

# YOUTHJOBS

**Toward a Private/Public Partnership**

**DAVID BRESNICK**

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*Foreword by*  
**FRANK MACCHIAROLA**



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# Foreword

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There has never been a reasonable and working relationship in the United States between programs in education and programs in employment and job training. And there has never been a coherent agreed upon policy regarding how schools, job trainers and employers should relate to one another.

Educators have historically seen employers as interested in taking youngsters out of school before their full educational development. They have seen business's interest as exploitive and they have resisted the intrusion of business into the school curriculum. For many years, within the setting of the American high school—save the vocational school—business subjects were downgraded, and the connection between schools and jobs was ignored.

This defensive response, developed when jobs were plentiful, was in keeping with the American dream of a college education for all who could survive high school. Indeed, the students who left school before the word “drop out” had meaning found jobs in industrial America. Several things have, however, begun to emerge over the last several decades that have changed a great deal of this. As America has moved into the post-industrialized era, we have seen the nature of jobs change. Many of the newer jobs have begun to require better academic skills. The high school diploma has become a job requirement as virtually every employer now wants his potential worker to be better prepared in school. But while employers have insisted on a better prepared high school graduate, the quality of public schooling in America has declined dramatically. Scores confirm what employers know: too many high school graduates can't read or write, or do simple math. What has made all of this more crushing to the young people is that as the need for skills has increased, and their level of skills has decreased, jobs have become more

scarce. High unemployment levels in this country—concentrated among poor minority youngsters in America's cities—have given us a national crisis, and a profound challenge.

When we have addressed problems of youngsters without jobs, or youngsters without skills, analysts have put forward grand schemes to overhaul large parts of the service delivery systems. There have been many "full employment" proposals, many reform proposals to improve our nation's schools, and many proposals to overhaul job training programs. They generally have met with great resistance. "Full employment" gets in the way of other economic matters—like inflation and the cost of government. School reform that does more than pump additional dollars into school systems and that asks for more effective teacher and student output meets tremendous resistance from traditional providers. The policies of job training programs often guarantee that huge targets of those in need are ignored. Indeed, when dealing with our youth, it is important to remember how badly disenfranchised they actually are. Unlike those who deliver the service, youth recipients are unable to vote, and unable to strike. Their political participation is extremely limited because of lack of interest and a lack of training in the participatory process. American education has operated to conceal the meaning of democracy from its students. American students have, however, voted with their feet—leaving school at alarming rates and sending the drop out rate to pre-World War II levels. As a result, even with strong interest, and strong rhetoric about doing something about America's youth, we remain as a society unable to deliver two basic results that would be the products of effective education and job training: the guarantee of an education, and the guarantee of a job.

We remain unable to deliver on these guarantees because we have failed to appreciate how reluctant American society is to have grand solutions imposed upon us. We have assumed that government can do virtually all of what has to be done to help America's youth and we have assumed that government can do it well. We have forgotten that America's disrespect for expanded government is quite fundamental and that it is quite justified. More modest and more workable approaches are the most effective.

There are some approaches that would be helpful in the areas of employment, education and job training policy. In terms of employment policy, government, labor and business should make strong efforts to see that job opportunities for young people are promoted. This is not only the responsibility of the government, but it is also the responsibility of the employers themselves, individually and collectively. They should make the effort to tie our youngsters to the work place and government must invite the participation of the private sector. The part-

nership between government and business in promoting summer employment of disadvantaged youth in New York City under the New York City Partnership has been a shared responsibility for dealing with youth unemployment. Such a voluntary undertaking not only provides employment for youngsters, but it also serves to remind the private sector of an important responsibility to assure that our youngsters are being welcomed into the work force. Government's effort should be to provide incentives—tax credits, a reduced minimum wage—but it cannot go into the business of creating jobs for their own sake. Such jobs, poorly supervised and without real purpose for youngsters, give a totally dishonest picture of work. The employment opportunities when allowed to develop in the private sector—where they are real—are the ones that the government should sponsor.

In terms of educational policy, here too we have seen grand proposals that have suggested many changes in the curriculum and more hours per day and more days per year of instruction. The costs of the enhancements—including healthy salary increases—are considerable and in many respects the reforms have not drawn strong enough connections between jobs and school. Business must become involved in schools, lending expertise and advice in many areas, most importantly in areas of job development. Corporate involvement through the “join in a school” model, and through work study programs is an important part of the development of good school programs. In addition, there should be work done so that the school curriculum will include subjects that will assist students in learning the personal skills necessary to holding a job. The distance between how well students are prepared today and how prepared they must be to maintain a job are great. Even such matters as student dress, work habits, attendance and lateness require the attention of school reformers. It goes without saying that standards for promotion and graduation must also be addressed. Schools must develop these standards in concert with business and not be afraid to hold back students who are not able to meet the standards for the first time. The overriding lesson of the school reform literature is that the quality of our educational system is not yet adequate to the task of meeting the challenge of this century and the next.

In terms of job training, here again grand schemes should give way to more modest—and workable—proposals. The job training effort, when sponsored by government, should focus upon entry level jobs for youngsters who have not succeeded in school. The government must respond to those least able to help themselves—drop outs, ex-offenders, ex-drug addicts—those who must travel in many cases great distances if they are to get and keep their first job. Private enterprise can focus on developing the connection between jobs in the primary and secondary job markets. But if job training programs succeed in get-

ting entry level jobs for these disadvantaged youngsters the result will be a meaningful, even if modest contribution.

Jobs for young people are not easily secured as the history of job training and youth employment programs demonstrate. There is, moreover, no way that they can be attained for most young people if we rely upon government, and if we expect government programs to replace our own resolve. More modest approaches—which encourage private sector involvement, and which involve programs that can work—will in the long run be more effective in connecting our youngsters to society.

Frank J. Macchiarola

# Preface

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My interest in youth unemployment, its consequences and its cures, has two origins. For several years I worked at the New York City Board of Education where I became familiar with the frustrations attendant to vocational education. And I became interested in employment and training programs, including youth programs intended to aid disadvantaged youth. As I searched for the causes and consequences of youth unemployment, I became convinced that there was a problem and a solution. I believe we are shortchanging our youth, especially those not going on to college, by providing those needing the most help in entering the job market with the least assistance. I also believe that our companies are losing out, but that the larger society is the greater loser, having to bear the brunt of the social dislocation resulting from youth unemployment.

I owe a debt to a number of individuals who by sharing their insights helped build my own perspective. From my days at the Board of Education Seymour Lachman and Murray Polner helped assimilate and critically appraise the shortcomings of secondary education and vocational education in particular. Joe Ball has been a constant foil in our discussions of vocational education and employment and training policy since our graduate school days. Beatrice Reubens alerted me early in the study to some of the complexities of apprenticeship on an international scale. Paul Barton confirmed my own optimism about the prospects for doing more for our youth.

Jarl Bengtsson facilitated my contact with the Organization for Economic Cooperation and Development and its outstanding staff. His insight and those of others, especially Chris Brooks, have profoundly influenced my treatment of European comparisons. A host of other



individuals have extended my understanding. Particular thanks are due Birgitta Ahlkvist of the Swedish Employers' Confederation and Ingrid Drexel of the Institut für Sozialwissenschaftliche in Munich.

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## CHAPTER 1

# The Youth Labor Market

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### THE EXTENT OF YOUTH UNEMPLOYMENT

Since the 1950s teenage unemployment in the United States has been rising and has passed several plateaus. In the mid-1950s the teenage unemployment rate rose above 10 percent. Until 1970 it fluctuated between 10 percent and 17 percent. Since October 1981, it has remained above 20 percent, setting a new record almost every month. The teenage unemployment rate for the second quarter of 1983 was 23.9 percent. Teenage unemployment for the same period in New York City was 34.8 percent.

Of course, the rate of teenage unemployment or youth unemployment does not rise on its own but follows adult unemployment, which has remained above 8 percent since October 1981. Since the 1950s, adult unemployment has fluctuated up and down—as recently as 1979 it was at 5.8 percent—while teenage unemployment has assumed an increasing spiral.

A general rise in adult and youth unemployment rates has also taken place in the other advanced industrialized countries, especially since the 1974–1975 recession.<sup>1</sup> By 1975, teenage unemployment in the United States reached nearly 20 percent, while the next highest industrialized countries were Italy and Canada, ranging between 15 and 17 percent. French and British teenagers for the first time experienced unemployment rates exceeding 10 percent. German and Japanese unemployment still remained quite low at 4.7 percent and 3.7 percent each. By 1978 and 1979, teenage unemployment in France, Great Britain, and Italy all exceeded that in the United States at some point. Germany and Japan still remained below 5 percent, while Sweden's ranged from 5.5 to 8.2 percent between 1975 and 1980. More recently teenage unemployment

has continued to rise. Except in Japan, youth have borne a growing share of total unemployment since 1960.

While the United States has been providing more and more jobs, the rate of youth unemployment keeps climbing. European countries were helped by a fall in the rate of labor participation by the young, as larger numbers began attending upper secondary school. During the 1960s, tight labor markets and strong economies in Europe and Japan resulted in high demand for young workers. Labor shortages increased the access of young people to jobs. In Japan, the United Kingdom, and Germany, employers actively recruited youth from schools and were willing to provide additional training. But in countries like France, Italy, and the United States, active youth recruitment did not occur.

What are the prospects for the future? Under projections by the U.S. Bureau of Labor Statistics, the numbers of teenagers in the work force should drop after 1985 and result by 1995 in a reduction of approximately 10 percent in that portion of the labor force. Certainly the labor market should be better able to cope with a reduction than it has in the past with an increase. But some observers point out that given increased competition from other groups, such as women reentering work and continued changes in the youth labor market, things may be even more difficult. The agricultural and industrial sectors, which have provided most jobs for youth, are scheduled to experience further contractions.

The current precipitous rise in the youth unemployment rate has reinforced the arguments of some that the problem of youth unemployment deserves special attention. A youth labor market that behaves differently from the adult labor market may require special remedies.

## **THE TRANSITIONAL NATURE OF YOUTH UNEMPLOYMENT**

Why is it that so many teenagers who are seeking employment are unemployed? Why must many continue in school only because no job is available? Meanwhile others who would prefer full-time work can only find part-time work. And some are discouraged by their failure to obtain work and no longer seek employment.

The major factor, as we have already recognized, is the overall weakness of the labor market. Teenagers tend to be at the end of the line of those considered for a job. The outstanding fact of youth unemployment is that every youth group has a higher unemployment rate than every non-youth group when divided according to other characteristics such as sex and occupation. The last in line will always be those individuals and groups considered to be least desirable: the young, the poorly

educated, and minorities. Employers resist hiring young workers: they do not have extensive experience; they do not have the personal contacts acquired by activity in the labor market; and they are regarded as unreliable and irresponsible.

Perhaps the major distinguishing characteristic of the youth labor market in particular is the fact that so many individuals are entering the labor market for the first time. This means that the rate of unemployment for the group as a whole will be abnormally high. A related factor is the short duration of many job experiences of the young. Teenagers and even those in their twenties experience a succession of jobs of short duration. They change jobs and move in and out of the labor force with much greater frequency than any other group. This contributes to an overall instability in employment. In part this reflects dissatisfaction with low pay and minimal work. As Martin Feldstein, the head of the President's Council of Economic Advisors, argues, a necessary component of any policy aimed at reducing teenage unemployment is promoting employment stability among young workers.<sup>2</sup> This point of view is supported by the findings of others such as Parnes and Kohen that job immobility is strongly associated with the avoidance of unemployment.<sup>3</sup> They suggest that a real advantage lies with those who find satisfactory initial jobs and remain in them.

The temporary nature of many youth jobs is reinforced by the phenomenon of part-time work. An increasing proportion of young people are holding part-time jobs, while they attend school. In 1967, for example, 14 million 16–17 year olds were engaged in voluntary part-time work. Only 455,000 were working full time. Recent data indicated that 50 percent of those between 16 and 19 attending school were also working at least part time. This compares with 75 percent labor force participation among those not attending school. Another interesting fact is that the unemployment rate for those out of school exceeds that for those in school, again perhaps indicating that the youth job market now caters to in-school youth more than out-of-school youth.

The difficulties that youth experience in entering the job market upon graduation from high school are confirmed by a recent analysis of data from the National Longitudinal Survey of the High School Class of 1972 (NLS).<sup>4</sup> Of those who chose not to go on for further education, in effect those choosing to enter the labor market, only 27.7 percent had lined up jobs to begin work by June 1, the date taken as roughly equivalent to graduation. An additional 55.4 percent expected to begin work between September 1 and January 1, and the remaining 5.2 percent anticipated starting work after January 1, 1973. Those actually indicating that they were employed as of June 1 were 49.4 percent, including those who were continuing part-time jobs begun while in high school. Additional labor market data was obtained as of October 1972 and October



1973 for this group. Overall, 70.8 percent were working full time by October 1972, 9.4 percent were working part time, 8.3 percent were unemployed, and 11.5 percent had removed themselves from the labor force. One year later in October 1973, 75.2 percent indicated they were working full time, 5.8 percent indicated they were working part time, 6.6 percent indicated they were unemployed, while 12.3 percent indicated they were out of the labor force.

Nearly 30 percent of the class of 1972 had not obtained full-time jobs by October 1972, and nearly 25 percent had not obtained full-time jobs by October 1973. While only 8.3 percent in 1972 and 6.6 percent in 1973 indicated they were actively seeking employment, the number who were discouraged, not working full time, or back in school because they could not find work was probably closer to 20 percent.

## A SECONDARY LABOR MARKET

The transitional and temporary nature of the youth job market has been observed for a long time. At least since the early 1950s it has been recognized that young persons are seldom in employment on a regular basis before the age of 20 years. High unemployment for youth is characteristic of good times and bad. But as late as the 1960s it was believed that the teenage labor market was highly flexible and closely interrelated to the adult labor market and that the employability of teenagers was not impaired by increased minimum wages or technological changes. Recently greater attention has been given to describing the special characteristics of the youth labor market.

Marcia Freedman analyzed the American labor market in 1960 and 1970, dividing it into 16 and 14 segments, respectively, based upon type of occupation, industry, and earnings level.<sup>5</sup> She found that young workers were underrepresented in all 6 of the top segments both in 1960 and 1970. Younger workers began to increase their representation around segment 5. By segment 11, they were overrepresented and remained so in most of the rest of the groups.

Her investigations noted great differences between youth below 20 and those above 20. Part-time work represents an important element in youth employment, which is closely related to schooling. In 1970, while only 4 percent of mature men and 23 percent of mature women held part-time jobs, 31 percent of young workers held part-time jobs.

She found that the work experience of teenagers is random and irrelevant to the jobs they hold in later life. Starting at about 20, those who work full time enter upon a transition period that sets the stage for their occupational futures. Movement out of the youth labor market is signaled by increasing job tenure and declining unemployment rates. Median time on the job, which is 7 months for teenage workers, doubles to 14 months for those 20 to 24.