This major new study reveals that an alarming share of young people who age out of New York City’s foster care system are failing to obtain and hold on to jobs, and that part of the problem is that city government and foster care agencies are either not adequately focused on providing workforce preparation services to these youngsters or not equipped to do so. The study concludes that these dismal employment outcomes are a leading reason why an unacceptably large number of foster care alumni go from being minor wards of the state to adult wards of the state.

by Tom Hilliard

New York City has never been a particularly easy place for teenagers and young adults to break into the workforce. Even during the boom years of the 2000s, the city’s unemployment rate for teens between the ages of 16 and 19 hovered just under 20 percent. By the end of 2010, it had risen to 40 percent.

As shocking as these numbers are, however, young people aging out of the city’s foster care system appear to be faring even worse. Based on dozens of interviews with child welfare practitioners across the five boroughs, we estimate that that no more than half of the young people who have recently left the foster care system have jobs at any given time. With nearly 1,000 foster youth aging out of the system every year, that means that close to 500 young people each year are failing to connect with the world of work.
The tragic result is that far too many foster youth go from being minor wards of the state to adult wards of the state, with high rates of incarceration, public assistance use and homelessness. According to the Administration for Children’s Services (ACS), one out of ten foster youth in New York City who left foster care in the mid-2000s entered a homeless shelter within the year. And within three years, one of five entered a homeless shelter.

These dismal outcomes might very well be different if more foster youth were able to access—and hold onto—jobs. But, as we show in this report, not enough is being done to help foster youth connect to jobs and careers. While there is a lot that is right with the child welfare system today, neither the city agencies that oversee the child welfare system nor the private foster care agencies that provide direct services to foster youth are adequately equipped to help young people who are aging out of the system to succeed as adults. And the greatest shortcomings are with assisting foster youth to prepare for the workforce.

This study takes an in-depth look at the challenges foster youth have in getting and keeping jobs as adults and examines what the various players in the city’s foster care and workforce development systems are—and aren’t—doing to help young people transition from foster care into adulthood. It offers a range of recommendations on what could be done to improve employment and educational outcomes of young people aging out of the system. The study is based on an extensive data analysis as well as interviews and focus groups with more than three dozen experts and practitioners in foster care, workforce development, youth development and education.

As of 2010, there were approximately 16,000 young people in foster care in New York City, of whom 7,000 were between the ages of 14 and 21 and 2,000 over the age of 18.1 Foster youth must leave care by age 21, although many leave earlier. Over the past decade, an average of 918 young people have aged out of the foster care system each year—with a high of 984 in 2008 and a low of 832 in 2005.

While it’s clear how many New Yorkers move out of the system every year, unfortunately no one—not the city and not the city’s foster care agencies—tracks employment outcomes among former foster youth in New York City. But though data is lacking, the long list of foster care professionals we interviewed were in broad agreement: an alarmingly high number of
foster youth are not working.

“It’s quite apparent to me that former foster children fare poorly in the job market,” says Richard Altman, executive director of the Jewish Child Care Association (JCCA), one of the city’s largest foster care agencies. “Children in foster care are behind on every indicator for future employment success once they leave care.”

“Of foster care alumni, the number who fail to find stable employment is probably 50 percent or higher—at least”

Most of those we spoke with estimated that around 50 percent of their former clients are unemployed. “Of the foster care alumni removed from family and aging out of care, the number who fail to find stable employment is probably 50 percent or higher—at least,” says Jeremy Kohomban, executive director of Children’s Village and one of the nation’s most respected foster care experts.

Foster youth are not the only young people who struggle in today’s labor market. The likelihood that a teenager can find employment has dropped steadily over the past decade due to shifts in the national economy, and the recession has only worsened and accelerated the trend. One particularly troubling indication of how badly young people in New York City are faring is that in 2009, the most recent year for which the city has data, there were roughly 177,000 young people between the ages of 16 and 24—almost one in five New Yorkers in this age group—who were neither in school nor in jobs. Three out of four of these youth have been jobless for a year or more and are referred to as “disconnected” from school and work.

Most of these “disconnected” youth have never gone through New York’s foster care system. However, experts who study disconnected youth have found that teenagers in foster care are much more likely to disconnect from school and work than other youth. Indeed, foster youth are greatly over-represented in every adult population that is considered dysfunctional—prison, welfare, homeless shelters.

Although there is no official data on employment outcomes of foster care youth in New York, studies at the national level confirm the anecdotal information we have gathered. The Midwest Evaluation of the Adult Functioning of Former Foster Youth (Midwest Study) is an ongoing cohort analysis that has been tracking a sample of young people from Iowa, Wisconsin, and Illinois as they transition out of foster care into adulthood. The researchers—a team involving Chapin Hall at the University of Chicago; Partners for Our Children at the University of Washington, Seattle; the University of Wisconsin Survey Center; and the public child welfare agencies in Illinois, Iowa, and Wisconsin—found that youth in the study struggle more than other youth. Half were unemployed at age 21 and the same share was unemployed three years later. Of those who were employed, almost a third was working part-time. Of those who were unemployed, one out of six was incarcerated.

If, as in the Midwest study—and as we heard in our interviews—half of the former foster youth in New York City are unemployed at any given time, then about 1,400 of the nearly 2,800 alumni between the ages of 21 and 24 are likely to be out of work.

One chronic effect of unemployment is loss of housing and homelessness. Here we do have some information on what foster youth experience in adulthood. Dennis Culhane, a researcher at the University of Pennsylvania, matched data held by the Administration for Children’s Services (ACS) and the Department of Homeless Services (DHS). He found that 13 percent of youth over the age of 17 who left the foster care system in 1996 entered a city homeless shelter within three years. When ACS and DHS revisited the study in 2008 with a similar methodology (looking at youth who left care ages 16 and older), they found that the situation had worsened: of all youth ages 16 and older who left care in 2004, 21 percent had entered a DHS homeless shelter within three years. In less than a decade, the likelihood of homelessness had increased by more than one-third.

There are clear reasons why foster youth are having difficulty entering and staying in the workforce. Perhaps the clearest...
most unambiguous problem is in education. Employers are increasingly likely to hire only high school graduates, making low-literacy youth less employable each year. According to data we received from the New York City Department of Education, only 15 percent of foster youth in 8th grade have English or math skills at or above grade level—roughly one-third the proportion of all 8th grade students.

A primary cause of poor school performance is multiple foster care placements. The average youth who ages out of care has moved from one home to another seven times. Each time the youth is likely to change schools and miss days or weeks of class, and each time fall behind a little more. Practitioners in the field report that multiple placements cause other problems too: a wariness and mistrust of adults, emotional trauma that compounds the trauma of being removed from parents, lack of close connections and socialization with other youth. The effect on work habits can be highly destructive. “While an employer might understand and be sensitive to these issues, their expectation is that employees come ready to work, that they will be punctual, in attendance consistently and that they approach work with a focused and positive outlook,” says Courtney Hawkins, vice president of education and youth services at F.E.G.S., one of the largest social service agencies and providers of foster care services in New York. “And while many of us take these work characteristics for granted, they’re often a challenge for foster care youth.”

While foster youth face greater hurdles than other young people in getting into the workforce, there’s little doubt that the systems responsible for foster care, youth-oriented workforce development and adult workforce development could be doing more to help foster youth access jobs.

The Administration for Children’s Services (ACS) oversees all aspects of the city’s child welfare system, from investigating reports of child abuse to ensuring the well being of young people in foster care. While ACS has improved in many aspects over the past decade, its budget for foster care programs has fallen from $903 million in 2000 to $782 million in 2010. The decline is largely attributable to a sharp drop in the overall population of those in foster care. The problem is that very little of the money saved has been invested in the young people aging out of the system. ACS also abolished the Office of Youth Development, a budget-driven move which, according to several professionals in the field, undermined the agency’s ability to focus on the needs of foster youth as a discrete population. (ACS declined to be interviewed for this report. The agency requested that we submit written questions, which we did several months ago, but responses to our questions have not been provided as of the publication date.)

To its credit, ACS has two promising initiatives underway: Building Bridges, a series of workshops coordinated by F.E.G.S., the Workforce Professionals Training Institute (WPTI), and the New York City Employment and Training Coalition (NYCETC) in partnership with ACS, that brings together the foster care and workforce development communities; and the Career & Employment Support Project, a pilot project operated by the Columbia University-based Workplace Center that seeks to build capacity to provide evidence-based career development and employment support among foster care agencies.

Foster care agencies are arguably in the best position to help strengthen the workforce readiness of their clients, and some have launched promising initiatives. But for most of these agencies, workforce development is not a strength. While each agency has a designated “Preparing Youth for Adulthood” coordinator who manages the aging out transition, the real work of preparing young people for careers must start long before foster youth are ready to leave the system—as early as age 14, if possible. Many agencies have limited connections with employers and lack specialized expertise in workforce development, making it difficult to cultivate external internships, connect foster youth to entry-level job openings, or prepare them to take the GED. “Where they might intervene on educational matters, there’s no sense of obligation to intervene in the same way for employment,” says Nanette Schrandt, director of juvenile services at the Legal Aid Society. Furthermore, caseloads are typically double the level recommended by the state Office of Children and Family Services, and caseworker turnover is high.
“Where agencies might intervene on educational matters, there’s no sense of obligation to intervene in the same way for employment”

On the workforce development side, many youth and adults get assistance from the city’s Workforce1 Career Centers. But vulnerable youth like those in foster care have a difficult time leveraging the system to prepare for and obtain jobs. “If you’re a young person aging out of foster care and you’re not work-ready, the career center is not your first stop, and it shouldn’t be your first stop.” says Francine Delgado, senior vice president for New York City programs and national technical assistance at Seedco, the nonprofit organization that manages the Manhattan and Bronx Career Workforce1 Career Centers. The Career Centers serve the needs of employers who want work-ready employees, and they are not well-suited to prepare youth who need high-intensity services to prepare them for jobs. Instead, workforce professionals recommend that foster youth be directed to community-based organizations who can perform that preparation. These community-based organizations will typically be funded, at least in part, by the Department of Youth and Community Development (DYCD).

DYCD funds several programs to serve vulnerable youth, and these programs may in fact provide valuable educational and workforce readiness services to foster youth. However, the scale of the services they provide has declined sharply over time. According to DYCD estimates, the Out-of-School Youth program (OSY) serves a population of more than 88,000 youth who are out of school, out of work, and lacking a high school diploma or GED. But OSY is funded to serve only 1,900 teens, or about 2 percent of the youth identified by DYCD as needing assistance—and older youth between ages 22 and 24 are ineligible.

Foster youth also suffer from the antiquated standards imposed by the federal Workforce Investment Act (WIA), which funds most of DYCD’s budget. For example, OSY holds providers accountable for—and provides some of its funding on the basis of—hitting performance targets for the number of youth who get jobs, enroll in college, or obtain their GED or another credential. For some youth, these are realistic standards, and there is no question that market-recognized credentials are key to getting and keeping jobs in today’s economy. But a foster youth reading at a fourth-grade level faces major barriers to employment. That youth may need several years to reach these standards, and OSY lacks support for interim milestones along the way. OSY is a robust and valuable program, but it is also symptomatic of the difficulty DYCD faces in designing and funding programs tailored to meet the workforce needs of low-skilled foster youth.

The Summer Youth Employment Program (SYEP) is DYCD’s most high-profile program and its largest, with more than 35,000 summer internships provided in 2010. DYCD managers noticed that foster youth struggled to succeed in SYEP, and they took steps to serve foster youth by setting aside 600 “vulnerable youth” slots. These slots, available to foster youth, court-involved youth and runaway and homeless youth, provide additional supports to ensure successful completion of the internship. However, only 224 foster youth obtained vulnerable youth slots in 2010. Foster youth who belong to an agency that lacks a relationship with a vulnerable youth contractor must take their chances with the general SYEP lottery. Only 10 percent of all eligible foster youth (about 700 teens) obtained SYEP internships in 2010.

The most promising direction for strengthening the work readiness of foster youth appears to be in providing coordinated education and employment-related services that are designed with the specific needs of foster care youth in mind. One important initiative on this front is the Academy, a project conceived by five foster care agencies, funded by the Heckscher Foundation, and operated by F.E.G.S. Health and Human Services System, which provides a wide range of services to help vulnerable children, youth, adults and families. F.E.G.S. had already built a suite of education and workforce services for thousands of disconnected and at-risk youth, providing a strong base for Heckscher’s foster youth initiative.

The Academy provides a wide spectrum of education and employment services, including pre-GED and GED training, career and college exploration, sheltered internships, supported external internships, support for job interviews and job search/placement services. The structure puts a high premium on the Academy’s “no-reject/no eject” policy, which states that
youth who leave can always come back. In addition, the Academy matches each youth with an adult “Youth Advisor” who will hopefully build a stable relationship with that youth. Results thus far are impressive for this population: Four out of ten obtain jobs, almost half pass the GED or increase their academic level, and most youth who enter the program stay with it and gradually improve their work readiness and education. The achievements of the Academy, along with similar programs created by the Children’s Aid Society and Fedcap, suggest that developing a separate level of workforce and educational services for foster youth may dramatically improve their life outcomes.

On the whole, we determined that the current system for strengthening work readiness among foster youth benefits from the commitment and sophistication of leaders in the foster care and youth development sectors. But the overall system is underfunded relative to the level of need, especially in services that would improve literacy and math skills among out of school youth. Further, the city should strengthen its efforts along four dimensions: coordination between the foster care, adult workforce, youth-oriented workforce and public education systems; data collection and analysis that cross system lines and extend into adulthood; work readiness services that target the neediest youth; and development of a comprehensive array of educational and workforce preferences to ensure that foster youth have access to programs from which they might otherwise be excluded.

New York City is not powerless to help foster youth. As the surrogate parent for thousands of youth, it is ultimately responsible for their well-being as adults. By coordinating the efforts of the city agencies that provide foster care, workforce development and education, and by investing in integrated work readiness and educational services to out-of-school foster youth, the city could help foster youth connect to jobs and careers. That would keep the next generation of foster youth alumni off the streets, out of prisons and welfare offices, and on the tax rolls.

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