

SUBSIDIZED JOBS FOR YOUNG PEOPLE

Youth and Young Adults



The public health and economic crises of the past year have exacerbated existing inequities. The pandemic has devastated the economic outlook for youth and young adults, particularly Black, Indigenous, and other youth of color; Opportunity Youth; workers in jobs paying low wages; women and women of color; and people impacted by the criminal legal system. These populations were already experiencing heightened levels of unemployment and economic distress before COVID and are now being left behind by the economic recovery.

CONGRESS MUST ACT

- ▶ **Congress must enact an equity-centered national subsidized employment program in any recovery legislation.**
- ▶ **Congress must prioritize and target investments to youth and young adults.** [Young people disproportionately bear the burden](#) of the pandemic and recession and are at risk of long-term effects on employment and earnings.
- ▶ **Subsidized employment is the only workforce intervention that is [proven](#) to quickly put people to work.** Subsidized employment uses public funds to create jobs for unemployed or underemployed workers through public sector employment or wage subsidies paid to employers. An [equity-centered national subsidized employment program](#) can support an inclusive COVID-19 economic recovery, [increase job quality](#), expand access to [green-economy jobs](#), and lay the groundwork for a more fair, just, and prosperous economy.



WHY NOW?

Even as the nation enjoyed record low unemployment between 2016 and early 2020, young people experienced unemployment rates twice as high as the national average. Over [4 million young](#) people remained disconnected from school and work at the beginning of the pandemic, with Black, Latino, and Native American young people experiencing far higher rates of disconnection. [Research](#) shows that subsidized employment is particularly effective for people with minimal work experience – including youth and young adults. Young people need a leg up now to get their first foothold in the labor market.



NATIONAL
YOUTH
EMPLOYMENT
COALITION

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ALLIANCE

We are in an **all-hands-on-deck** moment in our nation.

WHAT DOES SUBSIDIZED EMPLOYMENT LOOK LIKE?

A national subsidized employment program can facilitate access to a range of work opportunities across the economy, including in the infrastructure sectors that will be central to moving our country toward a [green economy and workforce](#). Subsidized employment efforts can bolster our [caregiving infrastructure](#), a key sector for young workers. Subsidized employment can also be a driver of [job quality and career advancement](#) through pre-apprenticeships, [youth-focused apprenticeships](#), transitional jobs, and other types of integrated education and training models connecting young workers with credentials and career pathways.

WHAT'S THE SCALE OF THE NEED FOR SUBSIDIZED EMPLOYMENT?

As many as [10 million young people](#) need the opportunity a subsidized job provides. Based on typical implementation costs for subsidized employment program, we estimate a per-slot cost of \$17,000 for wage subsidies, training, and robust supportive services. **An investment of \$45 billion in federally subsidized employment would serve as a down payment on that need and begin to redress longstanding inequities.**

IS SUBSIDIZED EMPLOYMENT POPULAR?

Despite the political division in this country, [93% of Americans](#) favor a national initiative that creates paid work and job training opportunities as part of recovery efforts. Since the Great Depression, government has relied on subsidized employment to help get people to work. Many cities today operate [summer youth employment programs](#), a type of subsidized employment, to counter the long-running [demise of the summer job](#). However, in the wake of the pandemic, we need permanent, national, year-round subsidized job opportunities, so young people are not left out in the cold.

SUCCESS STORIES



Bridges to Pathways Program: This program in Chicago targets young men with involvement in the juvenile or criminal justice systems. An [evaluation](#) found that Bridges to Pathways produced significant decreases in arrests for felonies and violent crimes along with increases in access to education, training, and employment.



Center for Economic Opportunity's Young Adult Internship Program (YAIP): This program targets opportunity youth, offering 10-12 weeks of subsidized employment at 20 hours per week. YAIP leads to large improvements in employment and earnings during the first year of follow up, more than doubling earnings.



Michigan Earn and Learn Initiative (Earn and Learn): This program has served 1,300 disadvantaged job seekers with skills training, education, and work. In total, the subsidized jobs through the program infused nearly \$2 million into Michigan's economy by putting people who were not working back to work.