,165	100.00	

```
. tab finccut if youth & empstat != 1 & gradeatt == 0 & educ <= 6 [fweight=newperwt]
```

finccut	Freq.	Percent	Cum.
0	592,265	14.89	14.89
1	290,166	7.30	22.19
2	793,347	19.95	42.14
3	965,811	24.29	66.43
4	887,052	22.31	88.74
5	410,463	10.32	99.06
6	37,205	0.94	100.00
Total	3,976,309	100.00	

```
. tab inccut if youth & empstat == 1 & gradeatt == 0 & educ <= 6 [fweight=newperwt]
```

inccut	Freq.	Percent	Cum.
0	991,214	15.27	15.27
1	1,079,623	16.63	31.90
2	3,061,283	47.15	79.05
3	1,194,810	18.40	97.45
4	149,295	2.30	99.75
5	13,985	0.22	99.96
6	2,334	0.04	100.00
Total	6,492,544	100.00	

```
. tab inccut if youth & empstat != 1 & gradeatt == 0 & educ <= 6 [fweight=newperwt]
```

inccut	Freq.	Percent	Cum.
0	3,298,075	76.04	76.04
1	609,940	14.06	90.10
2	355,416	8.19	98.29
3	59,385	1.37	99.66
4	12,582	0.29	99.95
5	1,214	0.03	99.98
6	853	0.02	100.00
Total	4,337,465	100.00	

Supply Side

The supply side of youth employment is highly related to the education system. The mainstream career path of most Americans is to finish high school and start working, or go to college then get a job. 47% of Americans over the age of 26 did not go on to higher education, and 11% did not finish high school. Of these near 100 million Americans who do not have higher education 35% are unemployed with no formal job experience in the past year. The other 65 million work "low skill" jobs. The most populous jobs are truck drivers, janitors, cooks, maids, laborers, cashiers and retail workers. They all have over a million people with a high school degree or less working in those fields. On the other side, 110 million americans who attended 1 year of college or more have 17% unemployment. The top jobs are 4 million elementary and middle school teachers, 1.5 million professors, 1 million lawyers, 2 million secretaries, 2 million software developers, and over 6 million managers and bureaucrats, all jobs which require college educations. Other top jobs with near a million employed though include retail salespeople, drivers, and cashiers which are similar top jobs to those with only high school educations or less. The idea that if all these 100 million americans got college educations then we would no longer need cashiers, drivers, and salespeople seems farfetched.

Ahearn and Rosenbaum demonstrate that “high schools that frame college and career readiness solely in terms of four-year degrees may prevent such students from considering valuable and attainable alternative credentials.” Students who get certificates or associate's degrees go on to get better jobs than those who drop out of four year degree programs. The requirements are not as rigorous and often are more linked to the job market. Yet these programs are not often advertised by advisors to students. Many do not realize that community colleges offer certifications to become an auto mechanic or other manufacturers. These programs do not require as high of skills in math and english as a four year program would. Combined with the fact that those with some college who do not complete a certificate or get a degree do not have higher earnings potential than high school graduates, certificate programs could be advertised much more. 35% of adults (those over 25) have completed high school, 15% or just over 30 million completed 1 year of college, but likely did not receive any direct earnings benefits from that single year.

Card and DiNardo demonstrate the problems with the theory that wage inequality has increased due to skill biased technical change. They say that this theory is insufficient to explain the changes in wages. Minimum wage failing to keep up with productivity gains offers a better explanation in their view. College educations could not allow everyone to be a highly productive worker. The lack of supply of alternative options to minimum wage jobs is a hinderance for growth and inequality.

The \$4 billion that would be spent on jobs with Bernie's bill could be contrasted to sending \$4 billion worth of students to college. \$31,000 being the average tuition gives 125,000 people who could be sent to college debt free with the equivalent money.

```
. tab educ if age >= 26 [fweight = newperwt]
```

Educational attainment [general version]	Freq.	Percent	Cum.
N/A or no schooling	3,037,882	1.45	1.45
Nursery school to grade 4	1,648,821	0.79	2.24
Grade 5, 6, 7, or 8	7,212,586	3.45	5.69
Grade 9	3,405,527	1.63	7.32
Grade 10	3,957,331	1.89	9.21
Grade 11	4,507,746	2.16	11.36
Grade 12	74,792,998	35.76	47.12
1 year of college	30,651,086	14.65	61.78
2 years of college	17,051,091	8.15	69.93
4 years of college	38,698,641	18.50	88.43
5+ years of college	24,201,959	11.57	100.00
Total	209,165,668	100.00	

Demand Side

The Keynesian method of ending unemployment is one of unemployment targeting. MDRC reviews current youth employment programs and judges their effectiveness. They find that programs which offer “opportunities for paid work and the use of financial incentives”, with “strong links between education, training, and the job market”, that take into consideration the youths specific developmental needs and offer support services have been the most successful. Many of the unemployed youth live in poverty and experiences “instability in their family life”. They lack access to transportation, and have to take care of younger siblings. They are currently testing the New York City’s Young Adult Internship Program which strives to meet these criteria. Overall however, their report suggests there is little evidence to know exactly what works, so we have to use the past experience of programs like CETA to determine what works in employing youth. Pavlina R. Tcherneva discusses this issue from a theoretical aspect, explaining that the Keynesian theory for demand side solutions involves targeted government spending. As Keynes would say, “the whole of the labor of the unemployed is available to increase the national wealth. It is crazy to believe that we shall ruin ourselves financially by trying to find means for using it and that safety lies in continuing to maintain idleness” (1981a: 881).

Probit Model

Using data from the 2014 ACS I develop a probit model which generates a likelihood of a young person being employed from the noninstitutionalized population. Young person for the purpose of the bill is described as a person from 16-25 inclusive. The dependent variable is employed, which in the ACS takes on 4 categorical variables N/A, Employed, Unemployed, or Not in Labor force. I define employed as 1 if employed, 0 otherwise. The independent variables are education, family size, sex, race, and a categorical income variable. Figure 1 shows the distribution of family incomes with young people using the categorical income variable, and shows the categories. Using this model generates probabilities of a young person being employed. The distribution of employment status is shown in table 1. Tables 2-4 show the distribution by years of schooling, sex, and race. Table 5 shows the results of the probit regression. After the probit model is created predict is used to give the probability for each young person being currently employed. The universe of potential job applicants includes all not employed young people, that is, those unemployed and those not in the labor force. I run two different scenarios for distributing the jobs into each PUMA. First to those that are most similar to young people who already have jobs and second to those with the lowest likelihood of having jobs. This gives the potential range of the distribution of the jobs depending on how the state

plans are implemented. The goal of the bill is to target disadvantaged youth, so if implemented correctly I would expect the plan to be towards the “lower likelihood” end. Tables 6 and 7 shows how the jobs are distributed when assigned to those with the lowest probability, and tables 8 and 9 show how the jobs are distributed when assigned to those with the highest probability.

Figure 1: family income distribution of family heads with youth in dollars

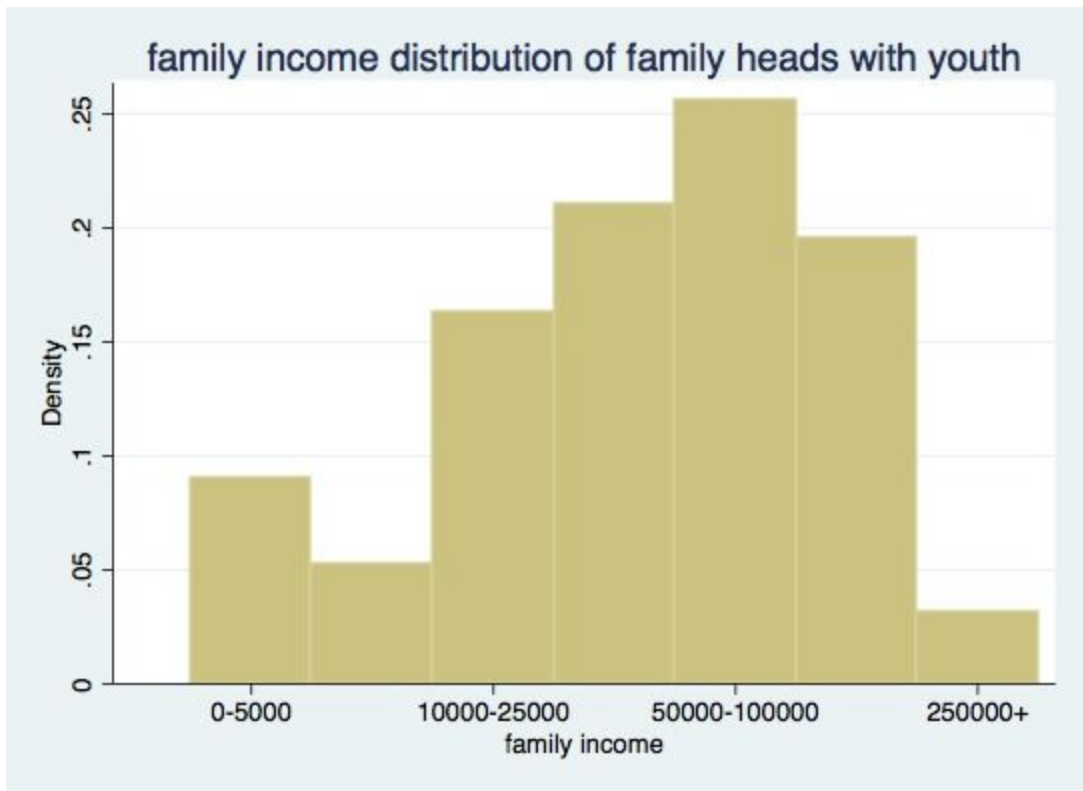


Table 1: Employment Status of Young People

Status	Number of Youth	% of Youth
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Employed	21,956,925	53.71
Unemployed	3,688,257	9.02
Not in labor force	15,236,461	37.27

Table 2: Years of Schooling of Young People

Years of Schooling	Number of Youth	% of Youth
N/A or no schooling	177,859	.44
Nursery school to grade 4	50,950	.12
Grade 5, 6, 7, or 8	595,503	1.46
Grade 9	1,697,728	4.15
Grade 10	3,911,218	9.57
Grade 11	5,014,105	12.26
Grade 12	13,881,787	33.96
1 year of college	9,099,535	22.26
2 years of college	1,918,384	4.69
4 years of college	4,067,782	9.95
5+ years of college	466,792	1.14

Table 3: Sex of Young People

Sex	Number of Youth	% of Youth
Male	20,791,906	50.86
Female	20,089,737	49.14

Table 4: Race of Young People

Race	Number of Youth	% of Youth
White	31,459,578	76.95
Black	6,610,882	16.17
American Indian/Alaska Native	430,638	1.05
Asian and/or Pacific Islander	2,281,313	5.58
Other race, non-Hispanic	99,232	0.24

Table 5: Result of Probit Model

	employed
1bn.educ	0.263
	(39.48)**

2.educ	-0.155
	(43.51)**
3.educ	-0.865
	(257.78)**
4.educ	-0.753
	(233.50)**
5.educ	-0.432
	(135.45)**
6.educ	0.35
	(110.98)**
7.educ	0.455
	(143.69)**
8.educ	0.698
	(211.33)**
10.educ	0.723
	(223.59)**
11.educ	0.61
	(158.66)**
2bn.famsize	-0.783
	(851.46)**
3.famsize	-1.104
	(1,229.65)**
4.famsize	-1.188
	(1,280.30)**
5.famsize	-1.22
	(1,210.10)**
6.famsize	-1.213
	(1,020.05)**
7.famsize	-1.236
	(801.25)**
8.famsize	-1.239
	(592.22)**
9.famsize	-1.231
	(442.13)**

10.famsize	-1.137
	(293.46)**
11.famsize	-1.33
	(235.34)**
12.famsize	-1.204
	(187.95)**
13.famsize	-1.256
	(130.15)**
14.famsize	-1.51
	(101.35)**
15.famsize	-0.965
	(45.98)**
16.famsize	-1.581
	(48.14)**
17.famsize	-1.868
	(45.47)**
18.famsize	-1.347
	(39.20)**
19.famsize	-3.16
	(30.31)**
20.famsize	-0.611
	(10.26)**
1bn.fincut	1.086
	(853.47)**
2.fincut	1.527
	(1,455.41)**
3.fincut	1.754
	(1,615.23)**
4.fincut	1.913
	(1,724.54)**
5.fincut	1.985
	(1,715.13)**
6.fincut	1.744
	(1,066.37)**

2.sex	-0.011
	(24.83)**
2bn.racesing	-0.156
	(253.42)**
3.racesing	-0.214
	(99.39)**
4.racesing	-0.379
	(391.40)**
5.racesing	-0.082
	(19.00)**
2bn.statefip	0.079
	(17.34)**
4.statefip	0.056
	(24.69)**
5.statefip	0.078
	(27.69)**
6.statefip	-0.117
	(63.44)**
8.statefip	0.198
	(81.38)**
9.statefip	0.077
	(28.09)**
10.statefip	0.101
	(23.16)**
11.statefip	-0.156
	(28.11)**
12.statefip	-0.042
	(21.72)**
13.statefip	-0.024
	(11.35)**
15.statefip	0.281
	(74.17)**
16.statefip	0.154
	(44.50)**

17.statefip	0.002
	-0.75
18.statefip	0.183
	(79.27)**
19.statefip	0.331
	(115.02)**
20.statefip	0.189
	(66.60)**
21.statefip	0.149
	(58.17)**
22.statefip	0.043
	(17.37)**
23.statefip	0.266
	(64.77)**
24.statefip	0.044
	(18.78)**
25.statefip	0.127
	(54.74)**
26.statefip	0.096
	(45.31)**
27.statefip	0.363
	(146.37)**
28.statefip	-0.013
	(4.65)**
29.statefip	0.187
	(79.37)**
30.statefip	0.246
	(57.21)**
31.statefip	0.314
	(91.51)**
32.statefip	0.092
	(32.15)**
33.statefip	0.238
	(61.28)**

34.statefip	-0.021
	(9.53)**
35.statefip	0.117
	(37.59)**
36.statefip	-0.089
	(45.49)**
37.statefip	0.052
	(24.66)**
38.statefip	0.424
	(87.19)**
39.statefip	0.195
	(92.95)**
40.statefip	0.145
	(55.62)**
41.statefip	0.044
	(16.63)**
42.statefip	0.09
	(43.55)**
44.statefip	0.024
	(5.72)**
45.statefip	0.093
	(37.36)**
46.statefip	0.461
	(92.93)**
47.statefip	0.06
	(26.16)**
48.statefip	0.083
	(44.09)**
49.statefip	0.278
	(102.49)**
50.statefip	0.174
	(31.00)**
51.statefip	0.112
	(50.60)**

53.statefip	0.024
	(10.76)**
54.statefip	-0.051
	(15.06)**
55.statefip	0.315
	(130.77)**
56.statefip	0.319
	(58.02)**
_cons	-0.821
	(223.84)**
N	41,288,508
* p<0.05; ** p<0.01	

Table 6: lowest likelihood job distribution by sex and race

Job Recipient	Male Youth	Female Youth	White Youth	Black Youth	AI/AN Youth	Asian Youth	Other race Youth
No	151,749,796	158,442,139	247,658,919	41,673,126	2,701,850	17,510,764	647,276
Yes	102,683	271,325	267,029	74,533	8,790	22,521	1,135

Table 7: lowest likelihood job distribution by income

Job Recipient	Family Inc 0-5k	Fam Inc 5-10k	10k-25k	25k-50k	50k-100k	100k-250k	250k+
No	12,532,897	10,789,787	43,540,353	68,839,446	92,411,667	69,803,697	11,837,625
Yes	274,332	43,732	32,848	16,413	5,210	1,192	281

107486 families out of poverty

Table 8: highest likelihood job distribution by sex and race

Job Recipient	Male Youth	Female Youth	White Youth	Black Youth	AI/AN Youth	Asian Youth	Other race Youth
No	151,740,785	158,451,150	247,702,798	41,663,870	2,698,204	17,480,939	646,124
Yes	111,655	262,353	223,352	83,747	12,415	52,211	2,283

Table 9: highest likelihood job distribution by income

Job Recipient	Family Inc 0-5k	Fam Inc 5-10k	10k-25k	25k-50k	50k-100k	100k-250k	250k+
No	12,675,312	10,783,057	43,482,914	68,796,771	92,383,987	69,797,431	11,836,000
Yes	132,567	50,418	90,010	58,902	32,778	7,434	1,899

75143 families out of poverty

Summary of Bill

The bill establishes a fund initially endowed with \$5.5 billion to be used by the Secretary of Labor to employ young americans. Young for the purpose of the act is defined as those in the ages of sixteen to twenty-four inclusive. \$4 billion gets used to provide summer and year round employment for low-income youth, while the other \$1.5 billion is used for competitive grants which are to be granted to local entities to carry out work based training and education to provide necessary skills to gain future employment. The \$4 billion dollars gets divided between states and then further between Public Use Microdata Areas (PUMA) within each state. .5% of the funds gets divided equally between the states, for the initial endowment this comes to \$20 million for each State. The remaining \$3 billion is divided between the states on the basis of the relative amount of youth to the overall amount of youth, the relative amount of unemployed relative to the overall unemployment level, and the relative number of disadvantaged young adults compared to the overall number. A disadvantaged young adult is one who is 16-24 and lives in a household whose income is one which does not exceed the higher of the poverty line for their family size, or 70% of the lower living standard income. The lower living standard income was established in the Workforce Innovation and Opportunity Act as a regional

minimum standard of living and is used in many other employment programs to determine eligibility. It helps alleviate some of the many problems with using the federal poverty line. After the money is allocated in this way to the states, the money is allocated within the State to each PUMA. The money is divided between PUMAs by calculating the relative number of youth, unemployed, and unemployed youth compared to the total for the state. For example the formula yields \$300 million dollars that go to California, then the formula allocates \$1.7 million to the Lancaster PUMA which has .41% of the State's youth and .43% of the State's unemployment.

While the money is allocated formulaically, the state's and local boards must submit plans for how they plan to correctly use the funds in order to receive the money. In general the funds must be made available to provide summer and year round employment opportunities for youth. The priority is to identify opportunities that are in emerging or in-demand occupations in the local area, in the public or nonprofit sector in order to meet community needs, or opportunities that lead to activities that will provide industry-recognized certificates or credentials. No more than 5% of the funds allocated to each area can be used for administrative purposes, the rest of the money must make its way into the hands of disadvantaged youth, which means more can be spent on administration duties if young americans are employed to do so. While the bill does not provide specifics on how each local area would identify or create these opportunities, past experience shows that administering programs like this through community colleges and workers centers has provided lasting impacts on the communities (Benner).

The allocation of the remainder of the funds, the \$1.5 billion in grants, would work differently. Here the bill specifies that in order to receive a grant the application must be in partnership with a chief elected official and the local board for the local area involved, or be an entity eligible for a grant under section 166 of the Workforce Innovation and Opportunity Act. Then the bill lists potential entities for partnerships, which also seems like likely candidates for groups that would administer the first \$4 billion. These include employers or employer associations, adult education providers or postsecondary educational institutions including community colleges, community-based organizations, joint labor-management committees, work-related intermediaries, and labor organizations that sponsor training or employment upgrade programs. In the applications specifics must be included for how the eligible entity will

provide unemployed low-income youth with skills that will lead to employment, along with a laundry list of other criteria which will help determine the ideas which would have the most impact, which in this sense means lifting the marginalized youth in America out of unemployment. The goal is to give unemployed young adults entry into, and retention in, unsubsidized employment and attainment of industry recognized credentials.

Conclusion

dd

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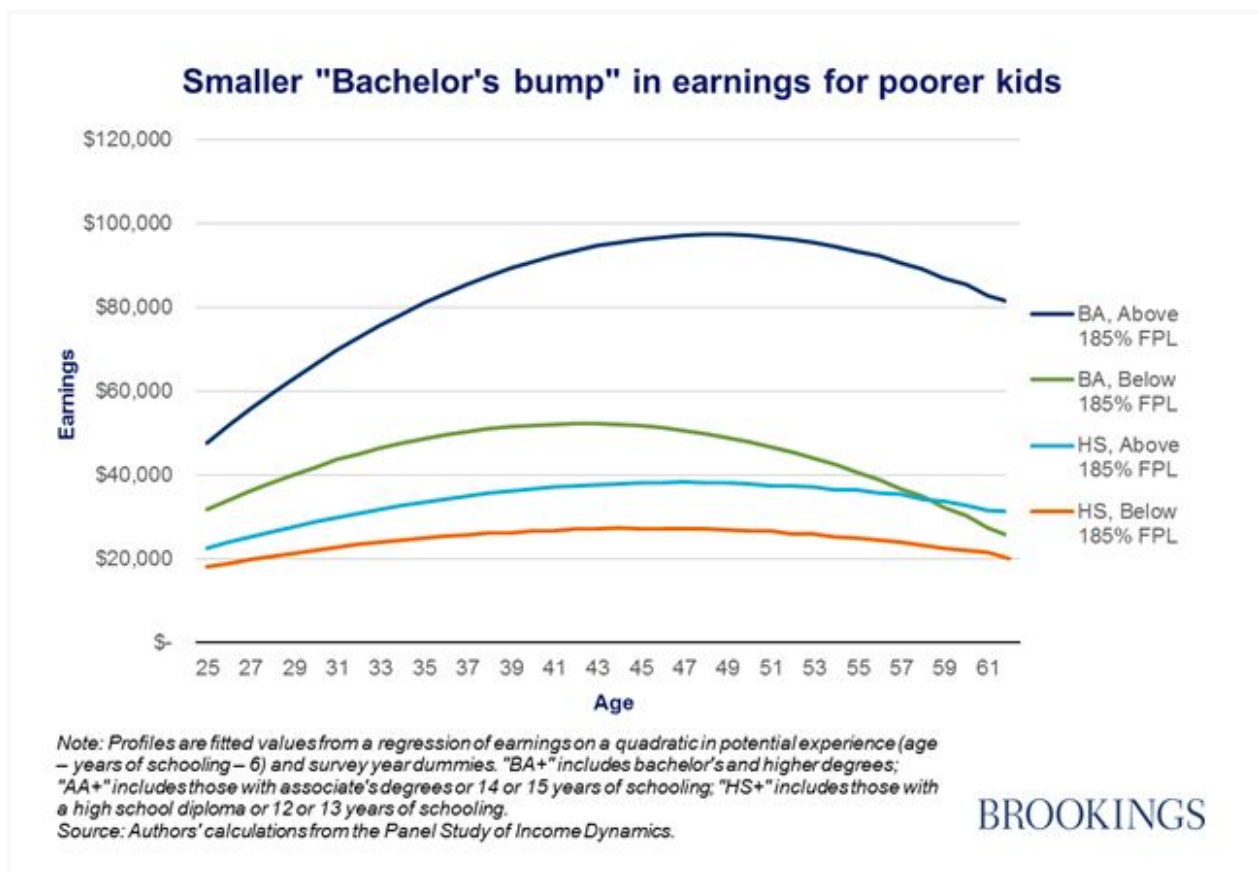
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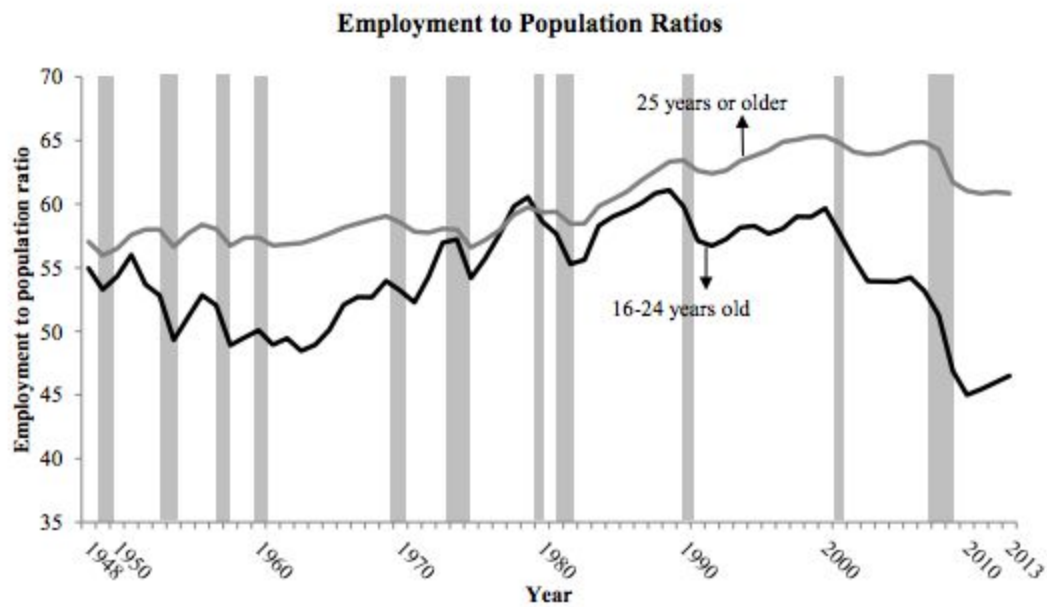
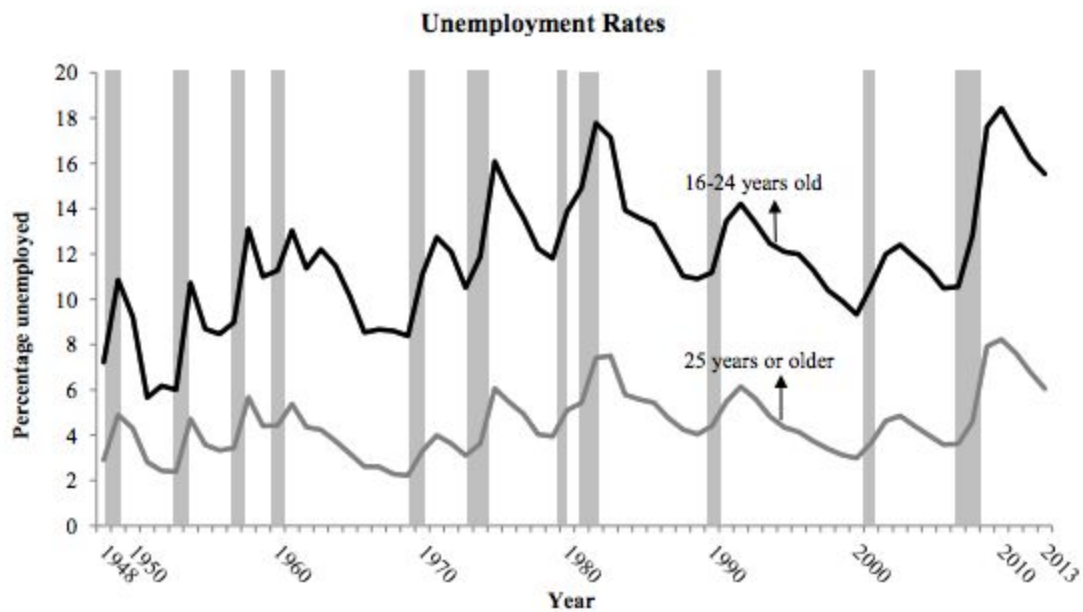


<http://www.brookings.edu/blogs/social-mobility-memos/posts/2016/02/19-college-degree-worth-less-raised-poor-hershbein>

91. These policies can be grouped by the main objective and impact they aim to attain with respect to youth employment, such as:

- ❑ policies and programmes for increasing employment creation and affecting the demand side: these include growth and economic policies, the promotion of entrepreneurship and self-employment, and public employment creation programmes;
- ❑ policies and programmes for facilitating the transition from school to work: these include supply side measures such as education and technical and vocational training policies; active labour market policies (ALMPs) such as wage subsidies, tax exemptions and job search counselling, that facilitate the matching between demand and supply;
- ❑ labour market policies for improving the quality of youth employment, and policies for improving the social protection of young workers;
- ❑ policies for protecting rights, for promoting the respect for labour standards, and for strengthening social dialogue to ensure greater participation and voice for young workers.

Youth Unemployment, 1948-2013



SOURCES: Bureau of Labor Statistics (2013) and National Bureau of Economic Research (2013).

Hossain

Make similar tables:

Table 7 Distribution of Youth Unemployment by Educational Attainment (aged 15–29), 2014Q3

Highest Level of Educational Attainment	Persons	Percentage	Cumulative	Cumulative Percentage
Primary education (6 years – Dimotiko) or less	21,976	5.9	21,976	5.9
Gymnasio (3 years of secondary education)	29,297	7.8	51,274	13.7
Lyceum (3 years beyond Gymnasio)	154,139	41.3	205,412	55.0
Technical education institutions (TEIs)	52,585	14.1	257,997	69.1
Bachelor's degree (university)	110,134	29.5	368,131	98.6
Ph.D. or master's degree	5,118	1.4	373,250	100.0
Total number of unemployed	373,250	100.0		

Source: Eurostat, LFS; authors' calculations

Table 8 Distribution of Unemployment by Age and Educational Attainment, 2014Q3 (in percent)

Highest Level of Educational Attainment	15–29	15–64	Cumulative	
			15–29	15–64
Primary education (6 years – Dimotiko) or less	5.9	13.5	5.9	13.5
Gymnasio (3 years of secondary education)	7.8	11.7	13.7	25.2
Lyceum (3 years beyond Gymnasio)	41.3	38.4	55.0	63.6
Technical education institutions (TEIs)	14.1	11.7	69.1	75.3
Bachelor's degree (university)	29.5	22.9	98.6	98.2
Ph.D. or master's degree	1.4	1.8	100.0	100.0
Total	100.0	100.0		

Source: Eurostat, LFS; authors' calculations

Levy^