

**Testimony to the New York City Council
Committee on Economic Development Oversight Hearing:**

**“New York City’s Disconnected Youth and the
Impending Workforce Depletion”**

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I’m David Fischer of the Center for an Urban Future, a Manhattan-based non-partisan public policy think tank that conducts research on important issues concerning economic development, workforce development and social policy for New York City.

I want to thank this Committee and Chairman White for shining a spotlight on a topic that hasn’t gotten much public attention, but will be of crucial economic and social importance to New York City in the decades ahead: how to address the related problems of the 140,000 to 200,000 young New Yorkers neither in school nor working, known as disconnected youth, and the pending depletion of the city workforce as Baby Boomers begin to retire in large numbers. As I have little to add in defining the scope and particulars of the city’s disconnected youth problem beyond the excellent analysis offered by the Community Service Society, the Young Adult Task Force and others, I will focus today on the issues of worker depletion and replacement that the Center touched upon in our May 2006 report, “Chance of a Lifetime.”

As we detailed in that report, this potential crisis situation is coming upon us quickly. Compared to most questions of public policy, issues pertaining to demographics are both easier to grasp conceptually and harder to address, for the simple reason that the numbers are fixed. What I mean by that is that everyone in the workforce of the year

2020 is alive today. It's only slightly less certain that many current workers in their mid-40s or older, in certain physically demanding jobs such as nursing and construction, or fields structured for earlier retirement such as teaching and civil service, will have left the workforce by that time. While office workers and senior managers might be able to work into their 70s and 80s, most nurses, carpenters, machinists and truck drivers will not.

The challenge, then, is to identify and cultivate potential replacements for those retiring workers. As with so much else in contemplating the city's future, progress here starts in the schools and homes of our city's young. Fortunately, a number of efforts are underway that should help them prepare for careers in some of the sectors and job titles where we project the most significant need. Unfortunately, these efforts are not as coordinated or effective as they could or should be.

The single biggest task is changing the culture and curriculum of our public schools to better support student preparation for and entry into the world of work. The city Department of Education has begun to address this problem, as Mayor Bloomberg and Chancellor Klein have focused on dramatically reducing the dropout rate. One major component of their strategy to do this is the program known as Learning-to-Work, a program that began in September 2005 with an emphasis on workplace preparation and internships. The Department enrolled over 2,500 overage, under-credited high school students in Learning-to-Work during the 2005-2006 school year, and is receiving an \$8.4 million grant from the Gates Foundation to expand this effort and others that create new pathways to graduation, work, and post-secondary education. The city plans to open at least 20 more Learning-to-Work Centers, co-located with transfer schools and Young Adult Borough Centers.

The Department has another potentially invaluable asset in preparing new cohorts of workers: the city's 18 schools and nearly 50 separate programs focusing on Career and Technical Education (CTE). Formerly known as vocational schools, over recent decades these institutions have been largely dismissed as educational backwaters and dumping ground for students of limited academic and social skills. But vocational education in NYC has a proud history training generations of skilled workers in high-value fields from masonry to aviation maintenance. CTE schools provide students the chance to explore career possibilities, including some that might not lead to a four-year college degree but are crucial to any functional community and pay a family-supporting wage. As a result of recent state reforms, CTE programs now must coordinate curricula and program features with industry partners, who frequently donate equipment, time and advice in mentoring and other capacities. CTE students face academic requirements of equal rigor to their non-CTE counterparts.

Just as they were in the first half of the 20th century, CTE can play a vital role in helping New York City meet the needs of the early 21st century economy. Fields of instruction now include growing sectors such as information technology and new media, biomedical technology and environmental engineering, and robotics, as well as mature sectors where Boomer retirements could trigger shortages like automotive maintenance, nursing and health care, and construction. These programs, however, remain underfunded and something of an afterthought in the city's overall plan for education reform at the secondary level.

In addition to the Department of Education programs, the Department of Youth and Community Development deserves recognition and credit for its efforts to serve

disconnected and at-risk youth and ease transitions into jobs and careers. In recent years, DYCD has made key improvements to the city's Summer Youth Employment Program, serving more than 41,600 city teens in 2005 with job placements, financial literacy instruction and general guidance about workplace norms. City Council and the Bloomberg Administration share the credit for allocating nearly \$25 million in city tax-levy funds for this program last year. DYCD has further refinements to SYEP on tap for this year, and yesterday launched the Corporate Allies Program of Internships, Training and Leadership (CAPITAL) to place successful SYEP participants from past years as interns with some of the city's most prestigious organizations, including the Federal Reserve Bank of New York, Bloomberg LP, and Young and Rubicam. DYCD has also revised its Out-of-School Time (OST) initiative, the largest after-school effort in the U.S., and its Out-of-School Youth Employment Program (OSY), an effort funded with approximately \$9 million of federal money through the Workforce Investment Act. OSY programs focus on vocational training and education for youth between the ages of 16 and 21 who meet the program's eligibility requirements and have either dropped out of high school or have graduated school but need basic skills enhancement. Under contracts set to begin this Saturday, July 1, about 1,000 qualifying individuals will receive services.

My one criticism of the agency is that it has not done more to expand the reach of these programs. Research has found that job-holding as a teenager is among the very best predictors for long-term success in the labor market as an adult. By now, perhaps a million New York City residents have participated in SYEP, a universally applauded program that has helped guide the development of many prominent New Yorkers—including the Commissioner and Assistant Commissioner of DYCD itself. But I am not

aware of any assessment of the long-term benefits of this program, which could be a great help in raising additional resources.

Added up, these and other programs, such as the Council-funded NYCWorks initiative, are not insignificant in their reach. Even assuming some overlap—for example, Summer Youth Employment Program participants who might also receive services through Learning-to-Work—these initiatives, all largely or entirely funded with public dollars, probably serve approximately 50,000 city youngsters. And while only Learning-to-Work and OSY are explicitly focused on disconnected and at-risk youth, the point remains that the city can boast some infrastructure and some expertise in how to prepare larger numbers of city youth for jobs and careers. We are not starting from scratch.

What is missing is any entity that can focus and coordinate these efforts, and serve as a single point of contact for employers, educational institutions and other stakeholders that want to get involved. Over the past few years, grant-makers and policy thinkers have moved toward consensus on the value of launching a workforce development intermediary explicitly designed and staffed to serve the needs of city youth. This entity would convene stakeholders to build on the recommendations of the Young Adult Task Force, a cross-sector group that last year released a landmark report on New York City’s disconnected youth titled “The Time is Now: Implementing One System for New York City’s Emerging Workforce.” As part of that work, the intermediary would help provider organizations build capacity, learn about and implement best practices, highlight successes, partner with industry actors to build pathways of career development within specific industries of need, and advocate for more resources and support from the community and at all levels of government.

The New York City Workforce Development Funders Group, a collaboration of more than 25 funders, is considering a major investment in such an intermediary, somewhat along the lines of successful similar programs serving youth in Boston, Philadelphia, San Francisco and San Diego. Of course, hopes of sustained success will also depend on the involvement, financial and operational, of the public sector, corporations and other stakeholders. Cross-sector collaborations, particularly at the scale and ambition contemplated here, are never easy. My view, however, is that to assemble the pieces and draw in the additional resources needed to build a truly effective “youth to work” system, the city should join this effort. The stakes could hardly be higher.

Thank you for the opportunity to testify today. I’d be happy to answer any questions you might have.