New York City’s Summer Youth Employment Program gives thousands of city teens a leg up in the job market. But limited resources keep thousands more who want summer jobs on the outside looking in.

**THIS SUMMER, MORE THAN 40,000 NEW YORKERS BETWEEN THE AGES OF 14 TO 21 WILL**

spend the better part of July and August participating in New York City’s Summer Youth Employment Program (SYEP), holding positions with employers ranging from JPMorgan Chase to the local library. As it has for decades, the program will provide the teens with structure, spending money and an invaluable introduction to the world of work that, according to leading workforce development experts, will greatly improve their chances of success in the labor market later on in life. New York businesses also stand to profit from the initiative since it helps ensure a better-prepared local workforce down the road.

The Summer Youth Employment Program has a lot going for it these days. Mayor Bloomberg recently committed to a baseline budget for the program, and Governor Spitzer included funding in the 2007 state executive budget for the first time in years, putting the program’s finances on solid ground following several years when supporters had to fight to stave off proposed cutbacks. And under the Bloomberg administration, the city’s Department of Youth and Community Development (DYCD) has identified administrative savings, made the program run more efficiently and introduced a new paid corporate internship program for teens.

But despite these positive developments, the program now serves 20 percent fewer young people than it did in 1999, when more than 50,000 city youth worked in SYEP jobs. Meanwhile, 30,000 applicants were turned away last year; experts say the number could be even greater this summer.

These gaps are troubling at a time when New York’s teen employment rate is the lowest of any of the nation’s 50 largest cities and the city has an alarmingly high number of “disconnected youth,” young people that are neither working nor in school.
The problems with the city’s Summer Youth Employment Program are largely due to a deep cut in funding from the federal government, which had provided almost all of SYEP’s budget prior to 2000. Federal support for SYEP has dropped by 87 percent since that time, declining from $42.5 million in 1999 to $5.4 million in 2006. Most of the cutbacks occurred in 2000, when the federal Workforce Investment Act went into effect; under that law, the government discontinued funding for stand-alone summer employment programs in favor of a separate (and smaller) effort that provides year-round employment for in-school youngsters.

City and state officials have helped keep the program afloat in recent years by significantly increasing their support. But the extent of this support has fluctuated—particularly from Albany—and has not been enough overall to bring enrollment in SYEP back up to 1999 levels. The higher state minimum wage that went into effect in 2005 added to the challenge of funding SYEP by increasing the cost per participant, making it difficult to keep SYEP enrollment levels the same without year-over-year budget increases or additional administrative cuts.

While the budget remains the big issue, there’s little doubt the program is having an impact. Researchers have found that the benefits of early employment are considerable and lasting, particularly for young people who aren’t planning on attending college immediately. “Working in your teens tends to mean you work in your 20s,” says Andrew Sum, a professor of economics at Northeastern University who has conducted extensive research on youth employment and found that early attachment to the workforce is a very strong predictor of long-term labor market success, in terms of sustained employment and lifetime earnings. “Communities that provide jobs for kids have a much better employment record for their young adults. You’re always ahead of the game when they’re 20 to 24 years old if you get them working from ages 16 to 19.”

New York’s teenage population clearly could use a leg up. The city’s teen employment rate is less than half the national average, with fewer than 16 teens per hundred employed during 2005. At the time of the 2000 Census, New York was 50th out of the 50 largest American cities in teen employment. Worse, the lower a family’s income, the less likely it is that teens in that family will work: in 2005, New York City teens in families earning less than $20,000 per year had less than half the work participation rate (9.9 percent) as their counterparts from families making more than $80,000 annually (20.6 percent). ²

“There is no real job market for teenagers,” says Theo Phillips, youth employment program manager for the Police Athletic League’s Department of Adolescent Services, which serves nearly 1,500 SYEP participants through sites across the city. “I hear it all the time from the teens I work with throughout the school year—they do internships with me and want to get jobs, but can’t.”

SYEP essentially helps create that job market, using public funds to pay teen workers’ salaries. The large majority of participants are selected through a lottery process under which, in most recent years, more than half of applicants have been accepted. A few thousand slots are reserved for high school students who work year-round in positions funded by federal dollars. Local, state, and federal funds all support SYEP, and the city administers the program through contractors based in communities across the five boroughs. Each contractor arranges with neighborhood employers to take on a number of workers, offering labor that’s free to the employer.

In the best-case scenario, this arrangement leads to an unsubsidized job down the road for the young worker. “If a bank hires kids through the summer and trains them, maybe they can get a job through the winter or the next summer, not having to come through me, and get a better salary,” explains Al Tuitt, who runs the city’s largest SYEP site for Mosholu Montefiore Community Center in the Bronx. “It’s a win-win situation.”

![FIGURE 1: TRENDS IN SYEP FUNDING, 1999 - 2006]

FINANCING SYEP

The composition of funding for the city’s summer youth employment initiative has changed enormously since the late 1990s. Through 1999, the federal government funded virtually the entire program, and with the political culture of the 1960s and 1970s more hospitable to public investment in jobs, annual enrollment in SYEP during that period was far higher than is the case today.

“I understand that in the 1970s, 70,000 teens routinely had a job each summer through SYEP,” says Anthony Ng, senior legislative advocate for United Neighborhood Houses (UNH) and co-chair of the Campaign for Summer Jobs, a coalition of nearly 100 community-based and citywide organizations. “The program is administered differently now, but the higher number of teens from decades ago is something to remember.”

In 1999, with $42.5 million in funding under the federal Job Training Partnership Act (JTPA), SYEP placed 50,499 young New Yorkers into jobs. The following year, the Workforce Investment Act (WIA), which included a comprehensive restructuring of youth employment programs, replaced JTPA—and federal contributions to SYEP plummeted to $12.5 million, with those funds supporting only summer jobs for in-school youth, rather than positions filled through the lottery for the stand-alone summer program. New York’s state government, which previously had made no contribution to funding SYEP, filled some of the gap with $22.6 million in surplus funds from the Temporary Assistance to Needy Families (TANF) program. But with overall funding down, enrollment in SYEP dropped to 39,610 for summer 2000.

A year later, the state increased its commitment to $41 million, allowing SYEP to place 49,848 young New Yorkers into jobs. But with the TANF surplus shrinking fast, Albany could not sustain that level of support. Beginning in 2002, the state capital became the site of an annual grinding battle for funding: every winter, then-Governor Pataki would submit an executive budget that didn’t include money for summer youth employment programs anywhere in the state. Then, over the next several months, the state legislature would push the governor to add the funds back in.

As Figure 1 shows, legislators were more successful in some years than others. But in every one of those years, the late resolution of the state budget meant that contractors across the city had to deal with uncertainty over how many young people they could enroll, and how many work sites they needed to arrange for, deep into the spring.

Where the state left off, the city stepped in. In fact, the city has boosted its commitment to SYEP every year since 2001, reaching $32.5 million in 2007—an amount that covers close to 60 percent of the total tab for the program. Perhaps even more importantly, Mayor Bloomberg recently announced that he has baselined that amount from tax levy funds to support the program, meaning that it will be written into the budget every year he is mayor.

DYCD Deputy Commissioner Suzanne Lynn observes that city support has stabilized SYEP, but adds, “I think we would all prefer that the federal government came back into the picture.” Indeed, a renewed federal commitment to a stand-alone summer employment program for city youth could go a long way toward putting the tens of thousands of teens that SYEP cannot currently place—the large majority of whom are unlikely to find work on their own—into summer jobs.

BUILDING ON SUCCESS: SYEP & RELATED PROGRAMMING, 2006

Last year, the Summer Youth Employment Program reached or approached record highs in total funding ($53.4 million), applications submitted (71,670), and work sites developed (4,385). While the program employed just 42 more city youngsters than in 2005, even that slight improvement was impressive given the higher cost per participant as the state hourly minimum wage jumped from $6 to $6.75. Each participant in 2006 earned as much as $157.50 more over the course of seven weeks of work than the previous summer, for a total of nearly $6.6 million in

### TABLE 1: SYEP FUNDING BREAKDOWN, 2005 - 2006

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<th>2006</th>
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<tr>
<td></td>
<td>Percentage</td>
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<tr>
<td>City Tax Levy</td>
<td>$26.9 million</td>
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<td>State Funding (TANF)</td>
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<td>Federal Funding (WIA)</td>
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<tr>
<td>Other</td>
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<tr>
<td>Total budget</td>
<td>$53.4 million</td>
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additional wages paid. (This year’s minimum wage in-
crease will add as much as $84 to each participant’s total
earnings, for a program-wide cost of approximately $3.5
million more than in 2006.)

In 2006, DYCD also made several other important
changes to the program. It simplified the application pro-
cess by allowing applicants to submit materials online
and not requiring photo identification until participants
were selected, rather than at the time they applied. It also
pushed providers to identify more private-sector work
sites for participants and added Citibank and HSBC to the
ranks of financial services providers that offer participants
debit cards and no-fee ATM access.

DYCD has gained wide praise for its administration
of the program since taking over from the dismantled De-
partment of Employment in 2003. “They are committed
to making improvements to operations, and we’ve seen
that over the years,” says Anthony Ng of the Campaign for
Summer Jobs.

What’s not as clear is whether the educational com-
ponent that DYCD began integrating into SYEP in 2004—
17 hours in total throughout the seven weeks of the pro-
gram—really adds value for the participants. Nobody can
argue with the agency’s intent; topics of discussion include
career exploration, work readiness, HIV/AIDS awareness
and other health issues, and domestic abuse. But provid-
ers suggest it’s a challenge to keep their young charges
sitting still in what’s essentially a classroom setting for
that one day per week. “That is definitely the biggest chal-
“It’s very hard for us to come up with a feasible way to
administer the 17 hours to that many students.”

While Phillips has struck upon some activities that
participants seem to enjoy, such as college tours with
groups of about 15 at a time, the problem is that the cur-
riculum is sufficiently limited that young people in SYEP
who have been in the program more than one year have
literally heard it all before. “When we’re doing financial
literacy, if you’ve been selected more than once, you know
what’s going to happen,” Phillips says. “They just kind of
sit there and endure it.”

PLACING TEENS IN THE PRIVATE SECTOR
The Summer Youth Employment Program of a generation
ago served more kids, but the quality of the work experi-
ence probably was lower. “I started as a [SYEP] participant
in 1972,” recalls Al Tuitt, now assistant program director
for youth employment with Mosholu Montefiore Commu-
nity Center in the Bronx. “If it rained, we didn’t work. We
worked in the park, cleaning up and things like that.”

In his 30 years running SYEP programs, Tuitt has
seen a significant change in the sort of jobs participants
take. “Now we have more private industry,” he says. “Be-
fore, it had to be government or nonprofits. Now we have
kids working in lawyers’ offices, dentists’ offices, doctors’

<table>
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<th>TABLE 2: SYEP - THE BASICS</th>
<th>2006</th>
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<tr>
<td>Number of Participants</td>
<td>41,650</td>
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<tr>
<td>Percentage ages 14-15</td>
<td>30</td>
<td>32</td>
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<tr>
<td>Percentage ages 16-17</td>
<td>46</td>
<td>45</td>
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<tr>
<td>Percentage ages 18+</td>
<td>24</td>
<td>23</td>
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<tr>
<td>Applications</td>
<td>71,670</td>
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<tr>
<td>Work sites</td>
<td>4,385</td>
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<tr>
<td>Percentage private-sector</td>
<td>17.6</td>
<td>15.6</td>
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Sources: DYCD SYEP Annual Summary, 2006 and DYCD SYEP Annual Summary, 2005
offices.” According to DYCD, 775 of the 4,385 work sites developed in 2006—about 18 percent—were with private-sector employers. High-profile businesses that place SYEP participants included JPMorgan Chase, Columbia University, The Princeton Review, and the Staten Island Yankees.

Despite the increase in private-sector jobs, participants still are most likely to work at summer camps and day care centers (30 percent in 2006), community-based nonprofits (17 percent), or government agencies (13 percent), all positions that aren’t likely to lead to year-round work. A logical division of labor might be to steer younger and less experienced participants toward those placements, where they can be more closely supervised while gaining a positive and valuable first work experience, and directing older SYEP workers who have succeeded in those positions in past years toward presumably more challenging work with private-sector companies.

DYCD has begun to embrace this approach, albeit on a small scale, with two new initiatives. In 2006, the agency began to roll out that next tier with two new pilot programs, CAPITAL (Corporate Allies Program of Internships, Training and Leadership) and GirlsREACH. Both programs, CAPITAL in particular, are designed to serve as a next step beyond SYEP.

“I was disappointed that SYEP, which serves participants ages 14 to 21, had no progression,” DYCD Commissioner Jeanne Mullgrav told the Center for an Urban Future in a 2006 interview. “In theory, you could do the same job every year for seven summers. When you talk about youth development, there should be real development. There should be a foundation upon which you grow. I wanted to create the next tier.”

The idea behind CAPITAL is that city teens that have already enjoyed successful job placements in SYEP should have the opportunity to have a more involved and demanding work experience in the private sector the following summer. DYCD asked their community-based SYEP partners to nominate past program participants who had shown readiness for the next level of employment. Those selected for CAPITAL would be high school juniors and seniors who attended a series of workshops run by the agency.

Proceeding slowly but steadily through late 2005 and the first months of 2006, and working closely with the Youth Council and Youth Board, both government-mandated advisory groups that help inform youth development policy, DYCD secured commitments from private-sector employers such as Grey Advertising, Ogilvy & Mather, American Association of Advertising Agencies, Berkeley College, Bloomberg LP, Brooklyn College, Earl Graves, Ltd./Black Enterprise magazine, Federal Reserve Bank of New York, Major League Soccer, and Modell’s Sporting Goods. In all, 50 young New Yorkers were placed with these and other companies and completed internships.

“When the private sector gets involved, they start to see the value in these young people,” says Youth Board Chair Rich McKeon, who worked closely with DYCD and the participating businesses. “At the outset, some [business executives] think it will be a waste of time. But once they get [the students] in and see that they’re smart and have a good attitude and good work ethic, it changes the whole perspective.” As of mid-June, CAPITAL had commitments from employers to support 99 private-sector internships for summer 2007; virtually every company that participated in 2006 is doing so again this year.

GirlsREACH is a joint effort of DYCD and the Mayor’s Commission on Women’s Issues to connect high school girls between the ages of 16 and 18 with internships and raise their awareness of career options available to young women who show academic success and personal maturity. The program matches participating high school students with professional women in the private and public sectors. The participants also meet each week during the following summer.
the six-week program for workshops on issues including health, financial literacy, college admissions, and public policy.

During the first year, 50 teenage girls interned with public and private sector employers such as Ernst & Young, Bloomberg LP and The Bank of New York. The program continues year-round; last year’s interns took a college exam preparation course in advance of the October 2006 SAT, and will be eligible for college scholarships. In March 2007, Mayor Bloomberg announced plans both to expand GirlsREACH and create a companion program for young men, BoysREACH.³

BUT DOES IT WORK?

While there is no solid formula to measure the return on investment for subsidizing SYEP participation, a wealth of research suggests that the value is quite substantial for participants’ future jobholding and earning power.

Although SYEP is not means-tested for participants, the city is required to check participants’ financial eligibility in order to draw down state funds, and the numbers suggest that more participants than not hail from low-to-middle-income households. Additionally, as Figure 2 shows, nearly three quarters of participants from 2006 were non-white. Research has found both that teens from wealthier families and white teens have higher rates of part-time employment than non-white and less well off young people. In that sense, SYEP gives a double boost to many of its participants.

Researchers found that during 2005, the employment rate of white New Yorkers between the ages of 16 and 19 was almost a third more than of blacks in the same age range, and about 12 percent more than older Hispanic teens.⁴ Without SYEP, those numbers would likely be considerably more skewed.

But what exactly do participants gain by working? And who gains the most? Perhaps the most definitive answers to these questions are found in a book-length report by Andrew Sum, Neeta Fogg, and Garth Mangum, released in 2000, titled Confronting the Youth Demographic Challenge: The Labor Market Prospects of Out-of-School Young Adults. “The cumulative years of work experience and the nature of [teens’] work experiences are critical determinants of their weekly and annual earnings,” they write. “Early work experience during the high school years has frequently been found in past national and local studies to have favorable labor market consequences for youth, especially for those not enrolling in four-year colleges and universities immediately upon graduation from high school. Those youth who obtain more work experience during the high school years experience smoother transitions to the labor market upon graduation, obtain higher weekly wages when they do work, and earn more per year 10 to 15 years after leaving high school.”⁵

In other words, young people not immediately bound for college—whether from lack of interest, inability to pay, or need for quick income from work—gain the most from work experience as a teen. This is meaningful given that tens of thousands of city high school students graduate every year and do not immediately enroll in college. It also suggests that the SYEP program could maximize the return on public investment by giving preference for work opportunities to high school seniors (who typically account for more than three-quarters of total participants) who are unsure about or unlikely to directly pursue post-secondary education.

While almost any summer job has some positive impact, Sum, Fogg and Mangum argue that the better that job, the bigger the likely impact will be: “The quality of an employed youth’s work experience also influences the size of its labor market impacts. The opportunity to acquire new skills, to obtain more work hours per week, and to integrate school and work-based learning improve hourly wages and occupational mobility in the early school-leaving years.”⁶

This suggests that the impulse behind CAPITAL, GirlsREACH and BoysREACH—to connect participating young people to higher-value work experiences with private-sector employers—is a good one, and probably deserving of even more city resources and effort than it currently commands. As things stand now, the “ladder” on which SYEP is a lower rung and CAPITAL, GirlsREACH and BoysREACH are next steps up would look more like a pyramid with a very wide base quickly coming to a point.

New York City is hoping to place a few hundred young people in private-sector internships. In contrast, Philadelphia—a city with less than a fifth of NYC’s population and a less diverse and high-powered business community—plans to secure 1,000 employer-paid internships for its young people this summer.⁷ The push for these internships has come not from government, but from the Greater Philadelphia Chamber of Commerce. Similarly, the private sector in Boston long has taken a leading role in helping to provide young residents of that city with meaningful work experiences; indeed, the program there served as a model for CAPITAL.

The comparison between New York and these other cities is imprecise because neither Philadelphia nor Boston—where several thousand young people gain private-sector internships each summer—has a publicly funded summer youth program at anywhere near the scope of SYEP. Additionally, a significant number of private-sector employers in New York City have their own programs for summer hiring. “When we approach companies about participating in CAPITAL, we often hear that they’re al-
Pulled quote here?

ready doing something on their own,” says Rich McKeon of the advisory Youth Board. “I don’t know if anybody’s ever documented how many employers are doing this, and what the untapped potential might be.”

Policymakers should worry about the possibility that this potential will remain “untapped.” If the research is correct that work experience during the teen years gives a strong boost to chances of later success in the job market, it is very troubling that so many young New Yorkers who want to work aren’t able to find summer jobs. In 2006, nearly 30,000 young New Yorkers were not selected through the lottery, and early indications are that an even larger number will find themselves out of luck this year. The extreme weakness of the city’s young adult labor market—which Sum, in a more recent publication, characterizes as a “depression era” employment rate—means that rejected SYEP applicants have very dim prospects of finding work through other means.

Finally, even program administrators acknowledge that we don’t know as much about SYEP as we should. “I think it would be terrific to get some money to do a longitudinal study about participants,” says DYCD Deputy Commissioner Suzanne Lynn. “We actually have a natural experiment; we can compare the long-term employment and earnings effects of those not selected for the lottery versus those who were.”

RECOMMENDATIONS

The federal government must resume substantial support for summer youth employment programs, helping New York City and other localities place many thousands more young people into jobs. Given political realities like the Bush administration’s annual proposals to cut workforce development funding and budget deficits for years to come, the prospects for quick action to restore federal support for summer jobs might seem dim. But the fact remains that unless and until the federal government recommits to supporting summer employment for young people, it is very unlikely that SYEP and other programs around the state and the country ever will reach the scale necessary to ensure summer work for all kids who seek it. New York City leaders should work with organizations such as the National League of Cities and U.S. Conference of Mayors, and with the city’s congressional delegation, to advocate for a new federal commitment to supporting employment for teens and young adults that could be used locally to double the size of SYEP—and all interested parties should push the 2008 presidential candidates to declare their support for a new commitment from Washington.

City government and the business community should measure the extent to which private-sector employers are hiring young New Yorkers for summer work outside the parameters of public programs. At first blush, it seems incongruous that New York City businesses can provide only a hundred or so paid internships for city youth through CAPITAL while Philadelphia and Boston, much smaller cities, create five or ten times as many slots. But it’s likely that city firms are bringing on thousands of teens and young adults every summer through their own internal programs. Local business leaders, chambers of commerce, industry associations and neighborhood-based development organizations across the five boroughs should poll their membership to determine the extent to which firms are hiring young people from their communities—and inform those that aren’t about the possibilities offered through city-run programs.

The Department of Youth and Community Development should offer more support for SYEP providers in fleshing out the educational component of the program, including a sample curriculum and opportunities to learn from best practices. The instinct behind including an educational component to SYEP is unquestionably a good one: the program renders its participants a “captive audience” for learning about good health, financial literacy and other life skills, as well as a chance to minimize the extent that academic skills erode in the months between school years. But providers have struggled with this part of the program since it was incorporated into SYEP. Just as DYCD has refined and improved other elements of SYEP through trial, error, and lessons of experience, the agency should look to do the same in this area.

The philanthropic community should fund a major quantitative and qualitative assessment of SYEP and summer work in general. While the work of Northeastern economist Andrew Sum and others gives us a very strong theoretical grounding from which to make conclusions about the value of summer work in general and SYEP in particular, we need to know much more about who participates in the program and what they gain from it over time, among many other important questions. Given limited funds at every level of government, foundations and corporate philanthropy ought to take the lead in supporting this research.
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