

Employment and Wealth Policy Brief

Californians currently face a double-digit unemployment rate. Our state's future prosperity and health depends on all Californians having a fair chance to thrive and succeed, including young people who are entering the economy at a difficult time. As the state becomes increasingly diverse, it will be especially critical to nurture and harness the talent, skills, and hope of young people of color – and boys and young men of color in particular.

Young men of color face the highest unemployment rates in the state and nation. In November 2009, the *Washington Post* reported that 34.5 percent of young African-American males, aged 16-24, were jobless — a rate more than three times the national unemployment level of 10 percent.⁴⁵ In California during that month, unemployment rates topped 15 percent among Latino males and 17 percent among African-American males. Though educated males of color are faring better than lesser-educated young men, they remain unemployed at rates nearly twice that of college-educated Caucasian males, according to the *New York Times*.⁴⁶ In 2011, these numbers continue to endure. Increasing employment among these males should be a priority of local and state policymakers in their efforts to get the economy moving and increasing productivity in California.

Given these disproportionately high rates of unemployment among males of color, increasing employment among this population will have a considerably positive impact on lowering California's rate of unemployment. While a vital starting point, improving employment and wages for these males is necessary but not enough. There is a strategic opportunity to integrate savings and asset-building interventions with workforce development for lesser-skilled males.

High incarceration rates are one contributing factor to the lack of young men of color remaining engaged in either the education system or the workforce. In California, 30.5 percent of 15- to 24-year-old males in juvenile facilities were African-American even though African-Americans comprise only seven percent of those age groups in the state. Latinos are also over-represented in juvenile facilities; while Latinos account for 45 percent of the state's 15- to 24-year-olds, they make up 53.6 percent of youth in juvenile facilities.

It is this disconnection from community, school or family that is being shown to be a more insidious factor. In 2007, almost one in 10 Latino and one in six African-American males between 16 and 25 years of age were "disconnected": incarcerated, out of work or out of school. Latinos are two times more likely to be out of school, out of the labor force or incarcerated than non-Hispanic whites and African-Americans are three times more likely than whites to be out of the labor force or incarcerated.

As our country and our state struggle to recover from the worst economic crisis since the Great Depression, business leaders warn that our economic recovery, competitiveness, and prospects for sustained prosperity will depend on having a highly education and trained workforce. Given their growing numbers here in California, the imperative to prepare young men of color for success in the workplace and in the marketplace cannot be overstated. To achieve this, improvements will be required in our public education and workforce systems.

⁴⁵ Haynes, Dion V. "Blacks Hit Hard by Economy's Punch." *The Washington Post*, November 24, 2009. <http://www.washingtonpost.com/wp-dyn/content/article/2009/11/23/AR2009112304092.html>

⁴⁶ Luo, Michael. "In Job Hunt, College Degree Can't Close Racial Gap." *The New York Times*, November 30, 2009. http://www.nytimes.com/2009/12/01/us/01race.html?_r=1&ref=us

Claiming the Promise of Health & Success for Boys and Men of Color

This issue brief includes important data points and facts, identifies strategic intervention points, and provides examples of policy and system reforms that can improve the numbers of young men of color that successfully complete workforce and career oriented high school programs, community colleges, and other workforce training programs that lead to good jobs and careers.

Fast Facts

The numbers below tell a grim story. Yet there is hope and promise because we do know what works and there are successful programs emerging across the state and country that can be built upon as detailed in the Strategic Intervention Points and Policy and Systems Reform sections.

The percentage of young men working across all racial groups has declined dramatically in less than a decade. In 2002, 41 percent of African American men, 78 percent of Hispanic men, and 60 percent of white men ages 16 to 24 were working (U.S. Census Bureau, American Community Survey 2002). According to the Bureau of Labor Statistics, in January 2010 only 28 percent of black men between the ages of 16 and 24 were working, compared with 43 percent of Hispanic men and 44 percent of white men in the same age category.

- While unemployment in CA (consistently between 11-12 percent) has run higher than the national average from the beginning of the current economic crisis, according to the U.S. Bureau of Labor Statistics, minority unemployment has been even higher as Latino unemployment is 14.7%, African American unemployment in the state is a staggering 19.5% compared to 11.9% for White Californians⁴⁷ African-American and Latino young men fared the worst with higher levels of unemployment in statewide and most regions of the state than other demographics. For example, in 2010, unemployment was as high as 45 percent for 16-24 year old African-American young men in Alameda and close to 20 percent for Latino Young men in Fresno. African-American young men had the highest unemployment rate in these two regions.⁴⁸
- As young men of color struggle to secure jobs, good paying or otherwise, successful attainment of post-secondary education, including workforce certificates and four year college degrees, have become the gateway to economic security. The aggregate demand for workers with post-secondary education and training is expanding every year. Between 2008 and 2018, demand for workers with postsecondary education will rise by 13 percent in California, while demand for other workers will grow more slowly at 9.1 percent.
- Between 2008 and 2018, state labor demand will increase over twice as much for college educated workers (1,327,000 additional jobs) as for high school graduates and dropouts (614,000 additional jobs); and by 2018, 61 percent of jobs in California (and nearly two-thirds of jobs in the nation) will require some postsecondary education or training.
- This is a problem for the alarmingly large numbers of young Californians that drop out of our public high schools or graduate unprepared for post-secondary education and training. A recent PolicyLink workforce study found that at the close of the 2006-07 academic year, only 126,516 (roughly 32 percent) of 356,641 high-school graduates were UC/ CSU eligible. About 58 percent of high-school graduates (230,125 students) did not meet these requirements. In that same year, the adjusted high school dropout numbers for grades 9–12 indicated that 109,011 students had left high school without a degree. The number of high-school dropouts and those who graduate unprepared to enter California's four-year colleges and universities each year represent approximately 340,000 young women and men entering the states' very competitive labor market without the skills to

⁴⁷ PolicyLink Analysis; U.S. Bureau of Labor Statistics, Quarter 2, 2011 data.

⁴⁸ Interview with Gay Cobb, Executive Director of Oakland Private Industry Council.

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compete. With consistently the highest dropout rates, the lowest college-going rates and similarly lower numbers of involvement and completion of workforce training programs, young men of color face the greatest challenges competing in our hyper competitive regional labor markets.

- Economic security for boys and young men of color is a problem that includes the quality of their education and the jobs they hold, but extends well beyond those sectors and is interconnected with everything from the concentration of poverty in their communities to homeownership and United States social policy. The assets gap for boys and men of color is about the success and well being of their families and households. A recent study by the Institute on Assets and Social Policy noted that the racial assets gap between White and African-American families has more than quadrupled over the course of a generation, from \$20,000 - \$95,000. The amount of this gap is enough to pay full tuition at a four-year public university for two children, plus tuition at a public medical school. Essentially, the gap is opportunity denied and assures racial economic inequality for the next generation.⁴⁹
- Data from the Pew Research Center underscores the fact that households of color were hit hardest by the Great Recession. While the economic downturn affected all Americans, its impact was not evenly distributed across racial groups or communities.⁵⁰ Households representing families of color saw significantly greater losses of wealth than White households. The cause for such precipitous declines in the wealth of families of color can be found in the housing crisis. For Hispanics, there has been a 66 percent decrease in household median net worth while there has been little over a one-half decrease for Asians (54 percent) and African Americans (53 percent) compared to Caucasian households who experienced 16 percent decrease in median net worth. Pew Center researchers suggest that many minority households were dependent on home equity for wealth and that their total loss in net worth came from declining levels of home equity.⁵¹ Furthermore, “the share of households with zero or negative net worth is much higher among Hispanics and blacks. About one-third of Hispanics (31 percent) and blacks (35 percent) had no wealth or were in debt in 2009, compared with 15 percent of whites. The increase in the share of households with zero or negative net worth from 2005 to 2009 was greatest among minority households. It increased from 23 percent to 31 percent for Hispanics, from 12 percent to 19 percent for Asians, and from 29 percent to 35 percent for blacks”.⁵²

⁴⁹Shapiro, Thomas, Meschede, Tatjana, and Sullivan, Laura. “Research and Policy Brief: The Racial Wealth Gap Increases Fourfold.” Institute on Assets and Social Policy: Heller School for Social Policy and Management at Brandeis, May 2010.

⁵⁰ <http://pewsocialtrends.org/2011/07/26/wealth-gaps-rise-to-record-highs-between-whites-blacks-hispanics/#executive-summary>

⁵¹ <http://pewsocialtrends.org/2011/07/26/wealth-gaps-rise-to-record-highs-between-whites-blacks-hispanics/#executive-summary>

⁵² <http://pewsocialtrends.org/2011/07/26/wealth-gaps-rise-to-record-highs-between-whites-blacks-hispanics/#executive-summary>

Strategic Intervention Points

To respond to these urgent challenges the state should commit to an ambitious set of strategic objectives that directly respond to the scale and multi-faceted nature of the job crisis young men of color and the state are experiencing. Setting specific goals for increasing employment among young men of color would be the first step in a strategy that engages all stakeholders that are essential to removing barriers to harnessing their talent and assets.

Proposed Goal: Over the next decade the state will significantly increase the numbers of young men (16-24 year olds) and men of color that are prepared for and secure jobs that pay family sustaining wages, provide good benefits, and real career advancement in high growth industry sectors that are critical to California's regional and state economy. More specifically, the state will marshal public and private leadership and existing resources to increase high school graduation rates of young men of color, marketable skills sets of those who graduate, the number of graduates that are eligible for colleges, universities, and the numbers that are prepared to succeed in post-secondary workforce training programs.

Achieving these objectives will not necessarily require significant increases in public spending, if a consensus can be reached to prioritize young men of color in the existing workforce system. At minimum this will require that the state:

- **Expand supports community colleges provide to young men of color** in basic education, workforce pathway programs, and other academic programs that serve as on-ramps to high demand labor market sectors that offer real career advancement.
- **Align and strengthen the workforce development programs** (e.g. career technical high schools, pre-apprenticeship, community colleges, and youth workforce programs) that can serve as pathways to careers in high demand sectors at the regional level.
- **Increase or redirect existing public investment to the workforce education and training programs that have been proven to work as pathways for young men of color to middle skills jobs in high growth sectors.** Middle skills jobs are career ladder oriented jobs that can be attained with relatively low educational attainment but that require post secondary training that is less than a bachelor's degree to advance to higher levels in their careers.
- **Increase the numbers of male high school students of color between the ages of 16-24 that are connected to career pathway programs that have adopted the program practices that yield higher numbers of graduates with high value postsecondary credentials and degree.** Postsecondary pathways are the integrated set of activities, interventions, and supports that lead youth to attain certificates, credentials, licenses, and degrees that have demonstrable value in the labor market. These programs include academically rigorous multiple pathway CTE high schools, community college workforce training programs like Career Advancement Academies, and labor/industry pre-apprenticeship programs. Navigating these career pathways can be challenging for local youth and adults. The state should encourage and incentivize the sponsors of these programs to better coordinate and manage the entry and progress of young men of color through these local and regional pathways.

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- **Expand the numbers of workforce training providers and systems that adopt best practices that have proven to improve outcomes for young men of color.** California is home to some the nation's best youth development oriented workforce bridge programs, including affiliates of national organizations like YouthBuild, Conservation and Americorps and a great number of locally grown efforts like Oakland's Green Job Corp; these program models and best practices should be promoted as standard program practices the state and local workforce investment funders require of programs that seek their funding.
- **Remove system barriers young men of color face as they move into the working world.** According to an analysis by researchers at the National Employment Law Project conducted in 2008, nearly one in three adults in the United States (31.7 percent) were estimated to have a criminal record on file with the states that will show up on a routine criminal background check. As is expected, when U.S. incarceration rates continue to increase, so do the number of people with a record of criminal history. And those with a criminal history are impacted by the more frequent use of background checks. Nationally, background checks are one of the foremost systemic barriers limiting people with criminal records from gainfully participating in the regular labor market. The severity of this is amplified by racial, ethnic, and gender disparities both in the criminal justice system and among workers with criminal records. Men of color, particularly African American men, have higher incarceration rates and, as people with criminal records, tend to have a harder time finding work and earning equal pay when compared to their white counterparts. Addressing these inequities requires innovative strategies at all levels of government.⁵³
- **Increase the number of public agencies that adopt targeted hiring policies and programs that specify goals for hiring of young men of color with multiple barriers to employment.** Large scale, publicly funded infrastructure projects and contracts for public services offer important leverage points for state and local government departments and agencies that are engaged in this new state effort that would not require any new expenditures; the state's implementation of healthcare access system is another such opportunity that could result in greater numbers of men working in the health sector.
- **Expand the numbers of effective community economic development programs and social enterprises that serve as first employers to BMOG that have historically faced barriers to employment.** Even as other private and public employers have resisted employing young men of color, community-led social enterprises have demonstrated remarkable success working with young men, particularly those with multiple barriers to employment (including low educational attainment and prior convictions).

⁵³ National Employment Law Project and Ella Baker Center for Human Rights, PolicyLink. "Expanding Opportunity: Employing the Formerly Incarcerated in the Green Economy, July 2010.

Policy & System Reforms that Can Make a Difference

As noted, succeeding in the goal of moving greater numbers of young men of color from unemployment, under employment or employment in low-wage occupations will require greater coordination and effectiveness of existing workforce education and training programs. No one state or local agency can unilaterally ensure success. The following recommendations represent steps that the legislature, governor, and the heads of our public education and workforce systems can take in the short run. In the long run, policy and system reforms to improve the effectiveness of the state's post-secondary system will have to be addressed—and the needs of boys and men of color will need to be at the center of such reforms.

To increase state and local investment in the career workforce pathway programs suggested in this issue brief:

- The Governor could use his 15 percent discretionary Workforce Investment Act funds and direct state workforce department heads to encourage local workforce boards to do the same.
- The legislature and the governor could mandate greater support for at risk 16-24 year olds in career technical education high school programs that lead to jobs in high growth and high wage sectors e.g. SB x1x, which Governor Brown recently signed to provide additional monies for Green focused CTE High Schools that work with this population.
- The Community College Chancellor could continue and expand support for Career Advancement Academies that serve this population.

To increase adoption of the best education and program practices from high school through the state's post-secondary system:

- The legislature, the governor, superintendent of schools, and the heads of the three higher education segments should explicitly commit the states' public education and workforce system to improving access and completion rates for boys and young men of color in state funded career pathway workforce education and training programs.
- These public commitments should be followed up with leadership to ensure boys and young men are accounted for in any existing system reforms to improve efficacy (for example, the Community College Student Success Task Force mandated by the legislature and governor). Meanwhile, the legislature and governor could mandate tracking and a commitment to improving success rates for young men of color in the states' implementation of all training that is funded by the Workforce Investment Act. This accountability step would encourage local Workforce Investment Boards to examine steps toward the goal.

To increase the use of local and targeted hiring:

- The legislature and governor could direct all state departments and agencies to improve the expansion of these economic opportunity policies when they are already mandated and/or encouraged by a number of major federal infrastructure programs (e.g., the Department of Transportation's Highway program funds or HUD's Section 3).
- Establish an economic opportunity policy that includes local and targeted hiring for all state funded infrastructure projects, like those that have been adopted by local community

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redevelopment agencies (Los Angeles), school districts (Oakland), and community colleges (Los Angeles).