



# **OUT OF SCHOOL, OUT OF WORK... OUT OF LUCK?**

**NEW YORK CITY'S DISCONNECTED YOUTH**

**By  
Mark Levitan  
Senior Policy Analyst**

*Community Service Society of New York  
105 East 22<sup>nd</sup> Street, New York, N.Y. 10010  
WWW.CSSNY.ORG  
January 2005*

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## EXECUTIVE SUMMARY

This report is about New York’s “disconnected youth,” the city’s 16 through 24-year-olds who are neither attending school nor participating in the labor force. These young people are an “at risk” group. Disconnected youth are more likely than other young people to engage in activities that are destructive to themselves and their communities. Adults who have experienced prolonged spells of disconnection in their youth are more likely than other adults to experience long bouts of joblessness and earn lower wages throughout their lives.

The study uses data from the U.S. Bureau of Labor Statistics’ Current Population Survey to measure changes over time in the share of the city’s youth who are disconnected and to place trends for New York in the context of those for both the nationwide urban population and the U.S at large. Data derived from the 2000 decennial Census provide estimates of disconnection, school enrollment, labor force participation, and employment among different groups of youth within New York.

### **Its key findings are:**

1. Nearly one-in-six (almost 170,000) of New York City’s youth is disconnected. The disconnected rate for New York City males (16.2 percent) is twice the rate for males nationally (7.7 percent). For females, the city/nation disparity is less dramatic; 15.8 percent of New York’s female youth were disconnected compared with 13.2 percent for the total U.S.
2. Trends over time for the city’s male and female youth are markedly divergent. Since 1996/1995 there has been a dramatic 9.8 percentage point decline in the disconnected rate for females. Trends for males, however, are troubling; since the onset of the recession in 2001/2000 their disconnected rate has climbed by 4.5 percentage points. Longer-term there has been no progress in either the share of New York’s male youth in school or in the labor market.
3. The disconnected rate for New York City’s youth is higher than the nation’s because of the low labor market participation rate among our out of school youth.

The labor force participation rate for New York's males is 68.3 percent, while it is 85.2 percent for male youth nationally. For females, the New York/U.S. disparity is 65.8 percent against 73.3 percent.

4. Within New York City there are stark racial disparities in disconnected rates. Among both males and females, African American and Latino youth have much higher disconnected rates than do Non-Hispanic Whites and Asians. The differences are greatest among males, where, in 2000, Black (16.6 percent) and Hispanic (16.0 percent) disconnection rates are twice those of Whites (7.6 percent) and Asians (7.3 percent). But the very highest disconnection rate is for Hispanic females (20.5 percent).
5. Racial disparities are also dramatic when it comes to who is actually holding a job. Among the city's out of school youth, only 42.7 percent of Black and 56.6 percent of Hispanic males were employed in 2000, compared with 73.0 percent of White and 70.0 percent of Asian males. Similarly, only 44.8 percent of Black and 42.7 percent of Hispanic females were employed in that year, while 54.0 percent of Asian and 68.9 percent of White females held a job.
6. The differing trends over time for the city's male and female youth are related to three large-scale changes over the past decade: immigration, welfare reform, and the restructuring of the local economy.
7. The trends and disparities identified in this study demand action and point toward new programmatic initiatives; efforts to improve New York's schools must be complemented by employment-based programs that address the needs of the city's out of school and out of work youth.

## INTRODUCTION

Getting from 16 to 24 can feel like a lifetime. At 16, we are at the end of childhood and at the edge of adulthood. And 24 seems a million miles away. It isn't, we learn. But what happens to us in that period of transition, how successfully we finish high school, go on to a promising first job or higher education, how well we avoid the wrong turns so easily made, can shape our lives for many years to come.

This report is about those young people who may not make it. Its focus is New York City's "disconnected youth", our 16 through 24-year-olds who are neither attending school nor participating in the labor force.<sup>1</sup> To be disconnected – social science research informs us – is to be in danger. Youth with time on their hands are more likely than others to engage in activities (such as drug abuse and crime) that are destructive to themselves and their communities. Adults with large blank spaces in their resumes are more likely to be jobless and earn lower wages later in their lives than those who had been able to stay steadily connected in their teens and early twenties.<sup>2</sup>

The report sheds light on New York's disconnected youth by exploring the disconnected rate, the share of the city's youth that are not engaged in either school or work. If there were any one indicator that captures the trend in how successfully our youth are transitioning to adulthood, the disconnected rate would be a good candidate. But, like any moment in time indicator, a single rate is no more than a snapshot. Whether the picture it reveals is "good" or "bad" requires context. Two are provided. One is time; the analysis spans the last 15 years and encompasses a wide variety of labor market conditions, which – it will be seen – profoundly affect the city's disconnected rate. The other context is comparative; rates for New York City are contrasted with those for all youth in United States. Because the problems of youth are often thought of as an "urban

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<sup>1</sup> This definition of disconnection is one-dimensional; it measures the extent to which youth are preparing for, seeking or engaged in paid employment. The limitation of this approach becomes evident in Chapter Two when the discussion turns to the high rate of disconnection among mothers. The Appendix also includes a detailed discussion of the report's definition of disconnection in the context of the strengths and limitations of the data sources used in the analysis

<sup>2</sup> Besharov, Douglas J. and Karen N. Gardiner. "Introduction: Preventing Youthful Disconnectedness." In Douglas J. Besharov, Editor. America's Disconnected Youth: Toward a Preventative Strategy. Washington DC: CWLA Press. 1999.

problem,” rates for New York are also compared against those for all youth living in the nation’s Census Bureau-designated central cities.<sup>3</sup>

In addition to these trends and comparisons, the study details disparities in disconnected rates, school enrollment, labor force participation and employment among the city’s various demographic groups. It also offers some ideas about what demographic, public policy and economic changes in the city are shaping these trends and disparities. Finally, the report makes concrete recommendations that would open more job opportunities for New York’s youth who are out of school and out of work.

The report proceeds as follows: Chapter One traces trends in three key indicators – the disconnected rate, the school enrollment rate, and the labor force participation rate for youth who are out of school. Chapter Two provides a detailed perspective on schooling and labor force activity among the city’s various demographic groups. Chapter Three explores how population, public policy, and economic changes in the city may have shaped both the time trends and between group differences. Chapter Four draws out the policy implications. An Appendix traces demographic changes over the 1990s and addresses a number of conceptual and technical issues about the data.

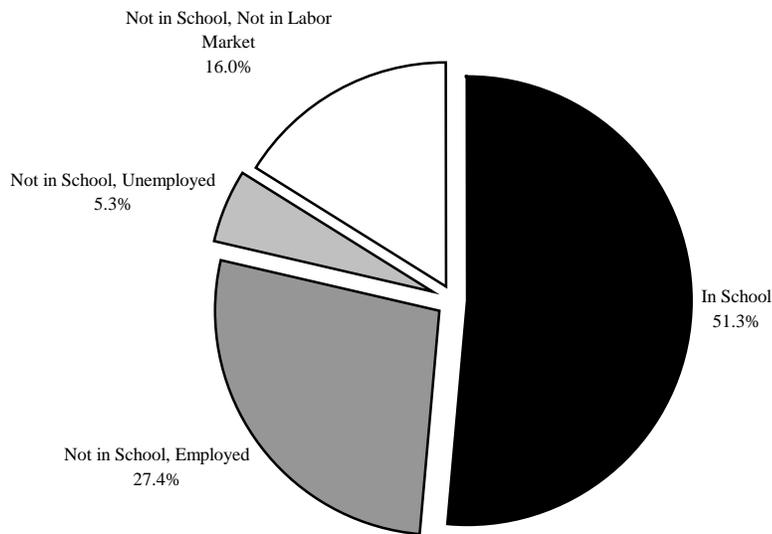
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<sup>3</sup> Central cities are those municipalities that comprise the urban core of Census-designated metropolitan areas. In 2003, central city dwellers represented 26.2 percent of all youth in the United States.

## CHAPTER ONE: CONVERGENCE

In 2003/2002 there were a little more than one million New York City residents 16 through 24 years of age (about one-eighth of the entire city population).<sup>4</sup> Figure One classifies these young people into one of four mutually exclusive categories.<sup>5</sup> Slightly more than half (51.3 percent) were in school. A little more than a quarter (27.4 percent) were not at school, but were working. A small proportion (5.3 percent) were out of school and unemployed (jobless and actively seeking work). Finally, one-in-six (16.0 percent) was neither in school, employed, nor seeking employment. These nearly 170,000 young people were “disconnected.”<sup>6</sup>

**Figure One: School Enrollment and Labor Market Status  
NYC Youth, 2003/2002**



Source: CSS tabulations from the Current Population Survey.

<sup>4</sup> The population is limited to civilian, non-institutionalized residents of the city. Therefore, these estimates do not include people in the military or the considerable number of young New Yorkers who are serving time in penal institutions.

<sup>5</sup> Because these categories are mutually exclusive, they do not measure the proportion of in school youth who are also labor market participants. Due to the limited sample for New York City, two-year averages are used for estimates of the disconnected rate, school enrollment rate, and labor force participation rate that are derived from the Current Population Survey. See the Appendix for more details on these issues.

<sup>6</sup> The study follows the U.S. Bureau of Labor Statistics' (BLS) practice of categorizing persons as in the labor force if they are either employed or unemployed. The latter are individuals who are jobless, available for work, and have made specific efforts to find work in the last four weeks. Persons who are jobless but are either unavailable or not actively seeking work are not unemployed. They are classified as “not in the labor force.”

This chapter tracks, compares, and analyzes time trends in New York City's disconnected youth rate. Its first section traces change over time and compares trends in the city to those for urban youth throughout the nation as well as the total U.S. youth population. The chapter's second section analyzes the components of change in the disconnected rate, tracing and comparing changes in the share of youth enrolled in school and the labor force participation rate of out of school youth. Throughout these analytical steps, one overarching trend emerges from the New York City data: a closing of the gender gap.

### **A. Disconnected Youth Rates**

The current disconnected rate for the New York City's male youth is as high as it has been since the end of the 1980s and stands at more than twice the national rate. The lack of progress for males contrasts sharply with the trends for the city's female youth. Since the mid-1990s, there has been a significant decline in the female youth disconnected rate, which has closed a once large gender gap. The disconnected rate for New York's female youth, moreover, has been converging toward that of their counterparts across the nation.

#### ***New York City's Disconnected Youth: Trends by Gender***

The most recent data yield estimates of nearly identical disconnected rates for males and females (16.2 percent against 15.8 percent). It did not used to be this way. The share of the city's youth who are disconnected has varied over time and show sharply distinctive trends by gender. As recently as the 2001/2000 business cycle peak, the male disconnected rate was 11.7 percent against a female rate of 17.4 percent.

Longer-term trends are illustrated in Figure Two, which plots the disconnected rate for males and females from 1990/89 through 2003/02. The time period encompassed in this figure includes a wide variety of labor market conditions, beginning at a business cycle peak (1990/89), a subsequent recession and prolonged labor market slump (extending to 1996/95), a boom (peaking at 2001/2000) and, then, the most recent recession and period of lingering weakness in the local economy (through 2003/2002).

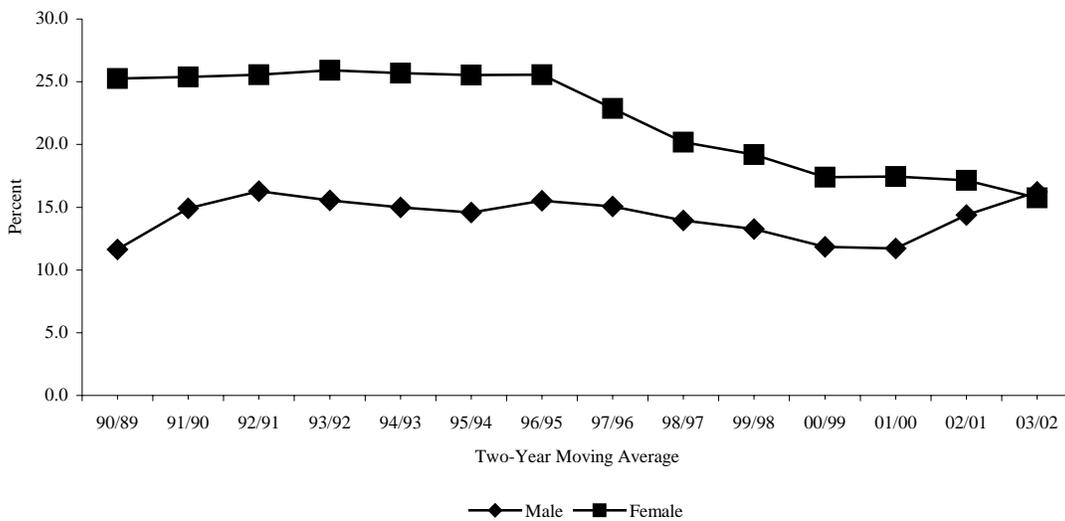
At the 1990/89 business cycle peak there was a wide (13.6 percentage point) gap in the disconnected rate for males (at 11.6 percent) and females (at 25.3 percent).<sup>7</sup> That

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<sup>7</sup> Differences are taken from unrounded numbers.

disparity grew smaller during the recession of the early 1990s as the disconnected rate for males climbed to 15.5 percent in 1996/95, while the rate for females held steady at a little more than 25 percent. Then the city labor market began to boom. The disconnected rate declined for both genders, but not at an equal pace. From 1996/95 to the 2001/00 business cycle peak, the disconnected rate for males fell by 3.8 percentage points. For females it plunged 8.1 percentage points. The remainder of the gender gap has been closed by the recent recession and subsequent weakness in the local labor market, which had markedly distinct effects on males and females. While the male disconnected rate rose by 4.5 percentage points, the rate for females “edged down” by another 1.7 percentage points.<sup>8</sup>

**Figure Two: NYC Disconnected Youth Rate, By Gender**



Source: CSS tabulations from the Current Population Survey.

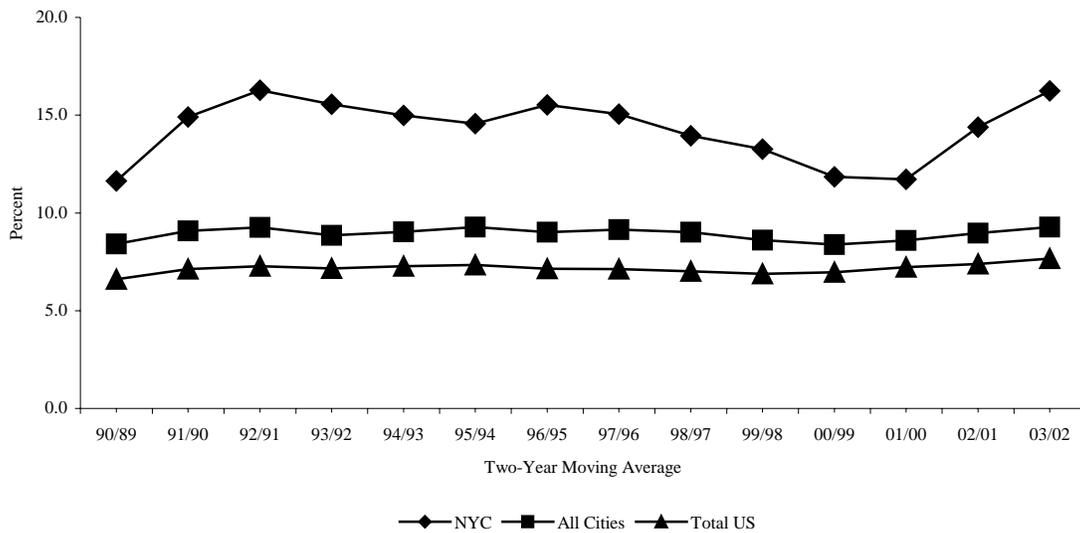
***New York City Trends in the National Context***

Figures Three and Four put the disconnected trends for males and females in a national context, comparing New York City youth to young people living in urban areas across the U.S. and all U.S. youth. Trends for the city are not simply an echo of those for the nation. Looking at the trends for males, two striking differences are evident. First,

<sup>8</sup> Readers should interpret small year-to-year changes in the disconnected rates with caution. See the Appendix for a discussion of sample size and statistical significance.

the disconnected rate for New Yorkers is dramatically higher than the national groups (16.2 percent in the city, 9.3 percent for all cities, and 7.7 percent for the total U.S. in 2003/2002). Second, the magnitude of the New York City /national disparities varies with the business cycle, widening in periods of economic weakness and narrowing in periods of economic strength. During the late 1990s boom, the New York City/all cities disparity, for example, fell from 6.5 percentage points in 1996/95 to 3.1 percentage points in 2001/2000. In the recent period of labor market weakness, that gap widened to 7.0 percentage points.

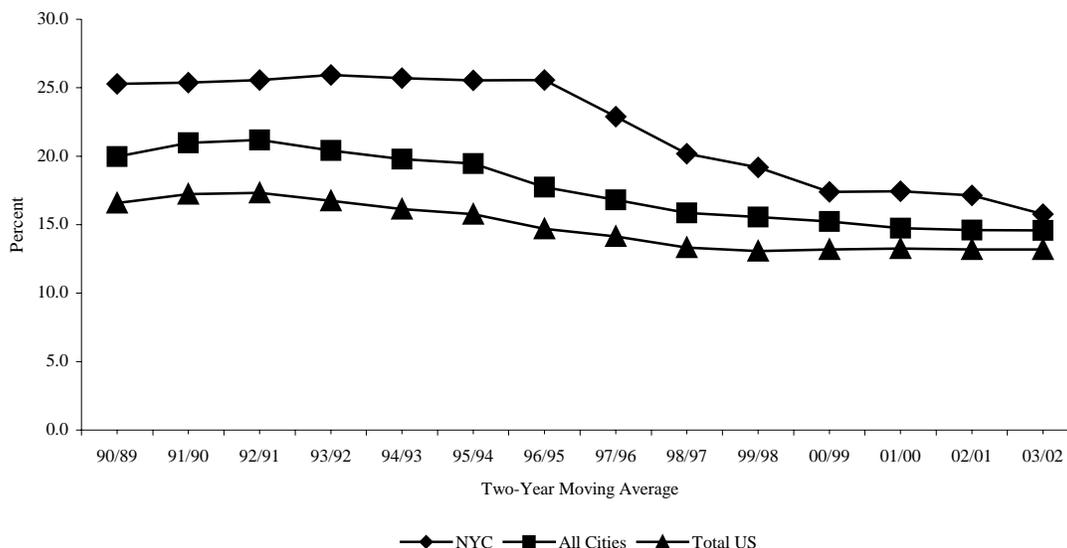
**Figure Three: Disconnected Males**



Source: CSS tabulations from the Current Population Survey.

The same comparative exercise for females (illustrated in Figure Four) presents a transition from stable disparity to impressive gap closing. As recently as 1996/95 the disconnected rate for New York’s females was 25.6 percent compared to 17.7 percent for all city residents and 14.7 percent for the total U.S. But since the local economy began to boom in the mid 1990s, there has been the dramatic closing of the New York City/national gap. Moreover – in stark contrast to the pattern for males – the recession and jobless recovery did not reverse the convergence of New York City with the national disconnected rates. By 2003/2002 the disconnected rates stood at 15.8 percent for New York City females, 14.6 percent for all urban females, and 13.2 for all females in the U.S.

**Figure Four: Disconnected Females**



Source: CSS tabulations from the Current Population Survey.

### **B. Trends in School Enrollment and Labor Force Participation**

Changes in the proportion of youth who are disconnected can be more fully understood if they are decomposed into the two activities that define connection. One is the trend in school enrollment; the other is the trend in labor force participation. Increases in either, for example, will (all else equal) decrease the proportion of youth who are disconnected.

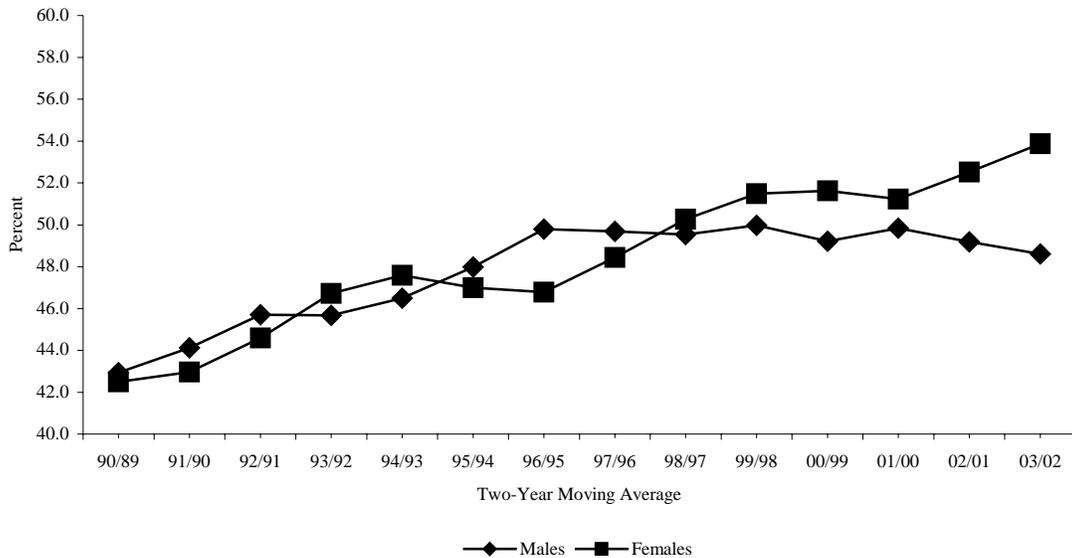
The divergent trends in the city's male and female disconnected rate, this section finds, have been shaped by differences in trends in participation in school as well as work. For New York City's males, a once rising school enrollment rate has flat lined and labor force participation has plunged since the 2001/2000 business cycle peak. For the city's females, rates of school enrollment have increased steadily and their participation in the labor force did not falter despite the recent recession. The distinction between trends in school enrollment and labor force status also sheds light on differences between New York City and the nation. The city's high disconnected rate is a result of the relatively small share of our out of school youth who were participating in the labor force.

### *New York City Trends in School Enrollment*

One reason why male and female disconnected rates in New York City have taken different trajectories is that their school enrollment rates have begun to differ. Until the mid-1990s male and female rates of school enrollment in New York City were fairly similar, but since 1996/1995 there has been a growing divergence; the proportion of females in school has been rising, while the share of males who are in school has stagnated.

As Figure Five illustrates, from 1990/1989 to 1996/1995, school enrollment rates for both males and females were trending upward, by 6.9 percentage points for males and 4.3 percentage points for females. From 1996/1995 to 2003/2002, the school enrollment rate for females continued to rise, by another 7.1 percentage points, while the rate for males appears to have edged down by 1.2 percentage points. By 2003/2002, the proportion of females attending school exceeded the proportion of males by 5.3 percentage points.

**Figure Five: School Enrollment, NYC**



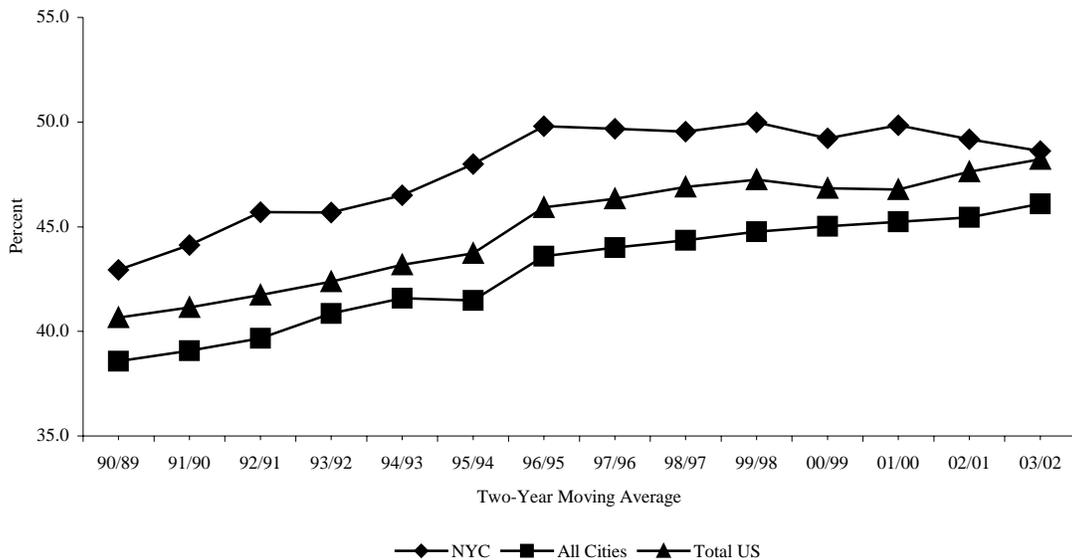
Source: CSS tabulations from the Current Population Survey.

### *New York City School Enrollment in the National Context*

Figures Six and Seven place New York City male and female trends in their respective national contexts. The trends for males are illustrated in Figure Six. In

1990/1989, New York City residents held a modest 2.3 percentage point edge over the total U.S. and a 4.4 percentage point advantage over the all city population in school enrollment. But from 1996/1995 on, while the trend for New Yorkers was flattening out, the two national groups continued to make gains. By 2003/2002, the New York City/all U.S. gap had been closed, at 48.6 percent and 48.2 percent respectively, and the New York City/all cities gap had been narrowed to 2.5 percentage points.<sup>9</sup>

**Figure Six: School Enrollment, Males**

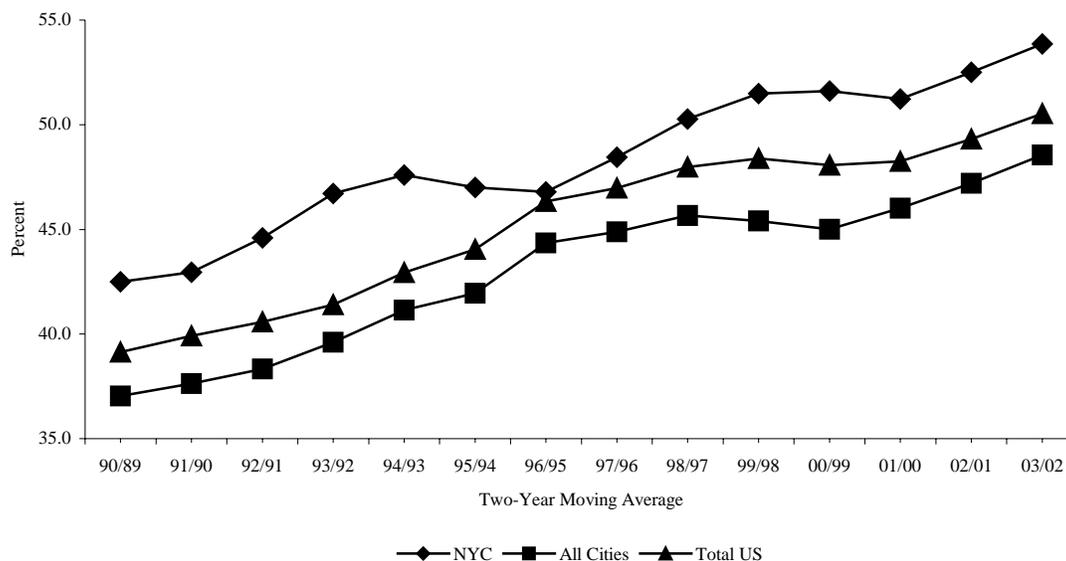


Source: CSS tabulations from the Current Population Survey.

As illustrated in Figure Seven, New York’s female youth have maintained their advantage as each of the three geographical groups experienced virtually identical rates of progress. In 1990/1989 the enrollment rate in New York was 3.4 percentage points higher than the total U.S. and 5.5 percent higher than the all cities rate. From 1990/1989 to 2003/2002, the enrollment rate grew by 11.4 percentage points for New Yorkers, 11.5 percent for all city residents and 11.4 percent for the total U.S.

<sup>9</sup> The loss of the New York City advantage in school enrollment rates only served to widen the continued New York/national disparity in male disconnected rates.

**Figure Seven: School Enrollment, Females**



Source: CSS tabulations from the Current Population Survey.

### ***New York City Trends in Labor Force Participation***

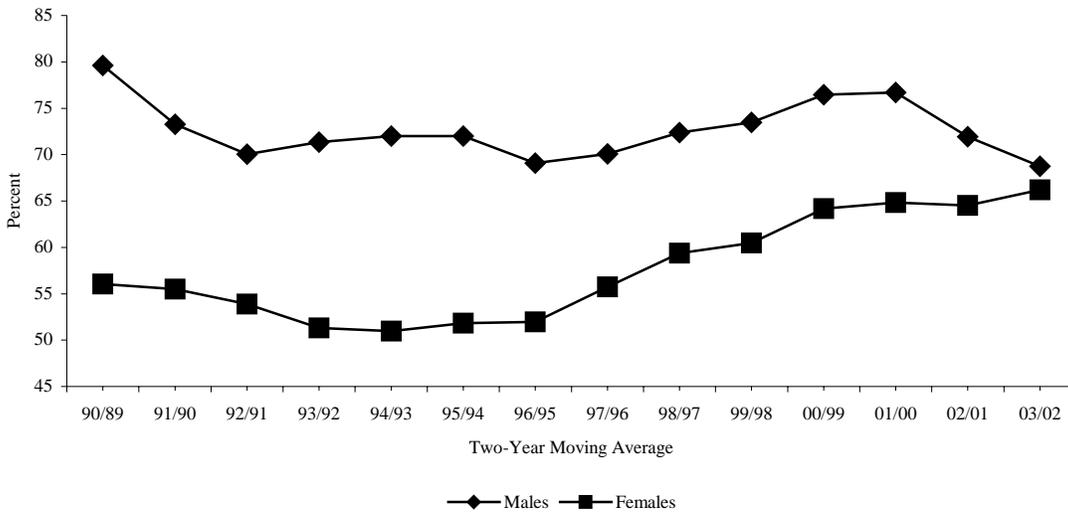
The other activity defining disconnectedness is the labor force participation rate, the share of the out of school population that is either working (the employed) or actively seeking work (the unemployed). Unlike school enrollment rates, labor force participation rates are likely to vary with the ups and downs of the economy. They rise when the economy expands; employment opportunities increase and more people enter the labor market in the hope that they will land a job. Participation then falls when the economy contracts, joblessness grows, people become discouraged about finding work, and then drop out of the labor force.

Figure Eight plots labor force participation rates for out of school male and female New Yorkers. It indicates that the closing of the male/female disconnected rate gap in recent years was not only due to the varying trends in school enrollment rates identified above, but was also a result of trends in labor market attachment. The narrowing of the gender gap, which stood at 23.6 percentage points in 1990/1989, began with the downturn in the business cycle early in the 1990s. By 1996/1995, the labor force participation rate for males had plummeted by 10.5 percentage points, while the decline

in labor market participation for females was a distinctly more modest 4.1 percentage points.

From 1996/1995 to 2001/2000, the pro-cyclical growth in labor force participation by females outpaced the growth for men, jumping by 12.3 percentage points, compared to a more modest 7.4 percentage point rise for males. Male and female labor force participation trends then diverged sharply with the downturn in the city economy. From 2001/2000 to 2003/2002, there was an 8.2 percentage point plunge in the labor force participation rate for out of school males. At the same time, out of school females appear to have defied the cycle. Their labor force participation rate suffered no decline. By 2003/2002, the gender gap had been narrowed to 2.5 percentage points.

**Figure Eight: Labor Force Participation Rate, Out of School NYC Youth**



Source: CSS tabulations from the Current Population Survey.

***New York City Labor Force Participation in the National Context***

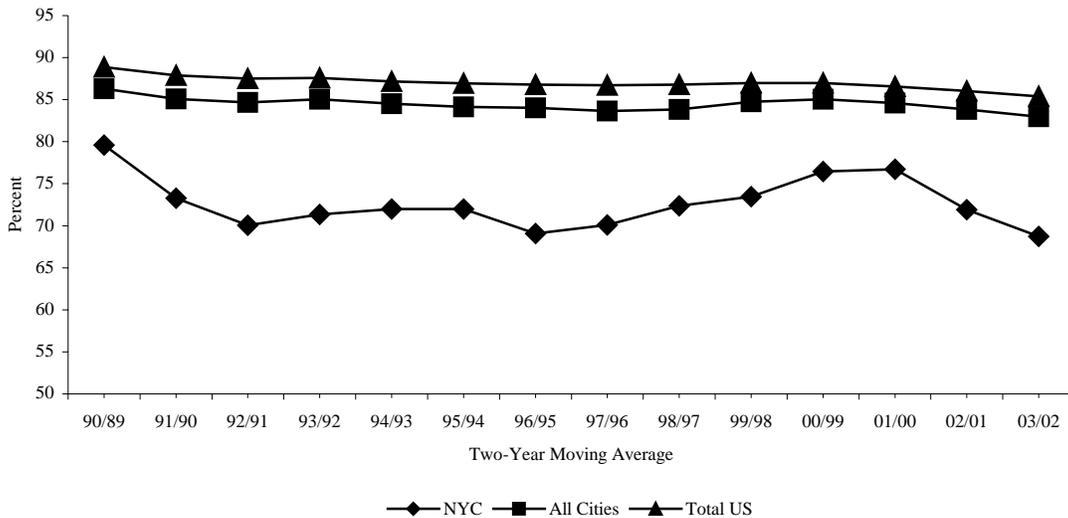
Figure Nine plots labor force participation rates for New York City males along with males in all cities and the total U.S. It illustrates two important differences between New Yorkers and the national groups. First, the labor force participation rate for New York City males has been consistently lower than the national rates. In 2003/2002, 68.3 percent of the city’s out of school youth was in the labor force compared to 82.8 percent for all cities and 85.2 percent for the U.S. at large. Given the growing similarity in

school enrollment rates, it is clear that New York’s young males have a higher than national disconnected rate because they suffer from low labor market participation rates.

A second difference – one that explains the greater cyclical fluctuation in the local disconnected rate – is that the New York/national gap expands and contracts dramatically with the business cycle. While the national groups exhibit little cyclical fluctuation, labor force participation for New Yorkers is much more volatile.<sup>10</sup> Thus, the New York/total U.S. disparity ranges from 9.3 percentage points and 9.9 percentage points at the 1990/1989 and 2001/2000 business cycle peaks to 17.7 percentage points and 16.9 percentage points at the 1996/1995 and 2003/2002 business cycle troughs.

Controlling for business cycle effects by comparing labor force participation rates at the two peaks suggests that labor market participation has been slipping in all three geographic groups. From 1990/1989 to 2001/2000 the labor force participation rate edged down by 2.4 percentage points for the nation, 2.0 percentage points for all city dwellers, and 3.1 percentage points for New York City residents.

**Figure Nine: Labor Force Participation Rates, Out of School Males**



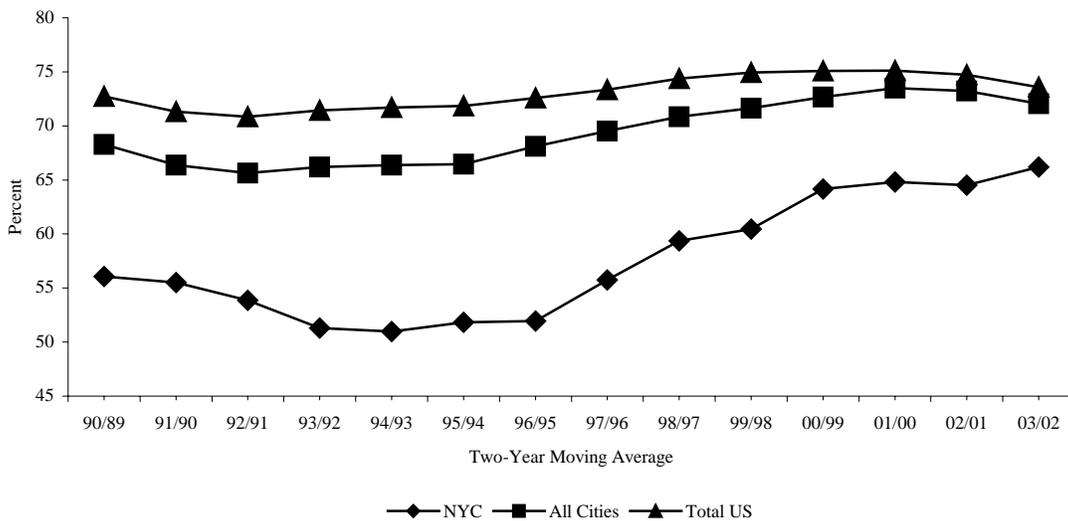
Source: CSS tabulations from the Current Population Survey.

<sup>10</sup> The volatility of the labor force participation rate for New York’s out of school males reflects both the relatively high degree of volatility, over the course of the business cycle, in citywide employment levels as well as the particularly tenuous hold young males have on employment in recessionary periods.

The same comparison is made for females in Figure Ten. But it tells a very different story. First there is the marked narrowing of the New York City/national disparity in labor force participation rates from 1996/1995 on. From that cyclical trough to the 2001/2000 peak, the gap was halved, plunging from 20.6 percentage points to 10.1 percentage points. The economic downturn further narrowed the gap as participation rates fell nationally, but held steady locally. By 2003/2002 the New York/national disparity was 7.5 percentage points (65.8 percent versus 73.3 percent).

A second difference between males and females trends is the increases in labor force participation rates for all the female groups over the course of the business cycle. From the 1990/1989 to 2001/2000 peak, the labor force participation rate edged up by 1.6 percentage points for the nation, 4.4 percentage points for all city dwellers, and (a much more impressive) 8.2 percentage points for New York City.

**Figure Ten: Labor Force Participation Rate, Out of School Females**



***The Relative Contribution of School Enrollment and Labor Force Participation on Male and Female Disconnected Rates***

The very different trends in the New York City male and female disconnected rates have clearly been driven by both its school enrollment and labor force participation components. Which of these has had the greater impact on the narrowing of the male/female disconnected rates? Table One compares the share of male and female New

York City youth who were disconnected, in school, or in the labor force in 1996/95 against 2003/02, the years during which the gender gap in the disconnected rate dramatically closed.<sup>11</sup> To provide more comparability with the trends in labor force participation rates explored above, the last line in the table reports the labor force participation rate for the out of school youth population.

**Table One:**  
**Change in Activities, New York City Youth, 1996/95 to 2003/2002**  
 (Numbers are the percent of the population in the given activity.)

Year	Males			Females		
	96/95	03/02	Change*	96/95	03/02	Change*
<b>Percent Disconnected</b>	15.5	16.2	0.7	25.6	15.8	-9.8
<b>Percent In School</b>	49.8	48.6	-1.2	46.8	53.9	7.1
<b>Percent In Labor Force</b>	34.7	35.2	0.5	27.6	30.4	2.7
<b>Labor Force Participation Rate Of Out of School Population</b>	69.1	68.3	-0.8	52.0	65.8	13.9

\* Change is the percentage point change.

Source: CSS tabulations from the Current Population Survey.

For males, there has been virtually no change in either the disconnected rate (0.7 percentage points) or its components (a 1.2 percentage point decline in school enrollment and a 0.5 percentage point rise in the share in the labor force). For females, there are rising shares in both the in school and in the labor force categories. But it was the growth in school enrollment that contributed the most to the decline in the female disconnected rate. The growth in the share of females who were at school (7.1 percentage points) is more than twice as large as the change in the share that was in the labor market (2.7 percent). Although the increase in school enrollment drove most of the change in the female disconnected rate, it is important to note the large increase (of 13.9 percentage points) in the share of the female out of school population that was in the labor force.<sup>12</sup> This growth is particularly impressive when compared to the virtually unchanged labor force participation rate for males.

<sup>11</sup> Because these two periods correspond to labor market troughs, business cycle effects are netted out.

<sup>12</sup> The reason why the increase in the share of the total female population in the labor market is so much smaller than the increase in the labor force participation rate for the out of school population is that the latter is an increased share of a shrinking population.

In sum, the trends in disconnection, school enrollment, and labor force participation for the city's males and females are sharply divergent. For males, the direction of the data is troubling; their school enrollment rate is no longer rising and their labor force participation rate (measured from business cycle peak to peak) seems to be edging down. This stands in stark contrast with the rise in both school enrollment and labor force participation for females. Although there is still ample room for improvement relative to the nation's disconnection (and labor force participation) rates, the closing of the gender gap represents a dramatic change. After Chapter Two's exploration of how age, race/ethnicity, nativity, educational attainment, and parenthood affect disconnectedness, Chapter Three discusses some of the reasons why male and female trends have taken such a divergent course.

## CHAPTER TWO: DISPARITY

The trends detailed in Chapter One tell an important story, but it is incomplete. New York City's youth is composed of males and females, but it also includes college graduates and high school dropouts; young parents living on their own and teens still living with their mothers and fathers; native and foreign-born, people of color and Whites. This chapter utilizes data from the 2000 decennial Census to measure to what extent and in what ways these demographic differences matter.<sup>13</sup>

If convergence was the overarching theme of Chapter One, disparity is the leitmotif of Chapter Two. A closer look at what youth are doing discloses wide disparities in school enrollment, labor force participation, and employment across demographic groups. Perhaps the most distressing disparities are those by race/ethnicity. New York's young African Americans (because of their low rates of labor force participation) and Latinos (due to their low rates of school enrollment) dominate the ranks of the disconnected and experience much higher rates of disconnection than do Non-Hispanic Whites and Asians.

This chapter's exploration proceeds in three parts. Section A details who in the city is disconnected. The next two sections link this demographic profile with the disconnected, school enrollment, and labor force participation rates tracked in Chapter One. Section B provides data on the proportion of the city's youth who were in school, in the labor force, or disconnected by gender, age, race/ethnicity, nativity and parenthood. Section C explores disparities in labor force participation rates and jobholding among New York's out of school youth. In addition to disclosing disparities, the details also provide some clues as to what changes in the city may have contributed to the closing of the disconnected rate gender gap.<sup>14</sup>

### A. Who is Disconnected?

The disconnected rate measures the proportion of New York City's youth who are neither in school nor in the labor force. It doesn't, however, reveal who they are. This

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<sup>13</sup> See the Appendix for a discussion of differences between data derived from the Census and the CPS.

<sup>14</sup> The Census was conducted in early 2000, near the business cycle peak and roughly midway in the 1996/1995 to 2003/2002 period during which the gender gap in the disconnected rate was being closed. Thus the Census freezes the trends explored in Chapter One at one moment in time.

section contributes to an understanding of the city's disconnected youth problem by detailing its demographic composition. Blacks and Hispanics, it reports, dominate the ranks of the disconnected. The table also identifies attributes of the disconnected that may limit their ability to connect to work, such as poverty, parental responsibilities, low levels of educational attainment, lack of employment experience, and work-limiting disability.

Table Two provides the details. For each demographic characteristic, its first column gives the percentage distribution of the city's disconnected youth that is in each sub-category. To provide context, a second column reports the corresponding share of all New York City youth. Comparing the distributions for disconnected youth with those for all youth provides an index of whether a particular group is over or underrepresented among the disconnected. This is provided in the column labeled "ratio" which is the share of the disconnected over the share of the general youth population. Ratios greater than (less than) one indicate over (under) representation.

By Age: Disconnected youth are predominantly in their twenties. Over seven-in-ten disconnected males and three-out-of-four disconnected females are 20 through 24 years of age.

By Race/Ethnicity: Latinos and African Americans dominate the ranks of the disconnected. Among males, Hispanics (42.1 percent) constitute the largest race/ethnic group among the disconnected, followed by Non-Hispanic Blacks (31.8 percent), Non-Hispanic Whites (16.2 percent), and Asians (5.8 percent). A broadly similar pattern holds for females, among whom Latinos make up 42.1 percent, Non-Hispanic Blacks accounted for 26.4 percent, Non-Hispanic Whites comprised 19.0 percent, and Asians were 7.1 percent, respectively, of the disconnected.<sup>15</sup>

By Nativity: For males, each nativity groups' share of the disconnected (63.6 percent for native-born and 36.4 percent for foreign-born) was nearly identical to its share of the youth population at large. For females, the foreign-born were overrepresented

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<sup>15</sup> The smaller variation in the ratio numbers for females than males indicates that the race/ethnic distribution for the former group more closely resembled the distribution of the overall youth population. By this measure, for example, Black females were not overrepresented among the disconnected, while Black males were.

among the disconnected. They comprised 42.9 percent of the disconnected compared with 33.2 percent of the total youth population.

By Presence of Own Children in Household:<sup>16</sup> A very small fraction of disconnected males were living with a son or daughter, 6.4 percent. By contrast, over a third of female disconnected youth (34.1 percent) were living with an own child. Disconnected mothers were nearly equally distributed between those who were married or were single; the former were 17.6 percent and the latter were 16.5 percent of the disconnected population.<sup>17</sup>

By Relationship to Household Head: Slightly more than six-in-ten (61.1 percent) disconnected males but less than half (44.2 percent) of disconnected females are living with at least one parent, stepparent or grandparent. Consistent with the relatively large share of disconnected females who were young adults or are living with at least one own child, over a third (35.0 percent) are householders or their spouses.

By Educational Attainment: Education levels among disconnected youth are extremely low. About half of the disconnected (51.9 percent of the males and 47.9 percent of the females) had not completed high school or earned a GED.

By Poverty Status: Most disconnected youth are living in low-income families. More than four-in-ten (44.8 percent of males and 46.4 percent of female) disconnected youth are living in poor families. Nearly another quarter (23.3 percent of males and 23.7 percent of females) were “near poor” (living between 100 percent and 200 percent of the federal poverty line).<sup>18</sup>

By Prior Work Experience:<sup>19</sup> A large fraction of the disconnected has been jobless for an extended period of time. About two-thirds (67.1 percent) of the disconnected males and three-quarters (75.2 percent) of the disconnected females have not worked in

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<sup>16</sup> This cross tabulation is derived from a Census question that asks respondents how many of their own children (sons, daughters, stepchildren, or adopted children) are living with them in the same household.

<sup>17</sup> The report’s one-dimensional definition of disconnection (preparing for, seeking, or engage in employment) classifies all “stay at home moms” as disconnected. See the Appendix for a discussion of this and other limitations of the study’s definition of disconnected.

<sup>18</sup> A person’s poverty status is determined by the status of the family they live in. Low-income families are less able to provide their children with material support or social connections to job opportunities than are higher income families. Thus, poverty should be seen as a contributing factor to (not simply a result of) disconnected status.

<sup>19</sup> Because data refer to the prior year, the sample in this cross tabulation is restricted to persons 17 through 24 years of age.

the prior calendar year. Even longer-term joblessness is common. Roughly half (51.0 percent) of the disconnected males and nearly six out of ten (58.7 percent) of the females report that they had not worked in the last five years.

By Work Related Disability: The proportion of disconnected youth (13.9 percent of the males and 9.6 percent of the females) who report that they suffer from a disability that limits their ability to work is not much different from the disability rate for all youth.

The disconnected, in sum, are a severely disadvantaged population. An overwhelming majority are members of race/ethnic groups that have suffered a history – and endure a present – of inferior schooling and labor market discrimination;<sup>20</sup> roughly half lack a high school degree; a large proportion lives in poor families; and most have little recent work experience. An additional issue is raised by the large fraction of disconnected females who are young mothers; they will need work supports, such as childcare, if they are to hold a job or attend school.<sup>21</sup>

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<sup>20</sup> Racial discrimination in hiring practices continues to be documented by social scientists. See, for example, Pager, Devah. “The Mark of a Criminal Record.” Department of Sociology. University of Wisconsin. Madison. 2002. And Bertrand, Marianne and Sendhil Mullainathan. “Are Emily and Greg More Employable than Lakisha and Jamal? A Field Experiment on Labor Market Discrimination.” American Economic Review. September 2004.

<sup>21</sup> A number of recent studies have established the importance of reliable and affordable childcare for job retention by working mothers. For example, Boushey, Heather and Joseph Wright. “Working Moms and Childcare.” Center for Economic Policy Research. 2004.

**Table Two:**  
**New York City's Disconnected Youth**

(Numbers are the percent of the designated population with the given characteristic.)

	Males			Females		
	Disconnected	All	Ratio*	Disconnected	All	Ratio*
<b>Age</b>						
<b>16-19</b>	29.0	42.4	0.7	23.9	40.3	0.6
<b>20-24</b>	71.0	57.6	1.2	76.1	59.7	1.3
<b>Race/Ethnicity</b>						
<b>Non-Hispanic White</b>	16.2	27.1	0.6	19.0	27.9	0.7
<b>Non-Hispanic Black</b>	31.8	24.6	1.3	26.4	26.5	1.0
<b>Asian</b>	5.8	10.1	0.6	8.0	9.8	0.8
<b>Other</b>	4.1	4.5	0.9	4.5	4.3	1.0
<b>Hispanic, Any Race</b>	42.1	33.6	1.3	42.1	31.5	1.3
<b>Nativity</b>						
<b>Born in U.S.</b>	63.6	64.2	1.0	57.1	66.8	0.9
<b>Born Abroad</b>	36.4	35.8	1.0	42.9	33.2	1.3
<b>Own children in household?</b>						
<b>If yes, Married?</b>	6.4	4.1	1.6	34.1	13.2	2.6
<b>If yes, Single?</b>				17.6	5.3	3.3
				16.5	7.9	2.1
<b>Relationship to household head</b>						
<b>Householder or Spouse</b>	11.7	11.7	1.0	35.0	19.5	1.8
<b>Child, Stepchild, Grandchild</b>	61.1	66.7	0.9	44.2	60.6	0.7
<b>Other Relationship</b>	27.3	21.6	1.3	20.8	19.9	1.0
<b>Educational Attainment</b>						
<b>Less than High School</b>	51.9	44.5	1.2	47.9	38.3	1.3
<b>High School Degree</b>	32.8	22.5	1.5	32.7	20.6	1.6
<b>Some College</b>	11.1	24.0	0.5	13.1	28.2	0.5
<b>Bachelors and Higher</b>	4.1	9.0	0.5	6.3	12.9	0.5
<b>Poverty Status**</b>						
<b>Less than 100% of FPL</b>	44.8	27.7	1.6	46.4	32.1	1.4
<b>100% thru 199% of FPL</b>	23.3	21.8	1.1	23.7	21.0	1.1
<b>200% and higher of FPL</b>	31.9	50.6	0.6	29.9	47.0	0.6
<b>Work Experience</b>						
<b>Did not worked last year</b>	67.1	43.0	1.6	75.2	44.1	1.7
<b>Did not work in last 5 years</b>	51.0	30.2	1.7	58.7	30.6	1.9
<b>Disability that limits work?</b>						
	13.9	11.9	1.2	9.6	9.6	1.0

\* Ratio is share of disconnected over share of total youth population.

\*\* FPL is federal poverty line.

Source: CSS tabulations from the 2000 Census Public Use Micro Sample.

## **B. School Enrollment, Labor Force Participation, and Disconnection by Demographic Group**

There is a connection between the prior section's portrait and the disconnected rates that were the subject of Chapter One. By construction, groups that are over (or under) represented among the disconnected have disconnected rates that are higher (or lower) than the citywide average. But that leaves open the question of whether the between-group disparities result from differences in rates of school enrollment or labor force participation.

Table Three fills in that blank by reporting, for males and females respectively, the proportion of the city's youth who are in school, in the labor force,<sup>22</sup> or were disconnected in 2000, along four key demographic dimensions: age, race/ethnicity, nativity, and parental status.<sup>23</sup> It indicates that among males, higher than average disconnected rates for older youth and Hispanics result from their low rates of school enrollment. The high disconnected rate for Black males, by contrast, is due to their low rate of labor force participation. Among females, low rates of school enrollment for youth in their twenties, Hispanics, the foreign-born, and mothers account for their higher than average disconnection rates.

All: For the genders taken as a whole, females had a slight advantage over males in rates of school enrollment (57.4 percent versus 54.0 percent), but that edge was more than offset by the greater share of males than females who were in the labor market (33.2 percent versus 27.3 percent). Thus, the disconnected rate for males (at 12.8 percent) was below that for females (at 15.3 percent).<sup>24</sup>

By Age: Youths age 20 through 24 had higher disconnected rates than teens (youths age 16 through 19). Roughly eight-in-ten teens were enrolled in school (79.3 percent of males and 82.3 percent of females), compared to only a minority of youth in their twenties (35.4 percent of males and 40.5 percent of females). On the other hand, a far larger share of older youth than teens (48.8 percent versus 12.0 percent for males and

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<sup>22</sup> Note that the share in the labor force is the share of all youth; it is not the labor rate for out of school youth that was reported in Chapter One.

<sup>23</sup> Because a high proportion of the less well-educated youth are still in school, activity rates by educational attainment are more meaningful if they are restricted to young people who are out of school. This is provided in the next section.

<sup>24</sup> Table A2 in the Appendix compares these Census-based shares to those derived from the Current Population Survey.

40.0 percent versus 8.6 percent for females) was in the labor force. The school enrollment rate differences between the age groups were larger, so that the disconnected rate was greater for young adults than it was for teens (15.8 percent compared with 8.7 percent for males and 19.5 percent compared with 9.1 percent for females).

By Race/Ethnicity: Among males, Non-Hispanic Blacks and Hispanics have markedly higher disconnection rates (16.6 percent and 16.0 percent respectively) than do Non-Hispanic Whites and Asians (7.6 percent and 7.3 percent respectively). Although their disconnected rates are nearly identical, there are notable differences between African Americans and Latinos; relative to Hispanics, Blacks had a higher school enrollment rate (54.7 percent versus 45.5 percent) and a lower labor force participation rate (28.7 percent versus 38.5 percent).

There is a broadly similar pattern in disconnection rates among females. Non-Hispanic Blacks (at 15.3 percent) and Hispanics (with 20.5 percent) had the highest rates of disconnection, compared to Asians (12.6 percent) and Non-Hispanic Whites (10.4 percent). The higher rate (57.7 percent versus 52.9 percent) of school enrollment for Blacks accounts for their somewhat lower disconnected rate than Hispanics. The share of each group that was in the labor force is virtually identical (27.0 percent for Blacks and 26.7 percent for Hispanics).

By Nativity: Along the dimension of nativity there were distinctly different patterns by gender. For males, there were virtually identical disconnected rates for native and foreign-born youth (12.7 percent and 13.0 percent respectively), but the two groups had a very different mix of activities. Natives had higher in-school rates (57.1 percent versus 48.5 percent), while a larger share of the foreign-born were in the labor market (38.4 percent versus 30.2 percent). This closely resembles the activity pattern, just identified, for Hispanics (who, not coincidentally, were the largest race/ethnic group among the foreign-born, at 41.6 percent).<sup>25</sup>

Nativity played a different role among females. Foreign-born youth have a markedly higher disconnection rate than do youth who are native-born (19.8 percent compared to 13.1 percent). This was a combined result of both their lower share in

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<sup>25</sup> CSS tabulations from the 2000 Census Public Use Micro Sample.

school (54.8 percent against 58.6 percent) and in the labor force (25.3 percent compared to 28.3 percent).

By Presence of Own Child in Household: There is a striking and informative difference between the disconnected rates by gender along this demographic dimension. Males and females who were “childless” had nearly identical disconnected rates, 12.5 percent and 11.6 percent respectively, while the disparity in the disconnection rates for males and females who were living with an own child is quite large, 19.9 percent points against 39.5 percent.<sup>26</sup> Within each gender, differences in the with/without child disconnected rates are chiefly a result of the very low share of parents who are in school.<sup>27</sup> More insight into the high disconnected rate for females who were living with an own child can be gained by looking at whether or not they are married. Married mothers had a much higher disconnected rate than single mothers (50.8 percent versus 32.0 percent) because they had both lower rates of school enrollment (15.6 percent versus 27.9 percent) and labor force participation (33.6 percent versus 40.1 percent).<sup>28</sup>

This section’s exploration of school enrollment, labor force participation and disconnected rates by demographic detail identifies groups that are at particularly high risk: African Americans and Latinos of either gender, along with females who are foreign-born or who are mothers. It has also may have “located” some of the sources of the historic male/female disparity in disconnection rates documented in Chapter One. Looking at the cross tabulations in Table Three reveals a pattern in the gender disparity. Were it not for the higher rate of disconnection for females who were older, foreign-born, and mothers, there would appear to be little to separate the proportion of the city’s males and females who were disconnected.<sup>29</sup> This provides some clues concerning broad social changes – such as whether welfare reform and immigration are affecting labor force participation and school enrollment rates – that could be shaping the divergent time trends. These suggestions will be followed up on in Chapter Three.

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<sup>26</sup> Readers should be aware that the size of the male living with own child population is very small. Therefore, these rates should be treated with caution.

<sup>27</sup> In part, school enrollment rates for parents are lower because they are older than non-parents. But it is also likely that time in school is sacrificed in the work and family time crunch.

<sup>28</sup> The differences among mothers by marital status suggest that welfare reform may be one factor that contributed to the decline in the female disconnected rate.

<sup>29</sup> There is considerable overlap between these groups of females. Mothers, for example, tend to be older and more foreign-born than the general female youth population.

**Table Three:**  
**School Enrollment, Labor Force Participation, & Disconnected Status**  
 (Numbers are the percent of the population with the given characteristic in each status.)

Share of Population:	Males			Females		
	In school	In labor force	Disconnected	In school	In labor force	Disconnected
<b>All</b>	54.0	33.2	12.8	57.4	27.3	15.3
<b>By Age</b>						
<b>16-19</b>	79.3	12.0	8.7	82.3	8.6	9.1
<b>20-24</b>	35.4	48.8	15.8	40.5	40.0	19.5
<b>By Race/Ethnicity</b>						
<b>Non-Hispanic White</b>	59.2	33.1	7.6	58.6	31.0	10.4
<b>Non-Hispanic Black</b>	54.7	28.7	16.6	57.7	27.0	15.3
<b>Asian</b>	66.7	25.9	7.3	67.6	19.8	12.6
<b>Hispanic</b>	45.5	38.5	16.0	52.9	26.7	20.5
<b>By Nativity</b>						
<b>Native-born</b>	57.1	30.2	12.7	58.6	28.3	13.1
<b>Foreign-born</b>	48.5	38.4	13.0	54.8	25.3	19.8
<b>By Presence of Own Child in Household</b>						
<b>None</b>	55.5	32.0	12.5	62.6	25.7	11.6
<b>One or More</b>	20.3	59.8	19.9	23.0	37.5	39.5
			<b>Among mothers:</b>			
			<b>Married</b>	15.6	33.6	50.8
			<b>Single</b>	27.9	40.1	32.0

Source: CSS tabulations from the 2000 Census Public Use Micro Sample.

### C. Labor Market Status of Out of School Youth, by Demographic Group

It's one thing to be in the labor force, it's quite another to actually be holding a job. Until now the report has concerned itself with labor force participation, the extent to which young people were either employed or jobless but actively seeking work. From the perspective of the research on disconnected youth, classifying job seekers as connected makes sense. These youth are taking positive steps forward in their lives. But this approach, this section reveals, masks the extent of joblessness among the city's out of school youth. Among out of school males, less than half of teens, Blacks, and high school dropouts were employed in 2000. Low rates of jobholding were even more

widespread among out of school females; less than half of teens, Blacks, Hispanics, the foreign-born, high school dropouts, those with no more than a high school degree, and mothers had work.

Table Four lays out the details by providing two indicators: the labor force participation rate for out of school youth and the employment-population ratio, the share of the population (in this case all out of school youth) that is actually holding a job.<sup>30</sup> Within the five demographic dimensions explored in the table, there is considerable variation in labor market participation rates. But those differences are dwarfed by the much greater variation in employment-population rates. Disparities in jobholding among age, race/ethnic, parental status, and educational attainment groups, in particular, are more dramatic than differences in labor force participation rates.<sup>31</sup>

All: An overwhelming majority of the city's out of school youth, nearly three-fourths of males and close to two-thirds of females were in the labor force. A markedly smaller proportion of the out of school population (less than six-in-ten of the males and barely half of the females), however, was holding a job.

By Age: Even at a business cycle peak, out of school teens were not faring well in the labor market; less than six-in-ten of teen males and less than half of teen females were in the labor force. The proportion of teens that were holding a job, moreover, was abysmally low. Less than four-in-ten males and just three-in-ten females were employed. Labor force participation (three-fourths of males and two-thirds of females) and employment-population ratios (63.1 percent for males and 55.9 percent for females) were considerably higher for youth in their twenties.

Race/Ethnicity: For males, labor force participation rates ranged from over eight-in-ten (81.3 percent) for Non-Hispanic Whites to less than two-in-three (63.4 percent) for Non-Hispanic Blacks. The variation in employment-population ratios was even greater; falling from nearly three-quarters (73.0 percent) for Whites to only slightly more than four-in-ten (42.7 percent) for Blacks.

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<sup>30</sup> The difference between the labor force participation rate and the employment-population ratio is the share that is unemployed. The difference between 100 and the labor force participation rate is the share that is not in the labor force.

<sup>31</sup> This implies that greater shares of the disadvantaged groups were unemployed, that is, jobless despite actively seeking work.

For females, labor force participation rates were highest for Non-Hispanic Whites (74.9 percent) and lowest for Hispanics (56.6 percent). The employment-population ratio for the former group (at 68.9 percent) was also “best in class.” By contrast, less than half of Non-Hispanic Blacks (44.8 percent) and Hispanics (42.7 percent) were employed.

By Nativity: There was a very different pattern in labor market activity for males and females by nativity. Among males, labor force participation rates for native (seven-in-ten) and foreign-born (three-in-four) were fairly similar. There was considerably more variation in employment rates; 63.6 percent of foreign-born compared with 54.9 percent of native-born youth had work. Among females, the native-born had much higher rates of labor force participation (68.4 percent versus 56.1 percent) and higher employment shares (54.9 percent compared to 45.6 percent).

By Presence of Own Child in Household: Labor market activity among women varies dramatically by parental status.<sup>32</sup> Less than half of young mothers (48.7 percent) compared to seven-in-ten females without children (68.9 percent) were in the labor force. Only one-third of mothers (34.0 percent) were employed compared to well over half (57.2 percent) of childless females. Among mothers, single mothers had much higher rates of labor force participation (55.7 percent compared with 39.9 percent) and somewhat higher employment shares (36.2 percent compared with 31.2 percent) than married mothers.

By Educational Attainment: For both males and females, more highly educated youth were more likely to be in the labor force and be holding a job than less educated youth. The labor force participation rate for males rises from 62.5 percent for those without a high school degree to 91.6 percent for those who hold a bachelor’s degree or higher level of education. And the employment share grows from 45.6 percent for youth with less than a high school degree to 86.6 percent for those with a bachelor’s or higher degree. The same pattern holds for females whose labor force participation rate ranges from 45.8 percent to 85.5 percent and employment-population rates rise from 28.6 percent to 84.9 percent for those with a bachelor’s degree or more.

In each of the educational attainment categories, males have a higher labor force participation rate and employment rates than females, but the difference, interestingly,

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<sup>32</sup> Data for fathers are omitted because of the small sample size for the group.

narrows as the level of education rises. For example, the gap between the male and female labor force participation rate for those youth with less than a high school degree was 16.7 percentage points. At the other end of the educational spectrum, the male/female difference was a much more modest 3.1 percentage points.

The distinction in Table Four between labor force participation and employment, in sum, provides a sobering qualification to this study's definition of disconnected; it masks the extent to which out of school youth are without work despite their active efforts to find it. Adding together youth who are unemployed with those who are not in the labor force reveals the full, and alarmingly high, extent of joblessness in the out of school population. The need for employment opportunities so starkly revealed here takes center stage in Chapter Four's policy recommendations.

**Table Four:**  
**Labor Market Status of Out of School New York City Youth**  
 (Numbers are the percent of the population with the given characteristic in each status.)

	Males		Females	
	In the Labor Force	Employed	In the Labor Force	Employed
<b>All</b>	72.1	58.4	64.0	51.6
<b>By Age</b>				
<b>16-19</b>	57.9	38.8	48.6	30.4
<b>20-24</b>	75.5	63.1	67.2	55.9
<b>By Race/Ethnicity</b>				
<b>Non-Hispanic White</b>	81.3	73.0	74.9	68.9
<b>Non-Hispanic Black</b>	63.4	42.7	63.9	44.8
<b>Asian</b>	78.0	70.0	61.1	54.0
<b>Hispanic</b>	70.6	56.6	56.6	42.7
<b>By Nativity</b>				
<b>Native-born</b>	70.5	54.9	68.4	54.9
<b>Foreign-born</b>	74.7	63.6	56.1	45.6
<b>By Educational Attainment</b>				
<b>Less than High School</b>	62.5	45.6	45.8	28.6
<b>HS Degree</b>	71.2	55.9	60.3	46.1
<b>Some College</b>	80.7	70.3	75.1	64.3
<b>Bachelors and Higher</b>	91.6	86.6	88.5	84.9
<b>By Presence of Own Child in Household</b>				
<b>None</b>	71.9	57.8	68.9	57.2
<b>One or More</b>			48.7	34.0
		<b>Among mothers:</b>		
		<b>Married</b>	39.9	31.2
		<b>Single</b>	55.7	36.2

Source: CSS tabulations from the 2000 Census Public Use Micro Sample.

## CHAPTER THREE: CHANGE

The study, thus far, has compared trends over time and explored disparities by demographic group. As the point in time estimates highlighted in Chapter Two revealed, New York City's disconnected youth are overwhelmingly composed of members of disadvantaged groups. A snapshot taken at any other time would, no doubt, yield a similar result – but not an identical one. Differences would reflect the impact of the divergent trends by gender that were traced in Chapter One. Those trends, in turn, have been shaped by changes in New York's demographic composition, the policy environment, and the structure of the local economy.

This chapter explores how these broad-based transformations have shifted the terrain the city's youth must cross on their way to adulthood. An exhaustive exploration of all factors at work is well beyond the scope of this report, but three “big picture” changes that have occurred during the past decade warrant attention.<sup>33</sup> Two of these – immigration and welfare reform – have already been suggested in the preceding chapter. A third factor that has yet to appear directly in the data, but cannot be ignored, is how the ongoing transition of the local economy from goods production to service provision has altered employment opportunities for male and female youth.<sup>34</sup>

### **A. Assessing the Impact of Recent Immigrants**

The foreign-born grew from roughly one-fourth to one-third of New York's youth from 1990 to 2000.<sup>35</sup> One way to assess the impact of that change on school enrollment and labor force trends among the city's youth is to compare the attributes and activities of recent immigrants (those who have entered the U.S. after 1990) to the pre-existing

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<sup>33</sup> Have other important changes been omitted such as a decline in childbearing, or gains in educational attainment? Readers who do not wish to skip over these possibilities may consult Table A1, in the Appendix, which provides an overview of demographic change in the city's youth population from 1990 and 2000.

<sup>34</sup> To a greater or lesser degree, each of these factors seems beyond the reach of local policy making. Immigration is a federal issue. Welfare reform created federal mandates that shape local welfare policy. Changes in the city economy are a reflection of global forces. Yet local leaders must understand their effects on trends in school enrollment and labor force trends in order to cope with them.

<sup>35</sup> See Table A1.

population, that is, youth who are either native-born or are immigrants who had settled in the U.S. by 1990.<sup>36</sup> The comparison is made in Table Five.

The newest New Yorkers are a considerable share of the city's youth, comprising 23.8 percent of the male and 21.9 percent of the female youth population. Given the differences between the recent arrivals and the pre-existing population, it is clear that recent immigration has impacted the demographic characteristics of the city's youth in two important ways. First, new arrivals have contributed to the growing share of the city's youth who are Hispanic or Asian. Second, recent immigrants have adversely impacted the level of educational attainment among the city's youth. Their effect on the disconnected rate, it will be seen, is more ambiguous.<sup>37</sup>

By Age: Recent immigrants are somewhat older than the pre-existing population. For males, 61.6 percent of newer immigrants against 56.3 percent of the native-born and less recent immigrants were 20 through 24 years of age. For females, the corresponding proportions were 62.2 percent and 59.0 percent, respectively.

By Race/Ethnicity: From 1990 to 2000, New York's youth population was becoming considerably less White and more Hispanic and Asian.<sup>38</sup> Recent immigrants account for much of that shift. For both males and females, recent immigrants are much more likely than the pre-existing population to be Asian (18.5 percent against 7.5 percent for males and 19.6 percent against 7.0 percent for females) or Hispanic (46.2 percent versus 29.7 percent for males and 39.8 percent versus 29.2 percent for females) and much less likely to be Non-Hispanic White or Black.

By Presence of Own Child in Household: A very small share of males is living with an own child, regardless of their nativity or when they entered the U.S. (4.0 percent of the pre-existing population and 4.7 percent of the more recent immigrants). Among females, a somewhat larger share of recent immigrants (15.5 percent) than the pre-existing population (12.6 percent) was living with an own child. The difference is due to

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<sup>36</sup> This is an approximation because not every person in the "pre-existing population" was necessarily in New York City before 2000. Likewise, not every person residing in the city in 1990 remained there in 2000.

<sup>37</sup> These impacts, it should be noted, are only compositional in nature. No attempt is made here to consider the effect of immigration on the school enrollment or labor force participation rates of the pre-existing population.

<sup>38</sup> See Table A1.

the larger proportion of recent immigrants who were married mothers (9.6 percent against 4.1 percent of the native-born and less recent immigrant population).

By Educational Attainment: Over the last decade, there was disappointingly little improvement in the level of educational attainment among the city's 16 through 24-year-olds. (See Table A1.) Immigration played an important role in that story. Among out of school youth, recent immigrants have much lower levels of educational attainment than native-born and less recent immigrants. Slightly more than half (51.3 percent) of males who are recent immigrants do not have a high school degree, while a third (33.7 percent) of the pre-existing population has not attained that level of education. A similar pattern holds for females. Over four-in-ten (43.6 percent) of recent immigrants did not finish high school, compared with a little over one-in-four (28.0 percent) of the pre-existing population.

Activity Rates: There is a now familiar pattern in differences by activity. For males, more recent immigrants have a nearly identical disconnected rate with the native-born and less recent immigrant group (13.0 percent and 12.7 percent respectively). But their mix of activities varies considerably; recent immigrants are less likely to be in school (46.8 percent compared with 56.2 percent) and more likely to be in the labor force (40.2 percent against 31.1 percent). The data suggest that immigration may be a reason for the lack of growth in male school enrollment.

For females, recent immigrants have a much higher disconnected rate than the pre-existing population (21.9 percent versus 13.5 percent). They are less likely to be in school (53.2 percent against 58.5 percent) and less likely to be in the labor force (24.9 percent versus 28.0 percent). The decline in the citywide female disconnected rate, therefore, occurred despite a large influx of people who were relatively more prone to be disconnected.

**Table Five:**  
**The Effect of Recent Immigrants on New York City's Youth Demographics**  
 (Numbers are the percent of each population group with the given characteristic.)

	Males			Females		
	Pre-existing Population*	Recent Immigrants**	Difference***	Pre-existing Population*	Recent Immigrants**	Difference***
<b>Share of Youth Population</b>	76.2	23.8		78.1	21.9	
<b>Age</b>						
<b>16-19</b>	43.7	38.4	-5.3	41.0	37.8	-3.2
<b>20-24</b>	56.3	61.6	5.3	59.0	62.2	3.2
<b>Race/Ethnicity</b>						
<b>Non-Hispanic White</b>	30.9	15.2	-15.7	30.7	17.9	-12.9
<b>Non-Hispanic Black</b>	27.9	13.9	-13.9	29.0	17.5	-11.5
<b>Asian</b>	7.5	18.5	11.0	7.0	19.6	12.6
<b>Other</b>	4.0	6.2	2.2	4.0	5.3	1.3
<b>Hispanic, Any Race</b>	29.7	46.2	16.5	29.2	39.8	10.6
<b>Living with own child</b>	4.0	4.7	0.7	12.6	15.5	2.9
<b>If yes, married?</b>				4.1	9.6	5.5
<b>If yes, Single?</b>				8.5	5.9	-2.7
<b>Educational attainment (If out of School)</b>						
<b>Less than HS</b>	33.7	51.3	17.6	28.0	43.6	15.5
<b>HS Degree</b>	32.2	30.6	-1.5	28.8	32.2	3.4
<b>Some College</b>	17.9	11.4	-6.5	20.2	14.7	-5.5
<b>Bachelors and Higher</b>	16.2	6.7	-9.6	23.0	9.5	-13.5
<b>Activity:</b>						
<b>Share In School</b>	56.2	46.8	-9.4	58.5	53.2	-5.2
<b>Share In Labor Market</b>	31.1	40.2	9.1	28.0	24.9	-3.2
<b>Share Disconnected</b>	12.7	13.0	0.3	13.5	21.9	8.4
<b>Labor Force Participation Rate Of Out of School Population</b>	70.9	75.5	4.6	67.5	53.2	-14.3

\* Pre-existing population is composed of native-born and foreign-born youth who came to the U.S. by 1990.

\*\* Recent immigrants are foreign-born who came to the U.S. after 1990.

\*\*\* Difference is the percentage point difference between the two groups.

Source: CSS tabulations from the 2000 Census Public Use Micro Sample.

## B. What About Welfare Reform?

Table Three reported a high rate of disconnection among mothers and that mothers who were married were more apt to be out of school and out of labor market than single mothers. Some share of these mothers was home with their children because that is where they wanted to be. Single mothers are less likely to have that option. Welfare reform has been an enormously complex social experiment, but there can be little doubt that one of its intents and effects has been to reduce the capacity of single mothers to stay at home with their children. Did reform also contribute to the closing of the disconnected rate gender gap?

One reason to consider this possibility is that single mothers are at high risk of being disconnected; their disconnected rate was 32.0 percent and they accounted for 16.5 percent of the female disconnected population in the 2000 Census (see Chapter Two). Another reason is timing. The dramatic decline in the female disconnected rate began in 1996/95, the start of an employment boom, but also the commencement of a radical shift in local (and national) welfare policy. In New York City and the nation, welfare rolls declined and the labor force participation rates for single mothers (of all ages) rose dramatically.<sup>39</sup>

However, the study also provides two reasons why reform's impact was probably limited. First, most of the decline in the female disconnected rate was due to increases in school enrollment, not labor force participation. (See Table One.) Second, single mothers (as reported in Table Two) were only 7.9 percent of the female youth population in 2000; they are just too small a proportion of the total population to have single-handedly accounted for much of the dramatic decline in the disconnected rate for females citywide.

That does not mean no effect at all. Beyond a modest direct effect, there is another way to think about impact of welfare reform, in the context of a now decades-long transformation in social roles. More young women, for a variety of reasons, see themselves as people who are going to be working throughout their lives. If that is their expectation, many will act accordingly. They may be more motivated to stay in school

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<sup>39</sup> See Mark Levitan and Robin Gluck. Mothers' Work: Single Mother Employment, Earnings, and Poverty in the Age of Welfare Reform. Community Service Society of New York. 2002.

and pursue higher levels of educational attainment, so that they can hold more interesting and higher-paying jobs after they graduate. When they become mothers, they will do so with a sense that childbearing will usually mean a short break, not a long postponement, in their careers. From this perspective, welfare reform can be seen as a piece of a more general cultural transformation that extends well beyond a relatively small group.

### **C. The Transformation of the City Economy**

Along with a growing immigrant presence and a dramatic shift in public policy, gender differences in disconnected rate trends may also have been affected by the continuing transformation of the city economy from goods production to service provision. This shift could have distinct implications for male and female youth because there continues to be a fair degree of gender segregation in the labor market. Despite decades of change, males and females tend to work in majority male or majority female jobs.<sup>40</sup> A changing industrial structure will, therefore, alter the employment opportunities that are open to each. The availability of opportunities can affect labor force participation not only through employment rates, but can also impact the willingness of youth to continue to search for work if they sense that employers are not interested in hiring “people like me.”

Table Six provides a way to illustrate the potential impact of industrial change. The columns labeled “Male” and “Female” list the percentage distribution of male and female out of school youth employment across the economy by 18 industries in 1990. The column labeled “Relative Male Density” provides the ratio of the percent of male youth who were employed in each industry over the percent of female youth employed in the industry in that year. Industries that have a density ratio greater than one (these are highlighted), therefore, are industries that provided a disproportionate share of

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<sup>40</sup> Gender segregation at work is a result of the extension of traditional social roles (such as care giving) to the workplace, a legacy of discrimination that has limited women to low-wage occupations, and employer perceptions that females have stronger interpersonal skills that make them more suitable for customer service occupations. See Rose, Stephen J. and Heidi I. Hartmann. “Still a Man’s Labor Market: The Long-Term Earnings Gap.” Institute for Women’s Policy Research, 2004, for a discussion of gender segregation in the workforce. The last of these factors is particularly detrimental to native-born Black and Hispanic males. See Holzer, Harry J. What Employers Want: Job Prospects for Less-Educated Workers. New York: Russell Sage Foundation, 1996, for a discussion of employer perceptions.

employment to younger male workers.<sup>41</sup> The table's final column reports the change in total employment in each industry from the business cycle peak of 1990 to the peak of 2000.

These data provide the pieces of the puzzle. The table's lower panel, which is labeled "Summary," assembles a picture from them. It reports the sum of the employment growth in male and female dense industries, respectively, as well as providing each sum's share of total employment growth. When aggregated in this fashion, the results are stark; industries that have tended to provide employment opportunities for male youth failed to grow from 1990 to 2000. By contrast, industries that tend to provide employment for young females captured nearly all (98.2 percent) the employment growth over that period. Male dense industries such as durable goods manufacturing and transportation and public utilities contracted dramatically over the decade, while the decline in female dense non-durable manufacturing and banking was more than offset by job growth in other finance, personal services, healthcare, and other professional services.<sup>42</sup>

Table Six not only offers an explanation for the lack of growth in male youth labor force participation in the 1990s; it also presents a warning about the future. The continued evolution of the city economy will likely limit the impact of future economic expansions on male jobholding. The implication for public policy is that it will need to develop a specific focus on efforts that target job opportunities toward disadvantaged males.

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<sup>41</sup> Even at a fairly high level of industrial aggregation, the table illustrates a considerable degree of gender segregation. Out of the 18 industries, the 10 male-intensive industries account for 65.0 percent of male employment and the eight female-intensive industries account for 63.2 percent of female employment.

<sup>42</sup> This exercise is not intended to argue that young males are totally shut out of or cannot transition into service sector employment. It does illustrate that, in a world of continuing gender segregation, the evolution of the city economy has made it relatively more difficult for young males, particularly those with less education, to find work.

**Table Six:**  
**The Impact of Industry Employment Growth**  
**On Male and Female Employment Prospects**

<b>Distribution of Out of School Youth Employment</b> (Numbers are percent of youth employed in the industry.)			<b>Relative</b>	<b>Employment</b>
<b>Industry</b>	<b>Male</b>	<b>Female</b>	<b>Male Density*</b>	<b>Growth</b>
				<b>1990-2000</b>
<b>Construction</b>	9.0	1.2	<b>7.26</b>	8,097
<b>Non-Durable Manufacturing</b>	5.5	7.8	0.71	-57,222
<b>Durable Manufacturing</b>	5.5	3.2	<b>1.75</b>	-27,137
<b>Transportation &amp; Utilities</b>	10.2	6.1	<b>1.68</b>	-13,847
<b>Wholesale Trade</b>	5.6	4.2	<b>1.35</b>	-27,184
<b>Apparel &amp; Department Stores</b>	2.3	5.0	0.46	-1,657
<b>Grocery Stores</b>	3.9	2.2	<b>1.81</b>	-1,116
<b>Restaurants</b>	8.7	4.7	<b>1.85</b>	23,612
<b>Other Retail Industries</b>	8.9	6.3	<b>1.43</b>	21,722
<b>Banking &amp; Related Activities</b>	3.6	8.4	0.43	-60,351
<b>Other Financial Services</b>	7.4	10.6	0.70	36,505
<b>Business &amp; Repair Services</b>	8.7	6.3	<b>1.38</b>	11,706
<b>Personal Services</b>	2.0	3.3	0.59	74,610
<b>Entertainment</b>	2.8	1.9	<b>1.49</b>	19,782
<b>Health Care</b>	2.9	9.4	0.31	64,541
<b>Other Professional Services</b>	8.2	14.9	0.55	94,936
<b>All Other Private Services</b>	1.7	0.8	<b>2.14</b>	-13,086
<b>Public Administration</b>	3.3	4.0	0.83	-11,228
<b>Total</b>	100.0	100.0		142,683

<b>Summary</b>	<b>Employment Growth</b>	
	<b>Number</b>	<b>Share</b>
<b>Male Dense Industries</b>	2,549	1.8%
<b>Female Dense Industries</b>	140,135	98.2%
<b>Total</b>	142,683	100.0%

\* Relative Male Density is the ratio of the male to female employment distribution.

Sources: Industry employment data are from the New York State Department of Labor.

Youth employment data are CSS tabulations from the 1990 Census Public Use Micro Sample.

## CHAPTER FOUR: POLICY

Strategic thinking about disconnected youth tends to focus on the schools.<sup>43</sup> There is good reason to do so. Nearly every youth who is now disconnected was once connected to the educational system. And a high proportion of the city's disconnected youth are those former students who did not successfully complete high school. Out of school youth (especially males) have a reputation for being a "hard to serve" group. Many conclude that an ounce of prevention is worth a pound of cure. Educational innovations that keep more young people in school and result in fewer high school dropouts would diminish the pool of youth who were at risk of joining the ranks of the disconnected. Higher levels of educational attainment among those who are out of school would strengthen their ability to make it in the labor market once they completed their schooling.

Mayor Bloomberg's new "Learning to Work" initiative is a welcome recognition of the city's high dropout rate and its impact on the future course of so many of our young people's lives. This vocational program will "include study programs, internships, and paid work. Students will participate in a full-day educational program, or an evening high school program, or a literacy program – all with workforce connections."<sup>44</sup> At the time of writing few details of the program are available, but Michele Cahill of the city's Department of Education indicated that in its initial year the program would serve 2,600 students.<sup>45</sup>

This program, or other such initiatives, will need to scale up if it is to make a significant inroad into the dropout rate. A recent New York City Department of Education study reports that 16,700 members of the class of 2003 were in a group of students who are at great risk of dropping out; they were over age, but did not have enough credits to graduate from high school. Another 12,890 had dropped out.<sup>46</sup> Clearly, the mayor's pledge to keep more youth in school and to attract dropouts back

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<sup>43</sup> See, for example, the chapters by Robert Lerman, Paul Hill, and Andrew Hahn in America's Disconnected Youth.

<sup>44</sup> Mayor Michael Bloomberg's 2005 State of the City Address. January 11, 2005.

<sup>45</sup> "Bloomberg Claims Progress and Makes His Political Appeal." *The New York Times*. January 12, 2005.

<sup>46</sup> Numbers are tabulated from New York City Department of Education. Table 6. *The Class of 2003 Four-Year Longitudinal Report and 2002-2003 Event Dropout Rates*. March 2004.

into the classroom will need to be backed by more resources and even more far reaching innovations.

And while it is essential that our schools do more to keep kids enrolled and that the educational system provide second (or more) chances for youth who have left school to reenter and complete high school, educational initiatives cannot do the job alone. The trends explored in this study send an additional message – job opportunities matter. New York City’s disconnected youth rate, the data make clear, grows when jobs are scarce and declines when they are more plentiful. The significant progress made by female youth in recent years is the result of a number of factors, but it could not have been achieved if the labor market had not been generating job openings for them in the city’s burgeoning service sector. Although the trends for male youth are disappointing, the male disconnected rate did fall from 1996/95 to 2001/00 and (because there was no rise in male school enrollment) this decline was entirely the result of increased participation in the job market. Practitioners who work with disconnected youth, moreover, report that many have no desire, at this point in their lives, to return to the classroom. What they want is a job.<sup>47</sup> School-based programs must be complemented with a commitment to a comprehensive employment-based strategy focused on out of school youth.<sup>48</sup>

### **Specific Labor Market Initiatives**

Increased job opportunities are essential to the prospects of New York’s out of school youth. City-level policy making can foster the quantity and affect the quality of local job opportunities through its economic and workforce development programs, as well as its commitment to first class infrastructure, high quality public schools and the world famous public amenities that make New York an attractive place to do business and raise a family.<sup>49</sup> These investments, if well made, pay off in the long-term for New Yorkers from all walks of life.

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<sup>47</sup> United States General Accounting Office. *Workforce Investment Act: Labor Actions Can Help States Improve Quality of Performance Outcome Data and Delivery of Youth Services*. February 2004.

<sup>48</sup> Labor market and education-based programs should not be seen as competing strategies. Employment-based programs in the schools can be a means toward dropout prevention. Work experience programs for out of school youth can provide remedial education and motivate youth to go back to school in the future.

<sup>49</sup> Building a Ladder to Jobs and Higher Wages: A Report by the Working Group on New York City’s Low-Wage Labor Market, 2000, provides a comprehensive array of job creation proposals.

But the focus here is on actions that can yield immediate results. The proposals that follow suggest three ways that city and the state can create employment opportunities for the most disadvantaged out of school youth. Specifically, New York's leaders can:

1. Open apprenticeship opportunities in the construction industry.
2. Expand the apprenticeship model to new industries.
3. Establish a New York City Job Corps.

### ***Open Construction Apprenticeship Opportunities***

A number of Western European nations have developed extensive apprenticeship systems as both a workforce development tool and as a mechanism to transition non-college bound young people from school to work.<sup>50</sup> In the United States apprenticeships are largely confined to the unionized segment of the construction industry, where they successfully provide employers with a highly skilled workforce and offer participants a path toward a family-supporting career. The attraction of apprenticeships for out of school youth is that apprentices earn a wage while they are mastering a trade. Entry into building trades apprenticeships, however, is limited. The building trades unions are reluctant to bring more people into programs than they can provide jobs for. Another factor that limits access are entry requirements. Depending on the specific trade, admission into the program requires a high school degree or GED as well as satisfactory performance on physical and written examinations.<sup>51</sup>

Both of these factors are a significant barrier to many disconnected youth. But they are not immutable. First, more jobs, and therefore more apprenticeship slots, are in the offing. New York City is about to experience a construction boom. Massive projects from Lower Manhattan, the Far West Side, Columbia University, to Downtown Brooklyn, will be erecting office buildings, sports facilities, subway extensions, and new housing over the next decade. In addition, industry observers note that the ranks of the unionized construction workforce are aging. The impending retirement of the baby boom generation of skilled journeymen, along with these new projects, is creating a unique opportunity that the city has a responsibility to seize.

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<sup>50</sup> Ryan, Paul. "The School-to-Work Transition: A Cross-National Perspective." *Journal of Economic Literature*. March 2001.

<sup>51</sup> Another barrier, which some industry observers believe to be on the wane, is a history of racial exclusion.

The mayor has announced his intention to establish a Commission on Construction Opportunity for the purpose of ensuring “opportunities for all.”<sup>52</sup> The Commission is to be composed of representatives from the industry, its unions, senior members of the administration and Congressman Charles Rangel. With this initiative the mayor has established a clear public commitment and created a sound institutional framework by which to honor it. What is needed next is a concrete plan. To realize this promising start, the Commission should establish clear goals by which it and the public can measure its success. If the Commission’s mandate truly is opportunity for all, it must also acknowledge the difficulty many of the youth who need these jobs the most will have in gaining admission into an apprenticeship program.

“Pre-apprenticeship” programs can serve young people, who have an interest in the building trades, but do not now have the qualifications to directly enter apprenticeships. New York City is already home to a promising in-school program, Construction Trades 2000, which is jointly sponsored by the Construction Trades Council of Greater New York and the Building Trades Employers’ Association. High school seniors who successfully complete the program are given preferred access to construction apprenticeships.<sup>53</sup>

*The Mayor’s Commission should establish a pre-apprenticeship program for youth who are out of school. If it is going to be helpful to disadvantaged youth, the program will have to combine educational remediation, support services, and mentorship, along with an orientation to what work in the construction industry is like. This will require funding, coordination with the apprenticeship system, contracts with service providers, as well as efforts by organizations with roots in the city’s low-income neighborhoods to encourage young people in their communities to participate.*

Seattle’s Office of Port Jobs provides a model for how local industry, labor, community and political leaders can join together to open construction apprenticeship opportunities to disadvantaged groups. A key element in the system is the Apprentice Opportunities Project, which serves as a pipeline between low-income city residents and the building trades. The Project is responsible for recruitment, placement, support

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<sup>52</sup> Mayor Michael Bloomberg’s 2005 State of the City Address. January 11, 2005.

<sup>53</sup> More information is available at [www.constructionskills2000.org](http://www.constructionskills2000.org).

services, mentorship, and follow up with construction apprenticeship candidates who are economically disadvantaged, people of color, or women.<sup>54</sup> The Commission should learn from Seattle's experience.

### *Expand the Apprenticeship Model to New Industries*

Policy makers should also look beyond the confines of the construction industry to expand the apprenticeship model. Although the decline of manufacturing is hollowing out the middle tiers of the labor market, there are still jobs in New York that provide living wage careers, but do not require four-year college degrees to perform them.<sup>55</sup> For example, over 85,000 New Yorkers are employed in occupations classified as "installation, maintenance, and repair." Workers in these occupations keep the physical and technological infrastructure of our economy and our homes running. Everything from elevators, air-conditioning, computer networks, and photocopying machines may be manufactured outside the city, but they usually need to be serviced here. Another example is "transportation and material moving" occupations, which employ another 200,000 New Yorkers in the task of moving people and freight via subways, busses, taxis, aircraft and trucks.<sup>56</sup>

These jobs are blue collar in nature, and while some of them are manufacturing-related, they are also integral to the success of a service-based economy.<sup>57</sup> And they pay more than work in service occupations. The median wage for the installation, maintenance, and repair occupational group is \$16.00 per hour. For transportation and moving occupations it's \$12.00 per hour. These compare favorably to the median of \$9.50 for service occupations.<sup>58</sup>

Unlike Western Europe, there is no overarching system for recruiting and training workers for these positions. Young people typically make their way to them via a patchwork of vocational high schools, the community colleges, or through social

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<sup>54</sup> See [www.portjobs.org](http://www.portjobs.org) for more information.

<sup>55</sup> This is not to say that the city should passively allow its remaining manufacturing sector to slip away. The Zoning for Jobs campaign advocates for policies that would foster New York City manufacturing. For more information see <http://www.nyirn.com/ZFJ.htm>.

<sup>56</sup> CSS tabulation from the 2003 Current Population Survey.

<sup>57</sup> Although these jobs are not regarded as a high growth sector, the New York State Department of Labor projects that there will be an annual average of 5,030 and 2,620 job openings in the transportation and material moving and installation, maintenance and repair occupational groups, respectively.

<sup>58</sup> CSS tabulation from the 2003 Current Population Survey.

networks of family and friendship that provide the necessary connections. These routes exclude many disconnected youth because they lack the educational prerequisites or the connections to adults who are working in these fields. Apprenticeship-style programs in industries or occupations where they do not currently exist could offer disconnected youth an alternative path to these jobs.

*As a start, the New York State Department of Labor (DOL) could use discretionary funds provided by the federal Workforce Investment Act to offer seed money and technical assistance to industry partners who want to establish apprenticeship programs in their industries. The DOL should issue a request for proposals from employer associations and trade unions that are interested in creating programs for their industry. As part of the criteria for awarding funds, proposals should be required to address the ways in which the programs will reach out and actively recruit disadvantaged youth.*

### ***Create a New York City Job Corps***

Apprenticeship opportunities are a good fit for young people who are ready for a challenging situation. But one size will not fit all. For youth who have little or no work experience or have a difficult time getting hired because of specific barriers such as work limiting disabilities or a criminal record, a different program model is more appropriate. One approach that offers participants work experience and a wage is publicly subsidized employment. This approach has a long history, dating back to the New Deal's Works Progress Administration and Civilian Conservation Corps. In the 1970s the federal government funded up to 750,000 public service employment positions through the Comprehensive Employment and Training Act. More recently, New York City has created transitional job programs for welfare participants, such as the Parks Opportunity Program. Paid transitional employment can also be an important tool in job readiness programs for people returning from prison.<sup>59</sup>

What public service or transitional jobs programs offer is a time-limited, wage-paying job to people who do not yet have the capacity to secure employment in the unsubsidized labor market. Besides providing income and on the job training, these

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<sup>59</sup> The Center for Employment Opportunities runs such a program here in New York. See [www.ceoworks.org](http://www.ceoworks.org) for more information.

programs can offer remedial education and vocational training, as well as social services. An additional benefit to participants (and the broader community) is that they are performing real work that contributes to the well being of the city. Typically, participants in transitional jobs programs work for city agencies or nonprofit institutions. But opportunities in the for-profit sector should be considered as well. This is a relatively expensive model (depending on the wage rate and intensity of ancillary services, costs would range between \$15,000 to \$20,000 per participant per year), but it is one of the few approaches that has consistently shown positive outcomes for low-income youth in rigorous evaluations.<sup>60</sup>

*The city should initiate a New York Job Corps program that would provide 5,000 unemployed, out of school youth with a one-year publicly subsidized job.*

These three suggestions are no cure all. They are not large enough in scale. They do not meet every need or address all the barriers that stand between disconnected youth and steady work. They do illustrate, however, that meaningful steps can be taken to address the needs of out of school youth, if policy makers are willing to do so.

The costs of a more comprehensive effort, not doubt, would be considerable. But New York's political leadership and the public need to bear in mind the price of inaction. Each young person who ends up in prison rather than in a career is an enormous cost to society. The price of incarceration (at \$20,000 to \$30,000 per year) is just the most obvious expense. Wasted potential must also be weighed. Each young person who drops by the wayside is one less person who can contribute to the economy, pay taxes, provide love and sustenance to their children, and contribute to the life of our city.

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<sup>60</sup> For an excellent summary of the literature on public service employment programs, see Chapter Seven of Bartik, Timothy J. Jobs for the Poor: Can Labor Demand Policies Help? Russell Sage Foundation. 2001.

## APPENDIX A DEMOGRAPHIC SHIFTS

Table A1 makes use of the last two decennial Censuses to compare the composition of the city's 16 through 24-year-old population in 2000 to its composition in 1990 with respect to age, race/ethnicity, nativity, parental status and educational attainment. The one broad social change that emerges from this is the impact of immigration on the composition of the youth population.

By Age: There was very little change in the age distribution of the city's youth. A slightly larger share of males (a 1.8 percentage points increase) was teens in 2000 than in 1990. Among females there was virtually no change (a 0.9 percentage point increase).

By Race/Ethnicity: The race/ethnic composition of New York's youth population has undergone a significant shift. From 1990, the share of youth who are Non-Hispanic Whites declined by 7.3 percentage points among males and 6.4 percentage points among females. There was also a decline, albeit a smaller one, in the proportion of the city's youth who are Non-Hispanic Blacks; by 3.3 percentage points for both males and females. These declines were matched by an increased share of youth who were Asian and Hispanic. The former group increased its share of male youth by 3.0 percentage points for males and 2.7 percentage points for females. The latter increased its share of males by 3.6 percentage points and its share of females by 3.3 percentage points.<sup>61</sup>

By Nativity: The shift in the race/ethnic profile of the city's youth was driven by the rising share of youth who were immigrants. From 1990 to 2000, the foreign-born share of male youth rose from 26.6 percent to 35.8 percent of the total. Over the same period, the foreign-born share of female youth rose from 25.6 percent to 33.2 percent.

By Own Children in Household: There was virtually no change in the very small share of the city's males (only 4.1 percent) that is living with at least one own child. A higher, but still modest, share of New York's females was living with one or more of their own children in 2000, 13.2 percent. That proportion is only slightly less than the

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<sup>61</sup> Racial definitions changed between the 1990 and 2000 Census. Respondents were given the option of reporting more than one race in the more recent survey. Mixed race respondents who are not Hispanic are included in the "other" category in this table. A substantial proportion of the increase in this category and some of the decline in the Non-Hispanic White and Non-Hispanic Black categories are due to this change.

1990 share of 14.2 percent. The fraction of female youth who were single mothers edged down (from 9.5 in 1990 to 7.9 percent in 2000). And the proportion that was married mothers was essentially unchanged (5.3 percent in 2000 versus 4.7 percent in 1990).

By Educational Attainment:<sup>62</sup> With the exception of a modest increase in the share of youth with a bachelor's degree or higher (3.1 percentage points for males and 3.8 percentage points for females), there has been little growth in the level of educational attainment among the city's youth. Most worrying is the lack of progress in the very large fraction of out of school youth (38.5 percent of males and 31.7 percent of females) who had not completed high school.

With two (related) exceptions, Table Five describes population with fairly stable characteristics. There was little change in the age distribution, share who were parents, or level of education among the city's youth. Along these dimensions, the population was not shifting toward or away from groups with higher or lower disconnected rates. The small improvement in educational attainment from 1990 to 2000 would seem to be at odds with the prior finding that a rising share of youth (especially females) was in school. The two "facts" are reconcilable, however; it appears that the increase in enrollment resulted from a growing share of high school graduates going on to four-year colleges while the share of students who drop out of high school was not changing.

The exceptions to stability are the race/ethnic and nativity composition of the city's youth. The declining share of Non-Hispanic Whites (only partially offset by an increased presence of Asians) would (all else equal) shift the population toward groups with higher disconnected rates. The rising share of foreign-born might not affect the disconnected rate for males, but it is likely to have shifted the way they were connected, from school to the labor force. For females, an increased immigrant presence would (hypothetically) increase the disconnected rate. The actual decline in female disconnection, therefore, is all the more impressive.

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<sup>62</sup> To maintain commensurability with prior tables, this panel reports education levels for out of school youth.

**Table A1:**  
**The Changing Demography of New York City's Youth**  
 (Numbers are the percent of the population with the given characteristic.)

	Males			Females		
	2000	1990	Change*	2000	1990	Change*
<b>Age</b>						
<b>16-19</b>	42.4	40.7	1.8	40.3	39.5	0.9
<b>20-24</b>	57.6	59.3	-1.8	59.7	60.5	-0.9
<b>Race/Ethnicity**</b>						
<b>Non-Hispanic White</b>	27.1	34.5	-7.3	27.9	34.4	-6.4
<b>Non-Hispanic Black</b>	24.6	27.9	-3.3	26.5	29.8	-3.3
<b>Asian</b>	10.1	7.1	3.0	9.8	7.1	2.7
<b>Other</b>	4.5	0.5	4.0	4.3	0.5	3.8
<b>Hispanic, Any Race</b>	33.6	30.0	3.6	31.5	28.3	3.3
<b>Nativity</b>						
<b>Born in U.S.</b>	64.2	73.4	-9.2	66.8	74.4	-7.6
<b>Born Abroad</b>	35.8	26.6	9.2	33.2	25.6	7.6
<b>Own children in household?</b>	4.1	3.4	0.7	13.2	14.2	-1.0
<b>If yes, Married?</b>				5.3	4.7	0.6
<b>If yes, Single?</b>				7.9	9.5	-1.6
<b>Educational Attainment (If Out of School)</b>						
<b>Less than High School</b>	38.5	39.3	-0.8	31.7	32.4	-0.7
<b>High School Degree</b>	31.7	33.5	-1.7	29.6	31.6	-2.0
<b>Some College</b>	16.1	16.6	-0.5	18.9	19.9	-1.1
<b>Bachelors and Higher</b>	13.6	10.5	3.1	19.8	16.0	3.8

\* Percentage point change from 1990 to 2000.

\*\* The 2000 data reflect the introduction of new Census multi-racial categories. Respondents who identified themselves as being of more than one race are in the "Other" category in 2000.

Source: CSS tabulations from the 1990 and 2000 Census Public Use Micro Samples.

## APPENDIX B CONCEPTUAL AND DATA ISSUES

The footnotes in the text have alerted readers to a number of conceptual and data-related issues that result from the limitations and strengths of the two data sources used in this report. The appendix discusses them under three headings: the definition of disconnection; methodological differences between the monthly Current Population Survey (CPS) and the decennial Census public use micro sample (Census); and sample size and statistical significance.

**Defining the disconnected:** Unlike more familiar terms such as employment, unemployment, and labor force participation, there is no generally accepted or standard definition among social scientists of “disconnected.” The report defines a young person as disconnected if he or she is not in school and not in the labor force (neither employed nor unemployed) at a particular moment in time.

There are limitations to this definition that should be acknowledged. The notion of disconnected connotes a sense that the young people it applies to are in an “at risk” group because they are not engaged in a constructive activity. Neither the CPS nor the Census provide much data on why people are neither in school nor in the labor force or what other activities they are engaged in.<sup>63</sup> School and work may not be the only constructive things people can do with their time, however. Staying at home to parent a child is an obvious case in point. Rather than attempting a value-laden judgment about which stay at home mothers are “constructively” parenting or “at risk,” the report counts them all as disconnected. Another limitation of the definition is that, because it is a point in time measure, it provides no information as to number of spells or longevity of disconnection a person may experience over the course of their 16 through 24 year journey. Someone who is “taking some time off” between jobs and someone who has been jobless for years are, thus, both equally disconnected.

In these respects the definition of disconnection may be overly broad, but in others it is rather conservative. First, it classifies some of the jobless, those who are

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<sup>63</sup> The CPS questions that explore what jobless individuals who are not actively seeking work are doing are posed to only a small minority of people who are not in the labor force.

actively seeking work, as being connected. This might feel like cold comfort to the unemployed, but it is consistent with the connotation that the disconnected lack hope and optimism about their future. Second, as the introduction noted, persons who are in prison are not included in the data. Adding the unemployed and the incarcerated to the out of school and out of the labor market count would push the number of disconnected youth in New York toward a quarter million.

The simplicity of the report’s definition of disconnection is also a strength; it is constructed from terms that are straightforward; school enrollment and labor force participation are easy to measure activities. Another advantage of the definition is that its elements have been consistently defined in the data sets over the time period covered in the report. Thus it provides sound measures of changes over time.

**Differences between the CPS and the Census:** Because of limitations in the CPS sample size (see below), the report uses data from the decennial Census to provide its detailed look at school enrollment and labor force participation among New York City’s various demographic groups. Readers should be aware of the differences between the two surveys’ estimates, methodologies and how these influence the data.

Table A2 provides a comparison of estimates derived from the Census and the Current Population Survey of the share of New York City’s 16 through 24-year-old population that is in school; out of school, but in the labor force; or is disconnected. Since both sets of numbers are estimates derived from surveys and because the Census estimates cover one point in time and the CPS estimates are an average of 24 monthly surveys, it is no surprise that the estimates are not identical.

**Table A2:  
Comparing Census to CPS Estimates**

	Males		Females	
	Census	CPS	Census	CPS
<b>In School</b>	54.0	49.8	57.4	51.2
<b>Out of School, In Labor Force</b>	33.2	38.5	27.3	31.3
<b>Disconnected</b>	12.8	11.7	15.3	17.4

Sources: CSS tabulations from the 2000 Census Public Use Micro Sample and the Current Population Survey 2001/00.

The differences in estimates also result from differences in survey design. One difference is how “in school” is measured. The CPS asks whether every 16 through 24-year-old in the surveyed household was enrolled in school during the “reference week” of the survey. Persons who are enrolled in school, but are off for the summer, are, therefore, not classified as “in school” in the summer months of the survey. The two-year, 24-month, averages used in the report, therefore, somewhat understate the rate of school enrollment. The Census asks a similar question, but because it is conducted at a time of the year when school is in session, it will yield a higher estimate of school enrollment than the CPS.

While conceptually identical, the Census and CPS measures of labor force participation are also not directly comparable. The 2000 Census in New York City finds somewhat more unemployment and much less employment in than does the CPS. These differences stem, from some extent, to differences in the purpose and methodology of the two surveys. The primary purpose of the CPS is to provide measures of the labor force status of the nation’s 16 and older population. The survey is administered by professional staff of the Bureau of the Census. The Census, by contrast, is a broad – and self-administered – demographic survey. The CPS is much more rigorous in its procedures for classifying persons as unemployed and, apparently, more respondents are apt to indicate that they are employed when asked by an interviewer than to report employment in a mail out, mail back survey.<sup>64</sup>

**Sample Size and Standard Errors:** The report’s estimates of change over time are derived from the Current Population Survey, a monthly survey of some 60,000 households across the United States conducted by the Bureau of the Census for the Bureau of Labor Statistics. In a typical month some 1,500 to 1,600 households in New York City are interviewed in the survey. This yields a monthly sample ranging from 300 to 325 16 through 24-year-olds in the city. To create more statistically reliable estimates, the study reports two-year moving averages. The estimates labeled 2001/2000, for

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<sup>64</sup> These issues are taken up more thoroughly in Clark, Sandra L. et al. “Comparing Employment, Income and Poverty: Census 2000 and the Current Population Survey.” U.S. Bureau of the Census. September 2003.

example, are an average of the 24 monthly surveys conducted in those two years. This increases the number of observations to roughly 7,200 to 7,800 depending on the years.<sup>65</sup>

This procedure limits sampling error, but cannot eliminate it. Unfortunately, calculations of standard errors and confidence intervals for the estimates of the disconnected rate, school enrollment rate and labor force participation rate are not straightforward because, while the Bureau of Labor Statistics provides a methodology for estimating standard errors for annual averages for the labor force variables, one is not readily available for school enrollment on a local basis. Still, readers need a sense of how reliable these estimates are. Applying the BLS labor force variable methodology yields “order of magnitude” estimates and suggests that 90 percent confidence intervals for estimates of the disconnected rate and school enrollment rate range from plus or minus 2.0 to 3.0 percentage points and are on the order of plus or minus 5.0 percentage points for estimates of labor force participation rates among out of school youth. Therefore, as a rule of thumb, the small year-to-year changes in the time trends depicted in Figures One through Ten are not statistically significant. But the larger shifts emphasized in the text are.<sup>66</sup>

Because of the limited sample available from the CPS, the exploration of disparities among demographic groups within New York’s youth population relies on the decennial Census. The Bureau provides researchers micro-sample data for 5 percent of the city population, which is derived from the long form Census questionnaire, as well as a methodology for computing standard errors. The micro data provide a robust sample of 40,600 New York City 16 through 24-year-olds in the 2000 Census. Confidence intervals, even for small groups within the population, are, therefore, much smaller for Census-based estimates than for those derived from the CPS. Ninety percent confidence intervals for disconnected rates, school enrollment rates, and labor force participation rates range from plus or minus 0.5 percentage points for males and females taken as a whole, to plus or minus 2.5 percentage points for subgroups among the two genders.<sup>67</sup>

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<sup>65</sup> Because households rotate in and out of the Survey over the course of a 16-month period, these are not all independent observations.

<sup>66</sup> A discussion of calculating estimates of standard errors for annual averages derived from the Current Population Survey is available at <http://stats.bls.gov/opub/gp/gpapndb.htm>.

<sup>67</sup> Technical documentation for the 2000 Census Public Use Sample is available at <http://www.census.gov/prod/cen2000/doc/pums.pdf>.